Stannum Resources Pty Ltd

Glovers Bluff Project, Tasmania

EL19/2011

ANNUAL TECHNICAL REPORT

FOR

THE PERIOD

22 November 2011 to 23 November 2012

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Report Date:	*20 October 2012*

Distribution:	*Stannum Resources Pty Ltd*
	Mineral Resources Tasmania

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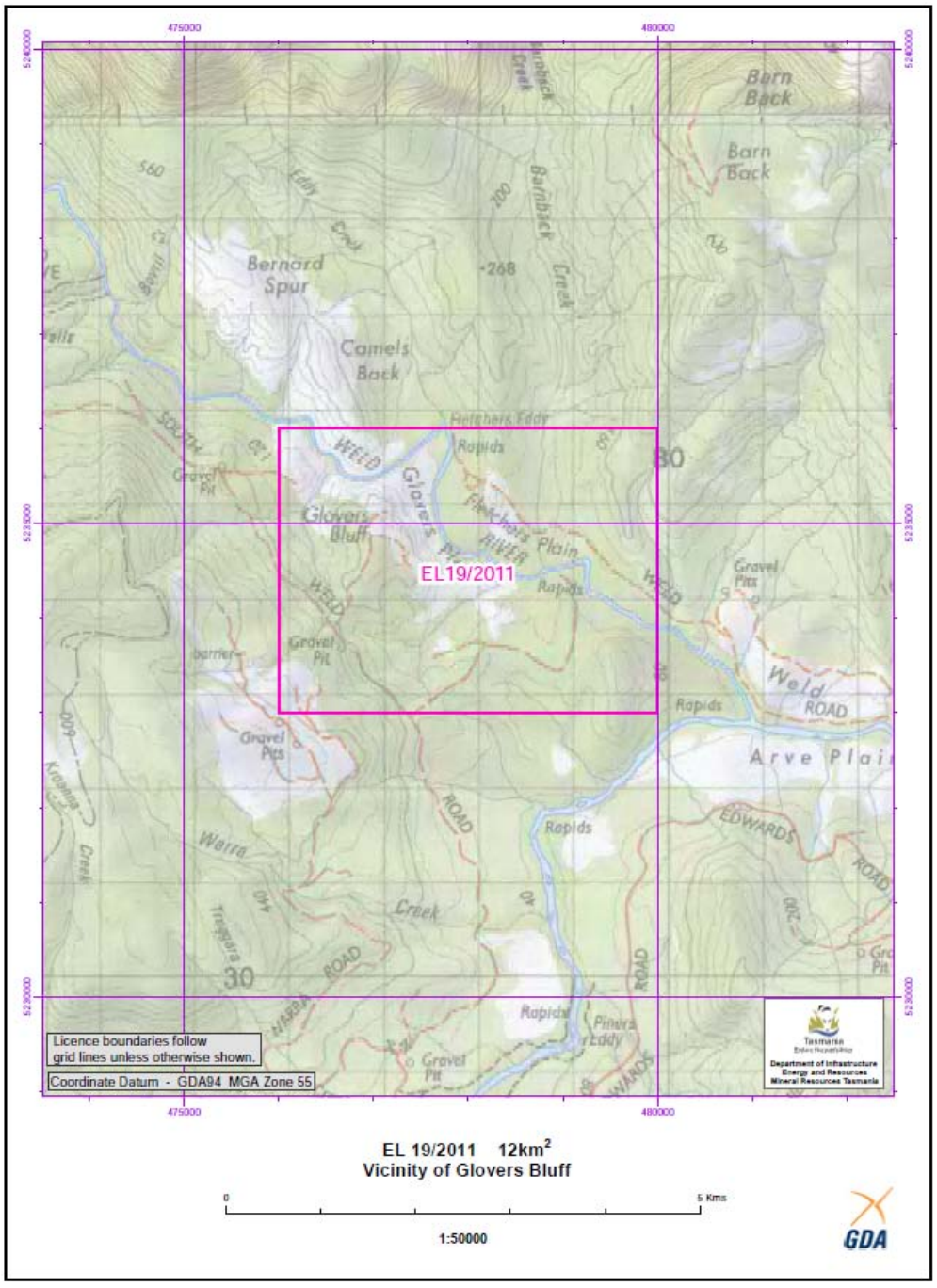
Abstract:

The Glovers Bluff Project was targeted on the basis of a substantial level of historical exploration activities which identified a metallogenic zone strongly anomalous in terms of gold, nickel and zinc mineralisation. Multiple mineralisation models have been identified and parallels have been drawn to major +1 million ounce projects within the Battle Mountain – Eureka Trend in Nevada with particular reference to the structural setting, host lithologies and styles of alteration and mineralisation.



