



**Paradox Creek
(East of Savage River)
Exploration Licence 24/2008**

Annual Report for the period 25/08/2011 to 25/08/2012

S Owen
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Venture Minerals Ltd
Freemasons Building
181 Roberts Road, Subiaco WA6008
PO Box 186, West Perth WA6872

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1 Summary

Exploration Licence 24/2008 located in western Tasmania is prospective for tin, tungsten and magnetite skarns within meta-sedimentary rocks adjacent to the Meredith Granite. Previous exploration by Venture Minerals, including 1436 m diamond core drilling, has successfully indicated the presence of W mineralisation in greisenised magnetite-olivine skarn adjacent to the Meredith Granite within EL24/2008. The identified mineralisation does not appear to come to surface.

A helicopter supported surface geochemical sampling programme is currently in progress to assist geological modelling of the area and drill targeting. The sampling is not expected to be finished until late August 2012. High resolution World View 2 satellite imagery was acquired and is currently being orthorectified. The imagery will be used in conjunction with geochemical, magnetic and LiDAR DTMs to refine geological interpretation and target assessment within EL24/2008.

2 Introduction

Exploration Licence 24/2008 covers c. 17 km² of the north western margin of the Meredith Granite and is prospective for skarn-hosted Sn, W and magnetite deposits within the adjacent meta-sedimentary rocks. The Meredith Granite is part of a suite of Devonian granites which is very important to tin-tungsten mineralization in Tasmania, and deposits associated with this suite include the world class Renison Bell tin mine (26 Mt at 1.46% Sn), Mount Bischoff (10.54 Mt at 1.1% Sn), Cleveland (12.4 Mt at 0.62% Sn, 0.25% Cu) and King Island (17 Mt at 0.85% WO₃). Cleveland and Mount Bischoff are situated around the northern margin of the Meredith Granite, and Renison Bell is associated with the smaller Pine Hill Granite c. 15 km to the southeast of the Meredith Granite.

3 Location and Access

Exploration Licence 24/2008 covering c. 17 km² is centred 4 km southeast of the Savage River magnetite mine in western Tasmania. Topography is that of a peneplain deeply incised by the Whyte and Heazlewood rivers and tributaries in the west, merging into the foothills of the Meredith Range to the east. The Whyte and Heazlewood rivers cut southwest across the western part of the licence. Fracture controlled trellis drainage, including Paradox Creek, is a conspicuous feature of the eastern part of EL24/2008 which is underlain by the Meredith Granite. Elevation within the licence ranges from 100 m above sea level in the Whyte River gorge to c. 750 m in the south eastern part of the licence peripheral to the Meredith Range. Average annual rainfall is c. 1900 mm and vegetation is dominated by temperate rainforest, with patches of dense sub-alpine scrub over granitic basement and in areas of regenerating forest.

Despite the location of the Savage River township within the far north western corner of the licence access to most of the licence is difficult and restricted to foot or helicopter. A

disused vehicle track branching off the Corinna Road 0.5 km south of Savage River township provides foot access to the junction of the Heazelwood and Whyte rivers. There are currently no passable tracks beyond the Heazelwood – Whyte junction and foot access is difficult because the rivers and streams in the area are deeply gorged and vegetation is generally dense and scrubby.

