Torque Mining Ltd
Annual Report on Exploration
EL 42/2010 – "River Lea"
April 2012 to April 2013

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1.0 Summary

EL 42/2010 and particularly the Stormont Au+Bi deposit was a focus of activity for Torque Mining Ltd. in the 2012/2013 year.

A JV was signed with BCD Resources to develop the Stormont resource and mill it at BCD Resources Beaconsfield mill. The JV is 50% BCD Resources, 45% Torque Mining Ltd. and 5% Frontier Resources Ltd.

A Notice of Intent was submitted to the Environmental Protection Authority and the Kentish Council, an ML was pegged as 1M/2013 and a first and second draft of a DP&EMP submitted to EPA.

Three vertical holes for a total 91.95m were drilled into magnetic high at Western Syncline prospect. All intersected the potential ore zone at surface to a depth of up to 6.6m. Only SFD56 assayed to date with best Au 1.5m @ 0.13g/t and best Bi 1.4m @ 0.07%.

2.0 Introduction

2.1 Location and Access

EL 42/1010 "River Lea" lies immediately west of Lake Gairdner on the margin between Tasmania's central north and west coast. It is one of three contiguous tenements which constitute Frontier Resources Ltd's Moina Project, centred on the Dolcoath Granite.

The licence is accessed by bitumen road to the Moina township turn-off on the Cradle Mountain Link Road, about 3 km's from the licence's eastern boundary, thence by a gravel road. The last section beyond the boom gate near the Iris River bridge is a logging road owned by Forestry Tasmania. This road provides the only practicable access within the licence though over grown logging roads north of the River Lea may be accessible when the River Lea is crossable (dry times, temporary bridge).

Figure 2.1: EL 42/2010 River Lea and Moina Project location, northern Tasmania.

2.2 Tenure

The licence was granted to Frontier Resources Ltd. on 3rd April 2011 as a result of a successful tender under the ETA system (after the inadvertent relinquishment of Frontier's previous licence RL 4/2005). On 4th May 2012 the licence was transferred to Torque Mining Ltd, a private company owned in part by Frontier Resources Ltd, in part by people connected with Frontier Resources Ltd.

2.3 Land Status, Usage, Topography and Vegetation

95% of the licence area is classified as State Forest or Crown Land. The remaining 5% is private land on the eastern margin of the licence around Ti Tree Creek where it is maintained as bush. The only use the area has been put to is forestry.

Topographically the licence lies amongst the foothills of the Black Bluff Range and Stormont at elevations between 500m and 900m above sea level.

The licence is diagonally bisected by the northeast flowing River Lea with the southern part of the licence being the northern slopes of Mt. Stormont, the northern side of the river a plateau in the foothills to the Black Bluff Range to the west.

The Stormont deposit lies at the westernmost edge of a Forestry Tasmania (+/- Gunns Ltd JV) plantation which extends along the ridge between the River Lea and Ti Tree Creek to the south. The area north of the river has seen logging in the past but is now just regrowth.

Apart from the plantation areas most of the vegetation type is either wet Sclerophyll, "low dense vegetation" i.e. bauera/ti tree, or heath.

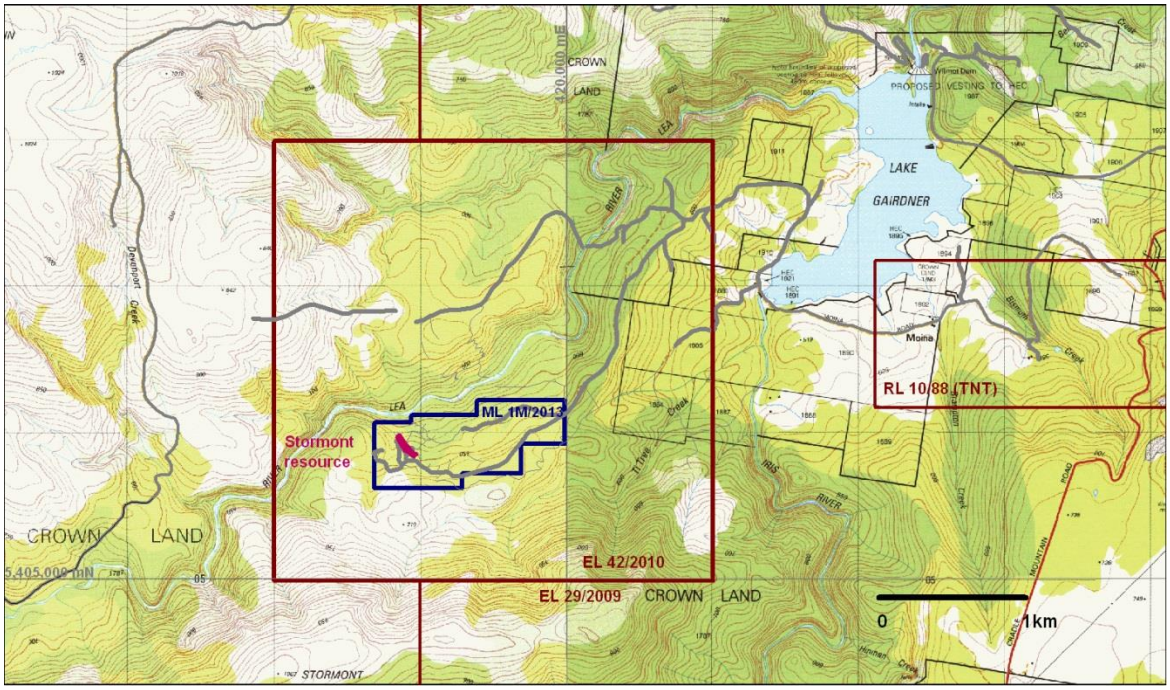

Figure 2.2a: EL 42/2010 "River Lea" showing topography, tracks and prospects – base is 1:25,000 Tasmap (Lea and Cethana sheets).

