

**Torque Mining Ltd
Partial Relinquishment Report
Exploration Licence
EL 29/2009 – “Cethana”
September 2012**

**Grant MacDonald - B.Sc. (Hons)
Torque Mining Ltd
134 Beveridges Lane,
Hagley, Tasmania**

Table of Contents

	<u>Page No.</u>
1.0 Summary	1
2.0 Introduction	2
2.1 Location and Access	2
2.2 Tenure	3
2.3 Land Status and Usage	3
3.0 Geology	4
4.0 Exploration Philosophy	5
5.0 Previous Exploration	6
6.0 Work Done September 2011 to September 2012	7
7.0 Conclusions and Recommendations	11
8.0 Environmental Impact and Rehabilitation	12
9.0 Expenditure	13
10.0 References	14

Figures

Figure 1.1: Relinquished and retained parts of EL 29/2009 Cethana licence showing topography, drainage and access. Map datum is AGD66 zone 55.	2
Figure 6.1: Aeromagnetic image, total magnetic intensity, WTRMP 2001 data.	8
Figure 6.2: Aeromagnetic image, 1 st vertical derivative total magnetic intensity, WTRMP 2001 data.	9
Figure 6.3: Aeromagnetic image, 2 nd vertical derivative total magnetic intensity, WTRMP 2001 data.	10

1.0 Summary

No work has been done on the relatively low prospectivity rocks in the relinquished area apart from generating enhanced images from the existing WTRMP 2001 aeromagnetics data.

2.0 Introduction

2.1 Location and access

The relinquished portion of EL 29/2009 "Cethana" lies in Tasmania's central north and is accessed by a number of bitumen roads.

Access within the relinquished part is difficult as the area is very mountainous.

