



**MANGANA - TASMANIA
EL11/2011**

**ANNUAL PROGRESS REPORT
10th July 2011 – 9th July 2012**

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Note: All figures, grids, and contained data are according to the GDA/MGA94 grid system.

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ABSTRACT

The Mangana exploration tenement remains highly perspective for gold. Over the past 12 months no field work has been completed on the ground of this tenement, but work has continued here as part of the regional 'Prospectivity Review' being undertaken by Tamar Gold.

The next 12 months will see the continuation of this review with specific targets and work programs for this tenement as proposed in the tenement application.

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1. INTRODUCTION

This report is a summary of the exploration activities conducted on the Mangana exploration tenement EL11/2011, for the period of 10th July 2011 to 9th July 2012, which is year 1 of the licence. The area of the licence is 183sq km.

1.1 Location:

The tenement is centered over the township of Mangana in eastern Tasmania (Figure 1), approximately 65km east of Launceston. There is very good vehicle access to the tenement area via roads and all weather gravel tracks. The ground tenure is a mixture of private land and State Forest.

The licence area can be found on the Mathinna (5640) 1:25,000 scale, and the Forester (8415) 1:100,000 scale topographic map sheets.

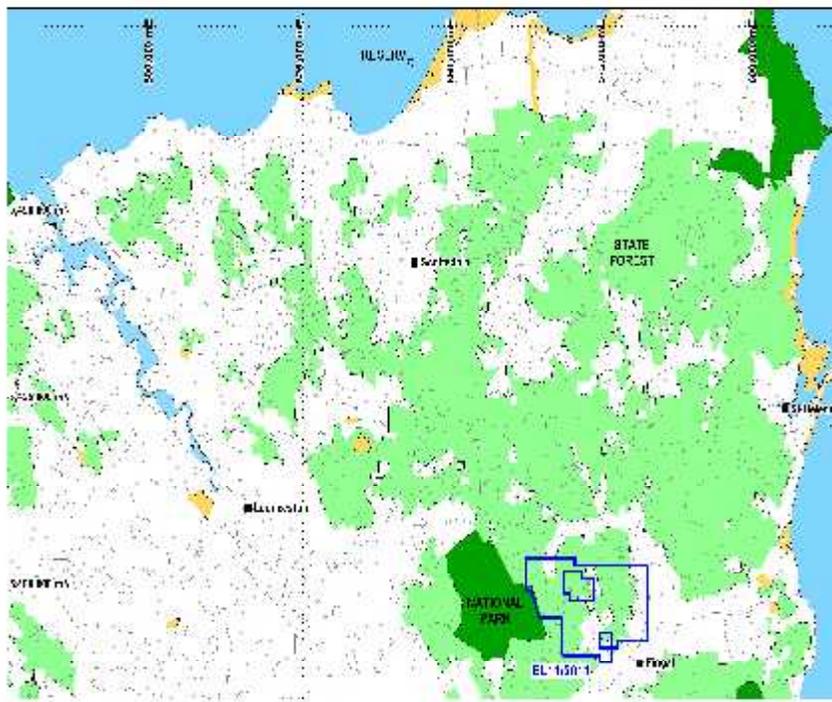


Figure 1. Mangana Exploration Licence (EL11/2011) is located in eastern Tasmania and proximal to the township of Mathinna.

1.2 Geology Overview

1.2.1 Stratigraphy

The tenement comprises sub- and outcropping Mathinna Supergroup siltstones, sandstones, subordinate shales and Devonian Granite. Revision of the internal stratigraphy of the Mathinna Supergroup as detailed in Seymour et al. (2011) and summarized in Table 1 below,

| Group | Formation | Member | Age | Brief description |
|--|-----------------------|----------------------|---------------------------------------|---|
| Panama Group | Sideling Sandstone | | Early Devonian (plant fossils) | Dominantly fine-grained sandstone, some interbedded siltstone |
| | Lone Star Siltstone | | Late Silurian (graptolites) | Dominantly thin-bedded siltstone with interbedded fine-grained sandstone increasing towards the top |
| | Retreat Formation | | Silurian? | Interbedded turbiditic medium to very fine-grained sandstone and subordinate siltstone-mudstone |
| | Yarrow Creek Mudstone | | Silurian? | Dominantly thin-bedded mudstone, with subordinate cross-laminated siltstone |
| Inferred faulted unconformable contact | | | | |
| Tippogoree Group | Turquoise Bluff Slate | | Early-Middle Ordovician (graptolites) | Phyllitic dark grey-black slate; recumbent folds and cleavage |
| | | Industry Road Member | Ordovician? | Interbedded phyllitic slate and foliated very fine-grained sandstone; ridge-forming recumbent folds and cleavage |
| | Stony Head Sandstone | | Ordovician? | Graded thick-bedded fine-grained turbiditic sandstone with minor interbedded pelite; large-scale recumbent folds and cleavage |

Table 1. Revised Stratigraphy of the Mathinna Supergroup

1.2.2 Mineralization

The Target mineralization styles in EL11/2011 are related to the known gold occurrences close to the intrusive contacts between Devonian granodiorite and contact metamorphosed Siluro-Devonian Mathinna Supergroup sandstones. The geology in the tenement area is considered prospective for fracture system hosted and disseminated gold in both the granodiorite and sandstones near the contact. There is sufficient encouragement in the results from the Prospectivity Review undertaken by Tamar Gold Ltd to support new programs to test these aims.