1. Location, Access and Tenure:

The Glovers Bluff Project is located in southern Tasmania, approximately 50km to the west of Hobart and 22km northwest of Geeveston (Figure 1: Location Plan).

Stannum Resources Pty Ltd (Stannum) holds a 100% interest in exploration licence EL19/2011 with a land area totalling 12km^2.

The land is currently utilised for forestry and is managed by Forestry Tasmania. Extensive logging tracks provide access to the majority of the project area.

The project area is characterised by undulating to rugged relief, with the Weld River transecting the licence area from the east to west. Vegetation within the project is low altitude, high rainfall types ranging from button grass moor to Eucalyptus and wet forests. Localised patches of dense rain forest and scrub understories occur, particularly to the south of the Weld River.

Figure 1: Regional Location Plan- Glovers Bluff

2. Regional Geology:

a. Lithologies:

The Glovers Bluff project is located in a Precambrian to Palaeozoic age inlier surrounded by Permian cover sequence sediments. The Precambrian lithologies comprise a conglomerate-orthoquartzite-dolomite sequence juxtaposd by Palaeozoic mafic to ultramafic intrusives, volcanics and volcanogenic sediments. These are covered by flat lying Permian age shale and siltstones.

Jurassic aged dolerite sills comprise local igneous intrusives. Regional intrusives include an inferred Devonian age granitoid to the southwest of the project area, and two Cretaceous acid/intermediate bodies; the Cygnet Alkaline Complex to the southeast.

b. Regional Structure:

The project is located within a complicated structural setting at the junction of the prominent MacQuarie-Huon Fault Zone (~30km wide and 230km long) and a north trending fault zone which has been described by previous workers as the Forster Corridor.

c. Local Structural Setting:

Within the project area local scale structures are aligned north-south, north-east and north-west. The dominant structural fabric is north-south orientation as observed along the forster Corridor and represented by faults identified from mapping, magnetic lineations and dolerite dykes.

A strong probably complementary grain, trends northeast and is represented by mapped faults, magnetic linears and mobile ion geochemical trends. The north-south and northeast orientations are supported by interpretation on consecutive historical drill sections.

Gold mineralisation at Forster is interpreted to occur along both north south and northeast trending faults.

Faults aligned northwest appear late, although some evidence suggests they played a role in the epithermal veining.

3. Mineralisation Models:

Historical drilling of the Glovers Bluff project outlined a zone of pervasive low grade gold mineralisation with anomalous intercepts of zinc and nickel mineralisation. The Glovers Bluff project has a number of potential mineralisation styles including:

- Structurally hosted gold mineralisation
- Sediment hosted replacement of Precambrian age dolomitic sediments (Au)
- Sediment hosted replacement of Permian age calcareous sediments (Au)
- Skarn hosted in oxidised gold skarns; garnet-magnetite zone (Au & Cu)
- Skarn hosted in reduced gold skarns; pyroxene zone (Au & As)
- Epithermal/mesothermal vein hosted peripheral to or overprinting any of the other styles (Au)
- Platinum group element concentration in cumulative layers of stratiform complexes
- Epithermal vein mineralisation

4. Historical Exploration Activities:

~1930:

Reward leases for both nickel and osmiridium were granted during the osmiridium boom of the 1930's. Nickel was extracted from a shaft and platinum group elements may have been extracted from eluvial or alluvial sources within the reward lease area.

Sedimentary Holdings Limited (1985):

Grab and rock chip sampling was conducted with up to 0.36 g/t Au recorded from a talcose schist exposed on the south bank of the Weld River.