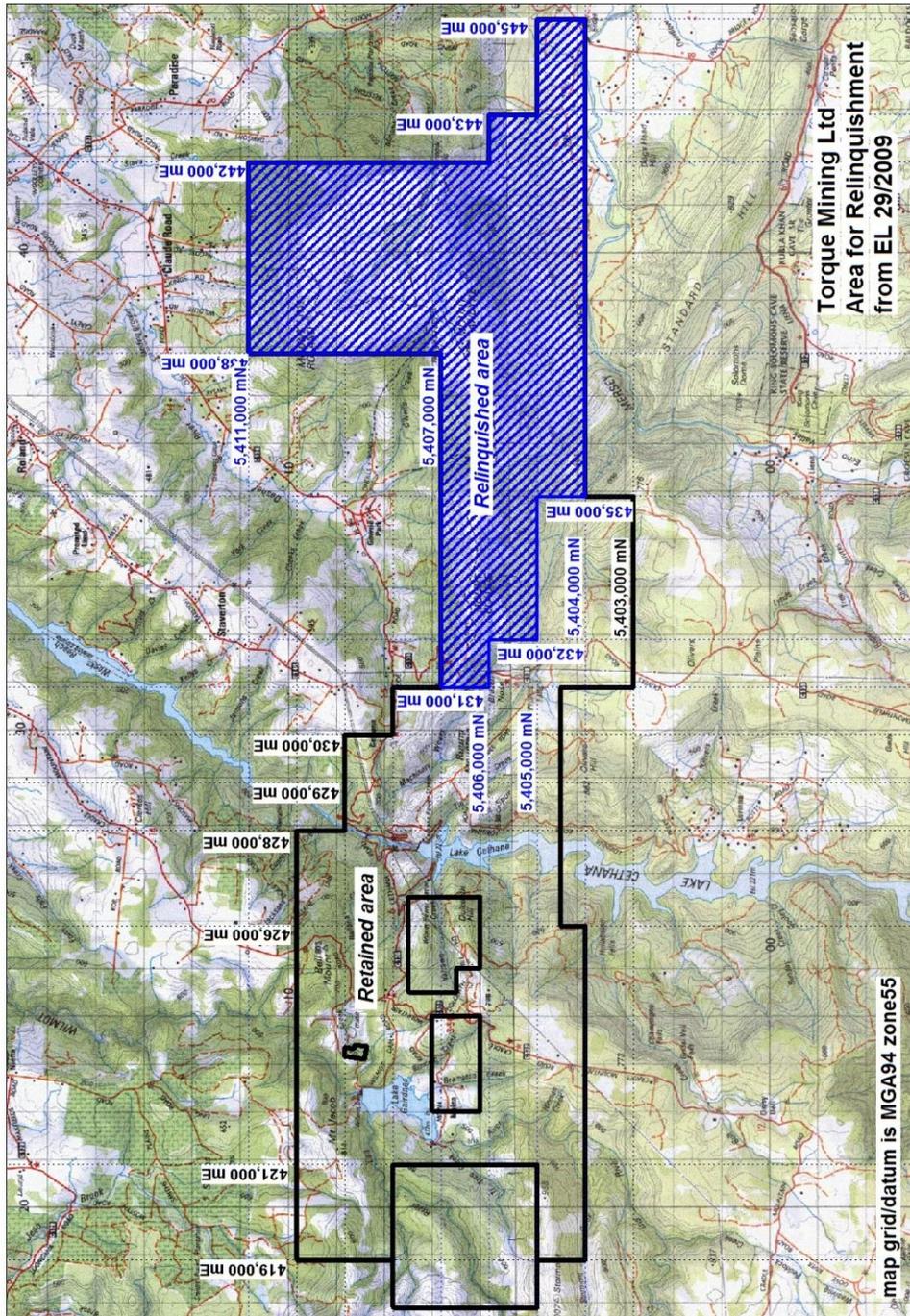


Figure 1.1: Relinquished and retained parts of EL 29/2009 Cethana licence showing topography, drainage and access. Map datum is AGD66 zone 55.

2.2 Tenure

EL 29/2009 was originally granted to Frontier Resources Ltd. on 13th September 2009. In early 2012 the licence was transferred to Torque Mining Ltd, a spin-off from Frontier.

2.3 Land status and usage

The relinquished area is Mt Roland and the Fossey Mountains. It is broadly coincident with the Mt Roland Regional Reserve and has no use other than bushwalking.

3.0 Geology

The relinquished area is dominantly Ordovician Roland Conglomerate with lesser Moina Sandstone on the peaks and higher parts with scree on the lower slopes.

4.0 Exploration Philosophy

Torque Mining Ltd is aware of the polymetallic potential of the Moina area, largely a product of the highly fertile Dolcoath Granite, and is exploring for any and all commodities.

Torque owns and operates its own diamond drill rigs including the Poltock custom-built truly man-portable rig capable of drilling NQ sized core to +50m depth.

Torque also owns a desktop XRF analyser which has the capacity to analyse for a wide range of elements including many not listed above e.g. Te, Tl, Sb, As, Rb, Sr, P, Cl, K, Ca, Ti, V, Cr, Co, Mn, Ni, Cd, Se, Ba, Hg, Th, U, Al, Ta and Sc. All samples are analysed for all elements listed on this page.

Torque holds two small but Indicated Status resources in the district, one being the Narrawa (Higgs) Au+Zn+Pb+Ag resource centred on the old Higgs workings, the other being the Stormont Au+Bi resource on EL 42/2010. Torque is aiming to add to this resource base by finding more similar sized deposits. Torque is also aware of the potential in the district for much larger deposits of which the world class Shepard and Murphy Fluorine deposit (on adjacent RL 10/88 belonging to TNT Mines Ltd.) is an example.

5.0 Previous Exploration

Apart from regional airborne surveys and perhaps some regional stream sediment surveys which sampled streams ultimately draining the relinquished area, it is believed that there has been no active fieldwork exploration in the relinquished area.

6.0 Work Done September 2011 to September 2012

EL 29/2009 is part of Frontier's Moina Project (also including EL 42/2010 "River Lea" and RL 3/2005 "Narrawa"). The Moina Project was a major focus of Frontier's exploration activity during this period, however, apart from obtaining geophysical data no fieldwork was carried out in the relinquished area.

Phil Muir of Southern Mineral Exploration Geophysics obtained free aeromagnetic from the WTRMP 2001 aeromagnetics survey (and other higher resolution data which only extended over the retained part of the licence) and generated compiled images of Total Magnetic Intensity, 1st Vertical Derivative and 2nd Vertical Derivative. These images are reproduced below.