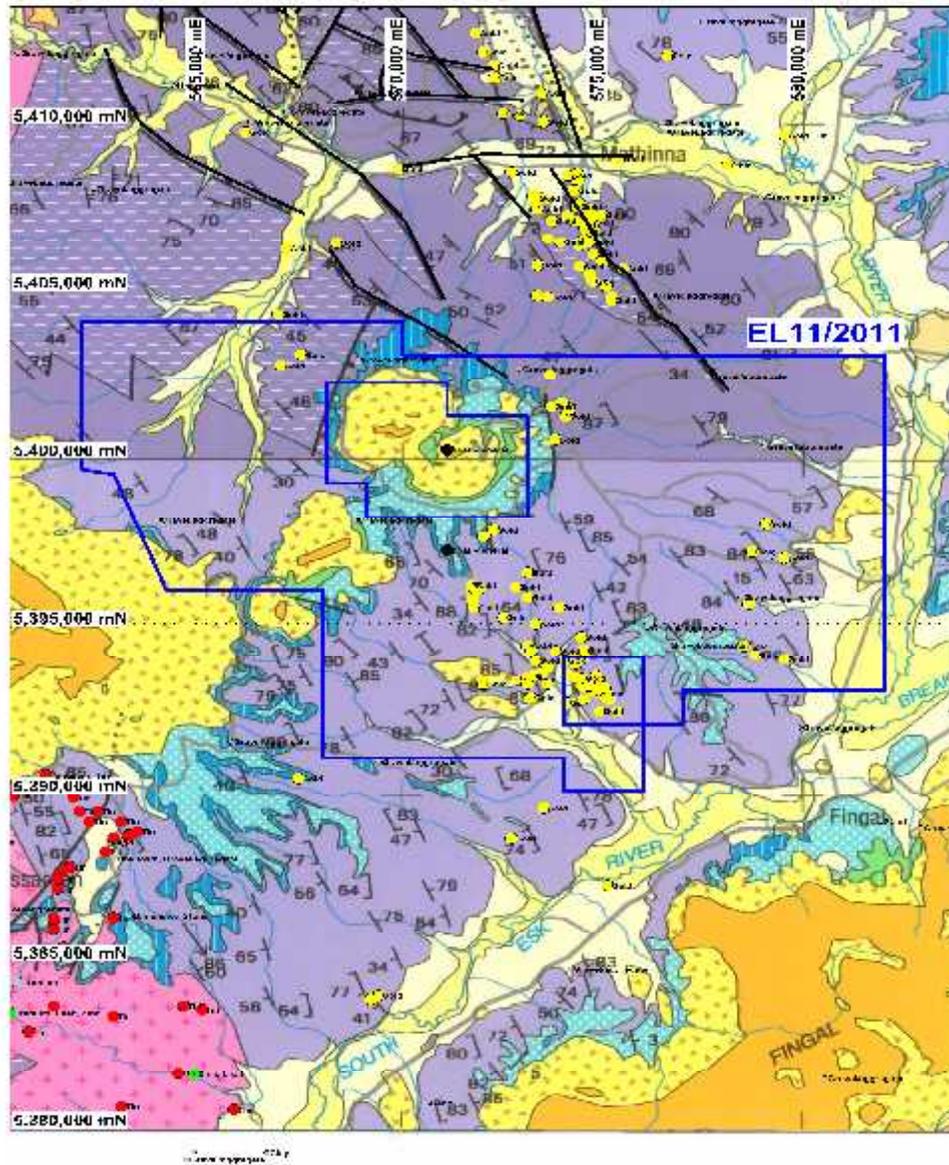


Figure 2. Geology of the Mangana area. Copied from the MRT Regional Geological Map

2. CURRENT WORK

Over the previous 12 months this tenement license area has been part of the regional prospectivity review by Tamar Gold. Results from this project will highlight specific areas of ground for priority geological exploration.

3. PROPOSED EXPLORATION

On the completion of the regional prospectivity review, specific areas will be targeted for further exploration.

5. ENVIRONMENT

The company has environmental policies in place, including compliance with the Mineral Exploration Code of Practice, which minimise the impact that exploration activities have on the environment. The policies include guidelines on how to reduce the risk of spreading plant diseases and weeds as a result of day-to-day exploration tasks.

6. EXPENDITURE

| 10 July 2011 – 9 th July 2012 | | |
|--|--------------------------------|-------------|
| Geoscientific Costs | Prospectivity Review | 2380 |
| | Geochemistry | |
| | Geophysics | |
| | Remote Sensing | |
| Drilling & Gridding Costs | Gridding | |
| | Drilling | |
| | Land Access Costs | |
| | Rehabilitation Costs | |
| | Feasibility Study Costs | |
| | Other Costs | 126 |
| | Admin Costs | 1293 |
| | Total - eligible | 3799 |

Table 1. Expenditure 10 July 2011 to 9th July 2012.