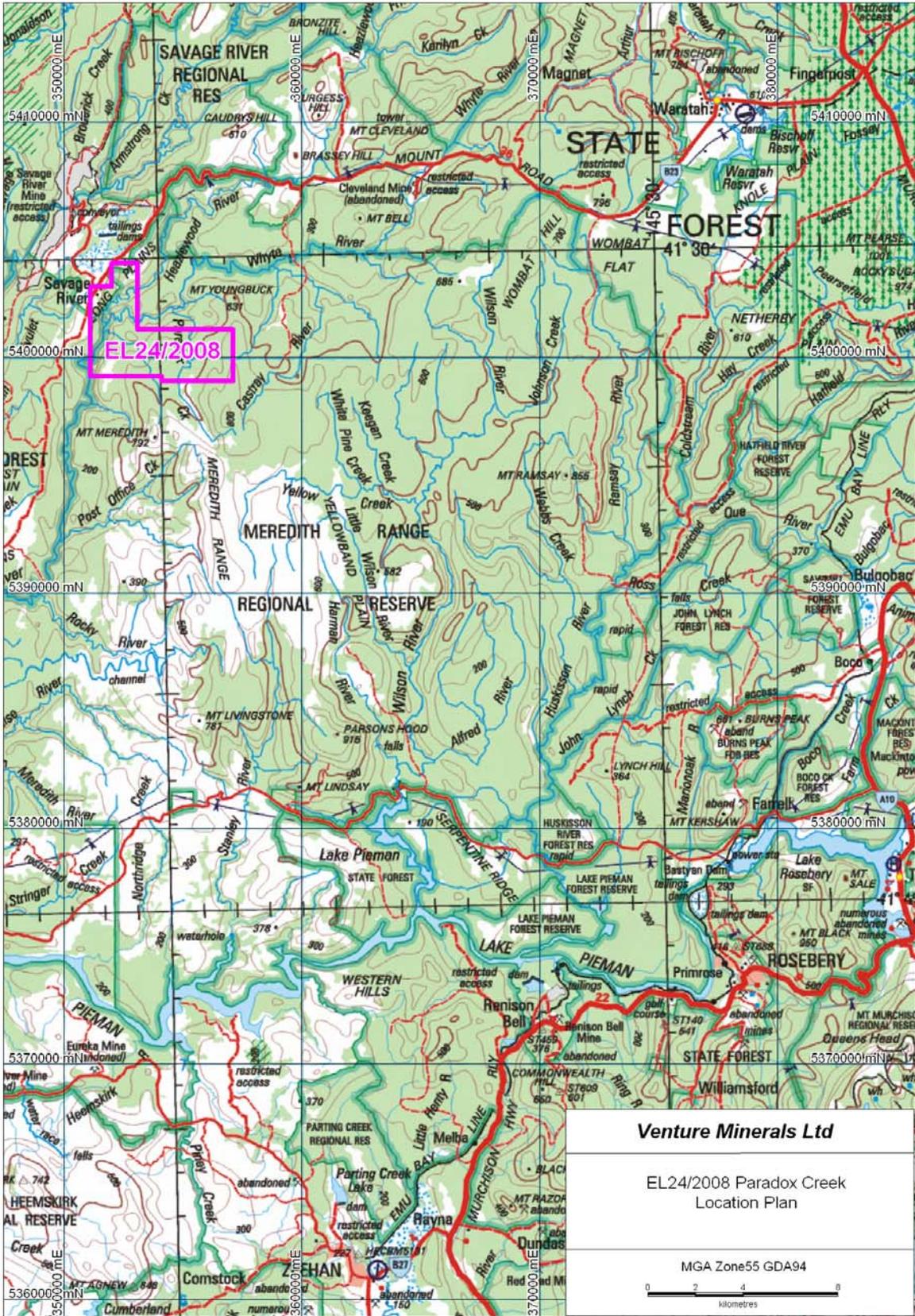


Figure 1: Location Plan

4 Exploration and Mining History

The western and northern peripheries of the area now covered by EL24/2008 received cursory examination by Australia and New Zealand Exploration Company (“ANZECO”) and Industrial and Mining Investigations (“IMI”) in the 1970s and 1980s. Both ANZECO and IMI collected stream sediment samples from the unnamed creek draining from the east into the Whyte River approx. 500 m downstream of the Whyte Heazlewood confluence. ANZECO obtained a heavy mineral sample from the mouth of the unnamed creek which returned 250 ppm W and 50 ppm Sn. This was not particularly anomalous amongst ANZECO’s samples from the Whyte – Castray rivers area. IMI took 5 samples from various locations up the same unnamed creek, returning a best result of 4 ppm Sn and 35 ppm Cu which are not considered anomalous. Tungsten for all 5 samples was below the 10 ppm detection limit.

Aberfoyle’s EL16/78 included Paradox Creek but they do not appear to have done any significant work within the current licence area. Aberfoyle’s work immediately to the north of EL24/2008 successfully identified the weakly Sn and W mineralised Mt Youngbuck skarn within what they describe as a “volcolithic” sedimentary sequence similar to the Crimson Creek Formation at Mt Lindsay and Renison Bell. Massive magnetite was observed at surface and two diamond core holes (MY-1 and MY-2) were drilled at Mt Youngbuck by Aberfoyle in 1982. A magnetite–amphibole skarn up to c. 36 m thick bearing minor scheelite was intersected, along with garnet skarn. Assays returned up to 2 m at 0.4% WO₃ from 50.5-52.5 m in MY-2. Aberfoyle abandoned the area in the mid 1980s and there does not appear to have been any significant exploration of the area now covered by EL24/2008 since then.

5 Regional Geology

From west to east EL24/2008 is underlain by Keith Schist or correlates, Oonah Formation (c. 1200 m thick), 500 m of meta-sedimentary rocks currently interpreted to belong to the Success Creek Group, a narrow wedge of the Crimson Creek Formation, and the Meredith Granite (Figure 2). Dolomite units within the Oonah and Success Creek groups and calcareous sandstones within the Crimson Creek Fm adjacent to the Meredith Granite are targets for skarn hosted Sn, W and magnetite mineralisation. Carbonate units have not been previously mapped in the area but Venture Minerals’ drill holes PX001 and PX002 indicate the presence of at least one carbonate unit adjacent to the Meredith contact within EL24/2008. Exposure is poor within the densely vegetated EL24/2008 (mainly dense regrowth after forest fires) but pyroxene micro-skarn and ferruginous seeps have been identified in two unnamed creeks traversing rocks currently assigned to the Success Creek Group and Crimson Creek Formation (Figure 2).