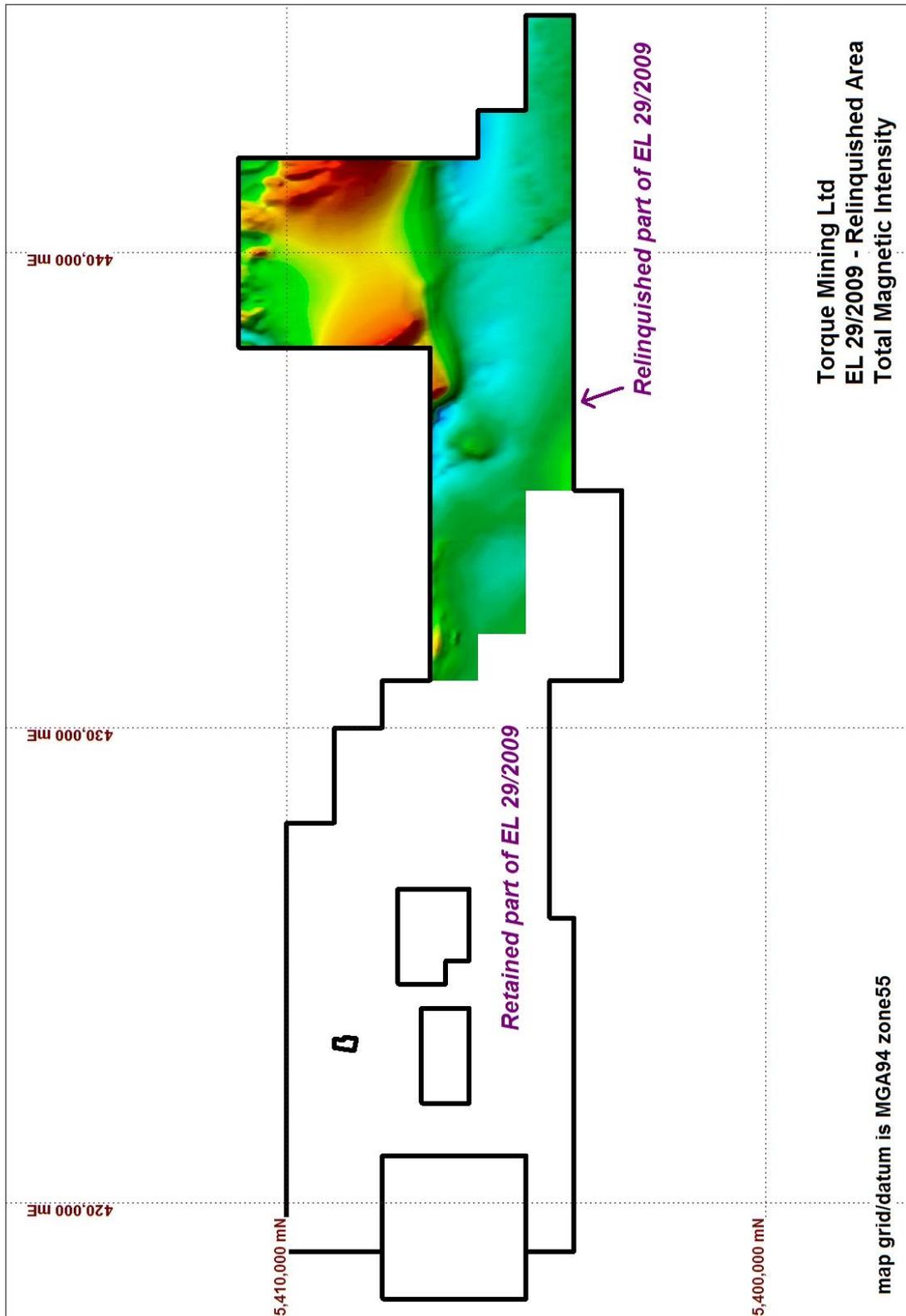


Figure 6.1: Aeromagnetic image, total magnetic intensity, WTRMP 2001 data.