Sedimentary Holdings Limited (1988):

228 wacker holes were drilled at 25m intervals along the grid lines. Samples were logged and only those considered to be in bedrock were submitted for assays. Depth to bedrock is variable with a maximum cover of 21.4m. Maximum values returned from wacker drilling include 1.05% Cr, 0.36% Ni, 36ppb Pt, 54ppb Ir and 34ppb Os

Pegasus Gold Australia Limited (1989-90):

A total of 15 RC drillholes for 589m were completed. Significant intercepts are tabulated below:

- BC-1: 13m @ 0.2g/t Au
- BC-2: 7m @ 0.42g/t Au
- BC-5: 10m @ 0.34g/t Au and 10m @ 0.21g/t Au
- BC-7: 19m @ 0.84g/t Au
- BC-8: 5m @ 0.2 g/t Au
- BC-11: 3m @ 0.2g/t Au
- BC-12: 11m @ 0.22g/t Au
- BC-13: 5m @ 0.2g/t Au
- BC-14: 3m @ 0.2 g/t Au
- BC-15: 2.5m @ 0.74g/t Au

Sedimentary Holdings Limited (1995-6):

Channel sampling was conducted across the project area with significant results including:

- 15m @ 0.28g/t Au in talcose serpentinite
- 33m@ 0.67% Cr inc 2m @ 1.86% Cr & 0.17% Ni in an ultramafic and intercalated ultramafic conglomerate

A total of 98 rock chip samples were taken, elevated gold values were obtained in blue/white clay 0.18-1.81g/t Au from the silica clay zone, from variably iron stained silica 0.1-1.64g/t Au and from a chloritic and silicified mafic volcanic 0.35g/t Au.

Two drilling programs totalling 23 holes for 1,696 m were completed across the project area.

Significant results include:

- WRC2: 7m @ 0.6g/t Au
- WRC7: 18m @ 2.01g/t Au
    - Including 11m @ 3.08g/t Au
- FRC10: 24m @ 0.74g/t Au
    - Including 7m @ 1.14g/t Au
- FRC11: 40m @ 0.45g/t Au
    - Including 6m @ 1.62g/t Au
- FRC12: 5m @ 0.61g/t Au
- FRC13: 2m @ 1.7g/t Au
- FRC18: 2m @ 0.89 g/t Au

Sedimentary Holdings Limited (1997):

Mobile metal ion geochemistry was utilised to locate zones of elevated Au, Ni and base metals. These targets were followed up by a 37 RC drill hole program.

Sedimentary Holdings Limited (1998):

Exploration activities focussed on the interpretation of previous historical results and included in house resource estimation. Two honours thesis were completed across the project areas and mineralisation models were refined for the district.

Sedimentary Holdings Limited (1999):

Limited rock chip sampling was conducted and multi element analysis was utilised on existing mineralised samples to allow for the recognition of geochemical characteristics of the different paragenetic trends.

Sedimentary Holdings Limited (2000-2001):

Exploration activities were limited to desktop based reviews and sourcing of potential joint venture partners.

5. Work Conducted During Reporting Period

During the reporting period Stannum Resources compiled all available open file geological reports and imported the exploration data into a validated database. All other spatial data was digitised and imported into a GIS database.

The data compilation has formed the basis of an exploration targeting campaign to be initiated within the next reporting period involving detailed MMI Geochemical sampling over the interpreted mineralised zone. MMI geochemistry aims to identify primary mineralisation and gain an appropriate understanding of the controls and extents of mineralisation. The mineralising system is polymetallic in nature and consists of up to eight potential mineralisation styles.

An Independent Geologists Report was also written within the reporting period for the purpose of forming part of a listing document for an Initial Purchase Offering (IPO) on the Australian Securities Exchange (ASX). Due to the current market conditions at present the company has not proceeded further with its listing.

6. Conclusions

The Glovers Bluff Project represents a substantial polymetallic mineralising system that has undergone a reasonable level of historical exploration and warrants further investigation. The quality of the historical exploration has allowed Stannum to rapidly identify targets to be tested and refined within the 2012-13 reporting period. Further ground based exploration activities will be conducted to identify the controls and extents of the mineralisation prior to drill testing.