6 2011-2012 Anniversary Year Exploration Activities

Diamond core drilling, soil, rock and stream sediment sampling and geological mapping within EL24/2008 during 2011 successfully intersected prospective carbonate stratigraphy and W mineralisation (3.9 m at 0.13% WO_3 from 632.3 m in hole PX001) in greisenised magnetite-olivine skarn adjacent to the Meredith Granite. Review of previous exploration data suggests the area around and north of PX001 is the most prospective. A helicopter supported infill soil sampling programme (c. 100 samples) is currently in progress to assist geological interpretation via geochemical discrimination of lithological units to aid targeting of further drill holes. Collection of the infill soil samples has been slow because of thick regrowth and the work is not expected to be finished until late August. Samples collected to June are listed in Appendix A.

High resolution World View 2 satellite imagery was obtained (data collected January 2012) and is currently being orthorectified. The imagery will be used in conjunction with geochemical, magnetic and a LiDAR DTM to refine geological interpretation and target assessment within EL24/2008.

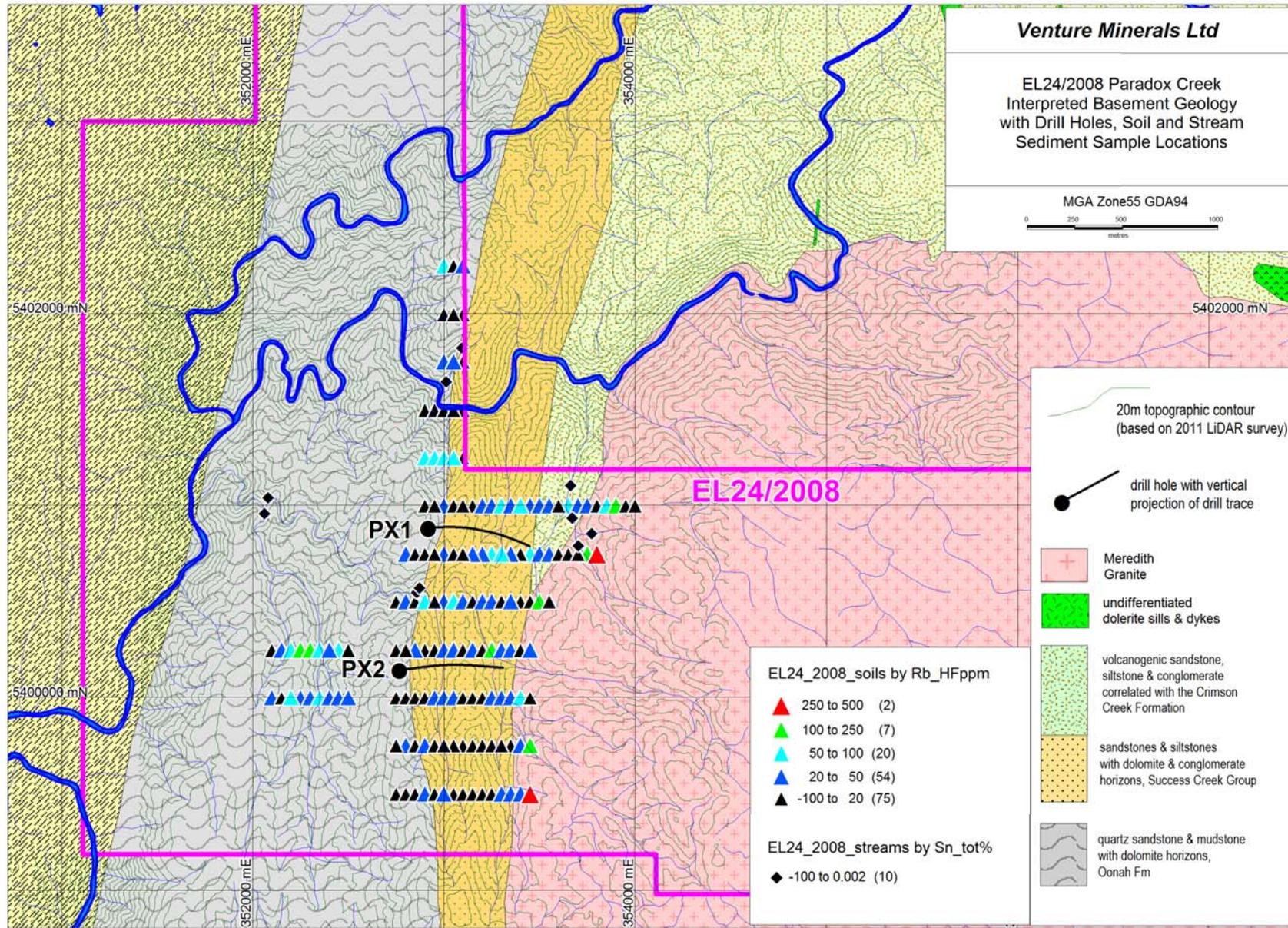


Figure 2. Geological, stream sediment and soil sample locations and drill collars on interpreted geology

7 Conclusions and Recommendations

Previous exploration, including 1436 m diamond core drilling, by Venture Minerals has successfully indicated the presence of W mineralisation in greisenised magnetite-olivine skarn adjacent to the Meredith Granite within EL24/2008. The identified mineralisation does not appear to come to surface and a helicopter supported surface geochemical sampling programme is currently in progress to assist geological modelling of the area to assist future drill targeting. Collection of the infill soil samples has been slow because of thick regrowth and the work is not expected to be finished until late August. It is expected that the assays will be received and data reviewed in time for a summer 2012-2013 field programme.

8 Bibliography

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Appendix A

Stream Sediment Sample Locations (sampling incomplete, to be assayed)

EL24/2008 Appendix A: Soil Sample Locations

H0002	Version	3								
H0003	Date_generated	19/07/2012								