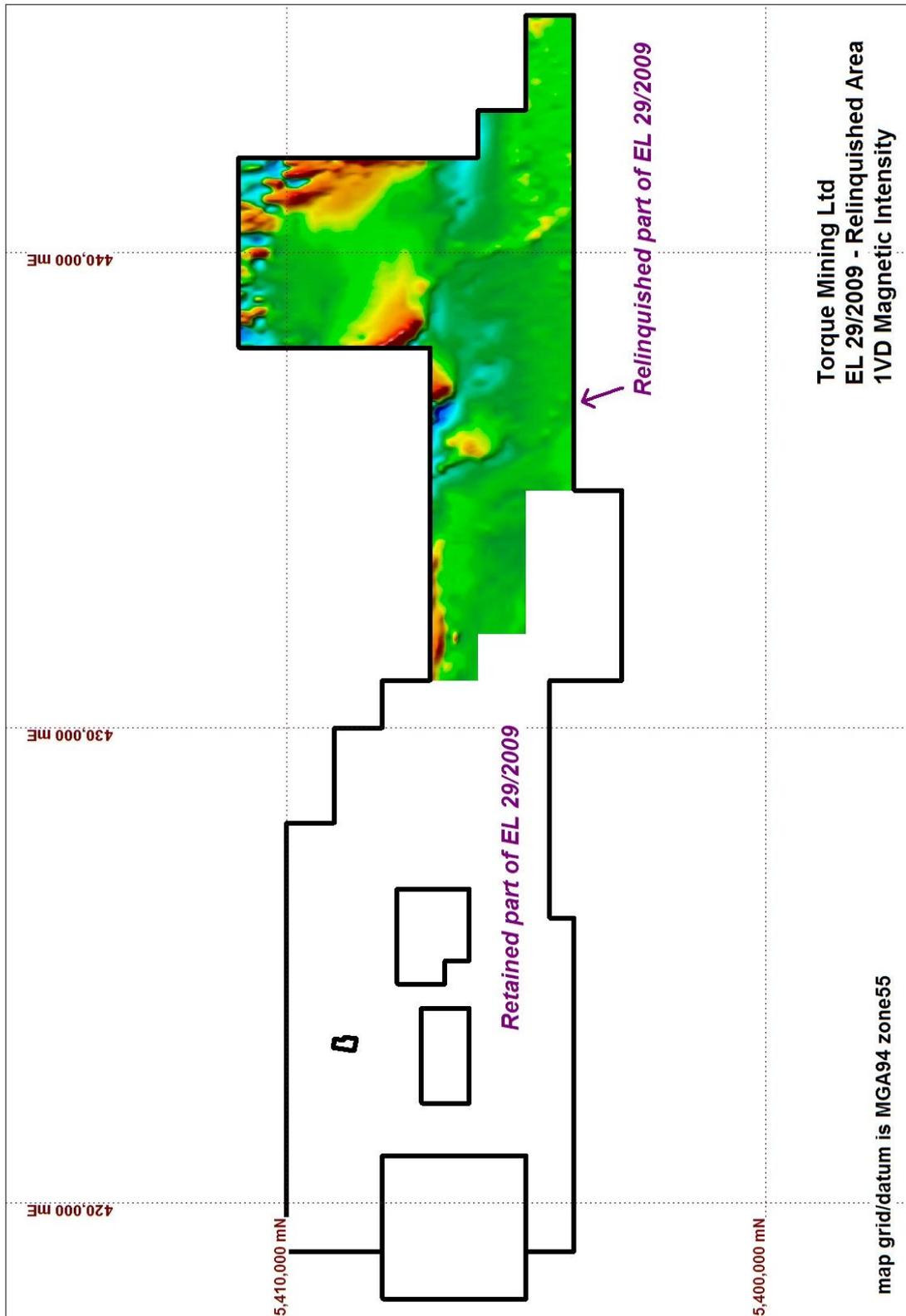


Figure 6.2: Aeromagnetic image, 1st vertical derivative total magnetic intensity, WTRMP 2001 data.

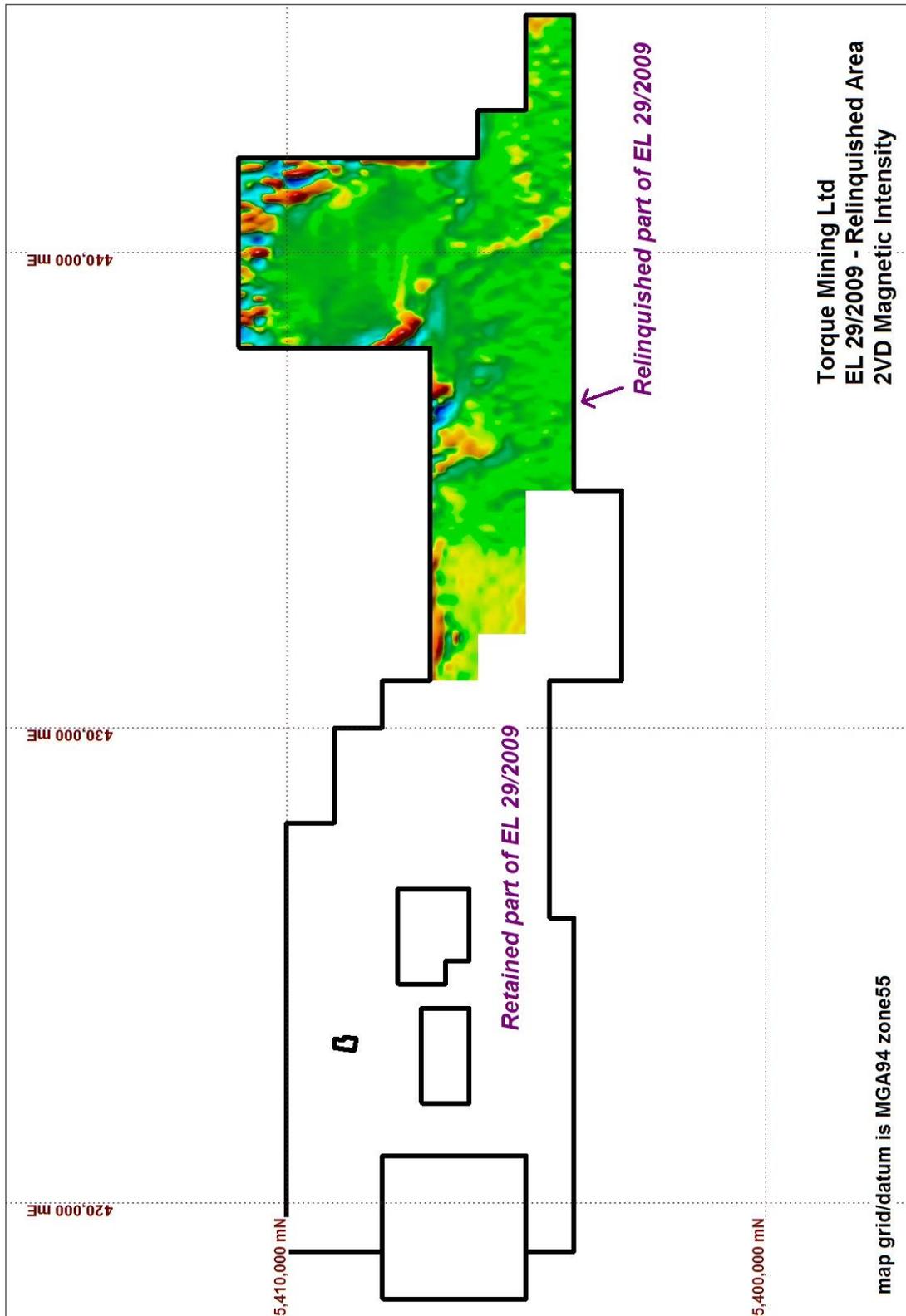


Figure 6.3: Aeromagnetic image, 2nd vertical derivative total magnetic intensity, WTRMP 2001 data.

7.0 Conclusions and Recommendations

The relinquished part of EL 29/2009 has low prospectivity and corresponds with the Mt Roland Regional Reserve. It is recommended that this portion be relinquished.

8.0 Environmental Impact and Rehabilitation

There has been no field work done in the relinquished portion.

9.0 Expenditure

Geophysics-magnetics data processing \$500

10.0 References

WTRMP 2001 aeromagnetic survey (Area B) flown by Kevron Geophysics Pty. Ltd. for the Tasmanian Geological Survey in Jan/Feb 2001