H0004	Reporting_period_end_date	25/08/2012								
H0005	State	TAS								
H0100	Tenement	EL24/2008								
H0101	Tenement_holder	Venture Minerals Ltd								
H0102	Project_name	Mt Meredith								
H0106	Tenement_operator	Venture Minerals Ltd								
H0150	25K_map_sheet	SK5503 Burnie								
H0151	100K_map_sheet	7914 Pieman								
H0152	50K_map_sheet	na								
H0153	25K_map_sheet	3438 Livingstone, 3439 Meredith								
H0200	Start_date_of_data_acquisition	25/08/2011								
H0201	End_date_of_data_acquisition	19/07/2012								
H0202	Data_format	SG3								
H0203	Number_of_data_records	16								
H0204	Date_of_metadata_update	19/07/2012								
H0500	Feature_Located	Sample Point								
H0501	Geodetic_datum	GDA94								
H0502	Vertical_datum	not applicable								
H0503	Projection	MGA								
H0531	Projection_zone	55								
H0532	Surveying_instrument	see data								
H0533	Surveying_Company	Venture Minerals Ltd								
H0600	Sample_code	SOIL								
H0601	Sample_type	hand augered -3mm soil								
H0602	Sample_description	see data								
H1000	Sample	E_MGA55	N_MGA55	Surv_accuracy	Flora		Depth_cm	Horizon	Colour	Description
H1001		metres	metres	metres						
D	PXS253	352150	5399750	14	Horizontal		35	B	lgy	silty gravelly soil
D	PXS254	352200	5399750	6	Bauera/Eucalypt		25	B	bn-gy	silty gravelly soil
D	PXS255	352250	5399750	12	leatherwood, horizontal, laurel		30	B	lgy	silty
D	PXS256	352300	5399750	46	Horizontal		30	B	lbn	silty cy
D	PXS257	352350	5399750	11	Horizontal, menthol, laurel		40	B	dbn	gravely organic silt
D	PXS258	352400	5399750	12	Horizontal		25	B/C	lgy	gravely silty cy
D	PXS259	352450	5399750	7	Horizontal		50	B	lgy-wt	gravely cy
D	PXS260	352502	5399750	13	Horizontal, Laurel		25	B/C	gy	gravely silt
D	PXS261	352150	5399500	5	Bauera, Tea tree		30	B	gy-bn	silty gravelly soil
D	PXS262	352200	5399500	6	Bauera, Tea tree		20	B/C	dgy	silty gravelly soil
D	PXS263	352250	5399500	10	Horizontal, Laurel		30	A/B	lbn	organic sandy soil
D	PXS264	352300	5399500	20	Horizontal, Sassafras		20	A	dbn	silty organic soil
D	PXS265	352350	5399500	5	CG, Horizontal		50	A	dbn	organic silty soil
D	PXS266	352400	5399500	12	Horizontal		20	B	bn	gravely silt
D	PXS270	352450	5399500	5	Horizontal, celery pine		20	A/B	dbn	gravely organic soil
D	PXS271	3525500	5399500	12	Horizontal, Eucalypt		20	B	gy-bn	gravely silt
EOF										