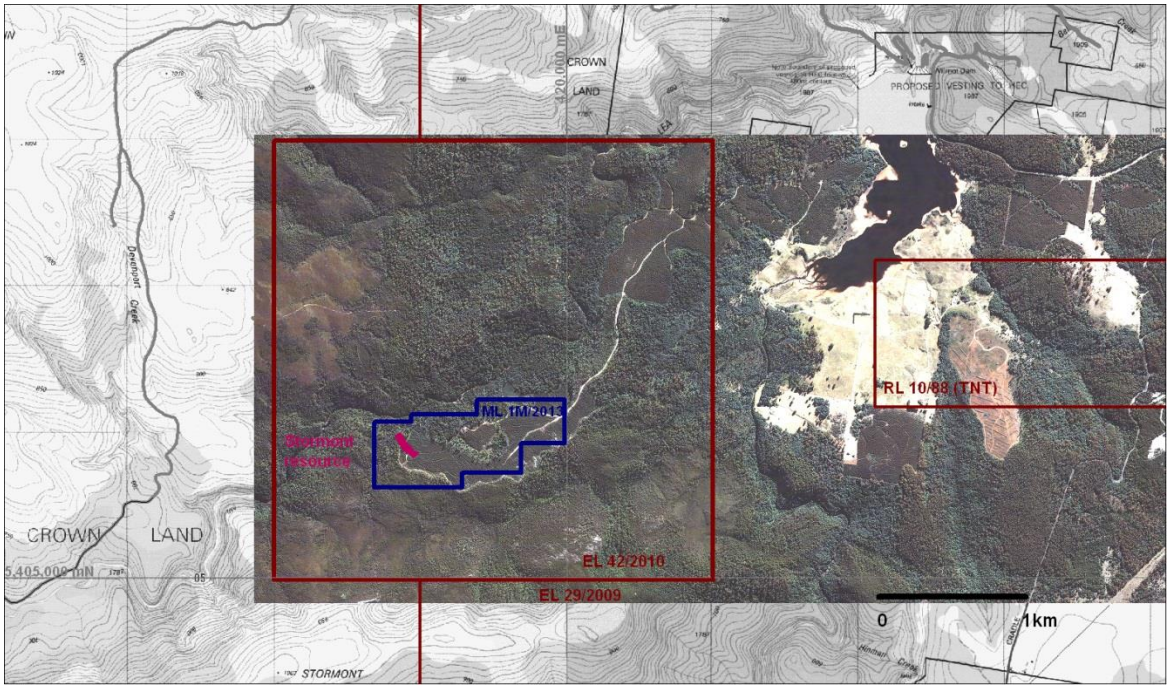

Figure 2.2b: EL 42/2010 "River Lea" showing topography, tracks and prospects – base is orthorectified airphoto

2.4 Geology

Cambrian volcanics and associated sediments of the Mt. Read Volcanics, Ordovician sediments of the Denison and Gordon Groups and the Devonian Dolcoath Granite form the basement geology to the licence area and are the host and/or source of all potential (hard-rock) mineralisation. These rocks are obscured over a significant portion of the licence by a thin veneer (<25m based on drilling) of unconformably overlying Tertiary basalt and lesser, commonly basal, sediment including clays.

Structurally the Cambrian-Ordovician sequence is gently folded about an east-west trending F1 syncline whose axis corresponds broadly with the path of the Lea River within the licence area and passes through the Stormont deposit area itself. Superimposed on this F1 fold are northwest trending sub-horizontal F2 folds with wavelengths around 150m. Both episodes of folding occurred in the Middle Devonian Tabberrabberran Orogeny. F2 folds formed later in the orogeny and are apparently associated with southwest verging thrust faulting. Northwest to north-northwesterly strike slip faults are also common and probably postdate thrusts. Late in the orogeny the Dolcoath Granite intruded into this faulted and folded terrane.

The Cambrian rocks are generally obscured by the overlying Ordovician and only outcrop in windows in the region. Where outcropping the rocks consist of crystal rich sandstones and rhyolitic volcanics and volcaniclastics typical of the uppermost Mt. Read Volcanics unit, the Tyndall Group.

These volcanics are unconformably overlain by the lowermost unit of the Ordovician sequence exposed in outcrop and drilling within the licence area, the Roland Conglomerate, a siliciclastic quartz pebble conglomerate of 10-20m thickness. This unit is conformably overlain by the quartzose Moina Sandstone which is ~200m thick. This unit is conformably overlain by a thin, approximately 40m thick sequence of interbedded calcareous siltstone with lesser calcareous sandstone and limestone known informally as the “Transition Beds”. These three units together constitute the Denison Group. The “Transition Beds” are conformably overlain by the Gordon Limestone which is approximately 400m thick regionally. In the Stormont area the basal part of the Gordon Limestone (Gordon Group) is a pyritic black shale.

Regionally the Cambrian-Ordovician sequence has been intruded by the Middle-Devonian Dolcoath I-type Granite with formation of a number of discrete skarn type orebodies formed within the "Transition Beds" or basal Gordon Limestone units. Known skarn bodies consist of the Shephard and Murphy fluorite skarn, Hugo skarn, Fletchers Adit, Ti Tree Creek and Stormont skarns. Within the Stormont RL the granite is not exposed in outcrop or drill core but is believed from gravity data to underlie the licence at a depth of <500m.

The Tertiary cover is apparently sheet-like with commonly a basal clay or gravel overlain by basalt.

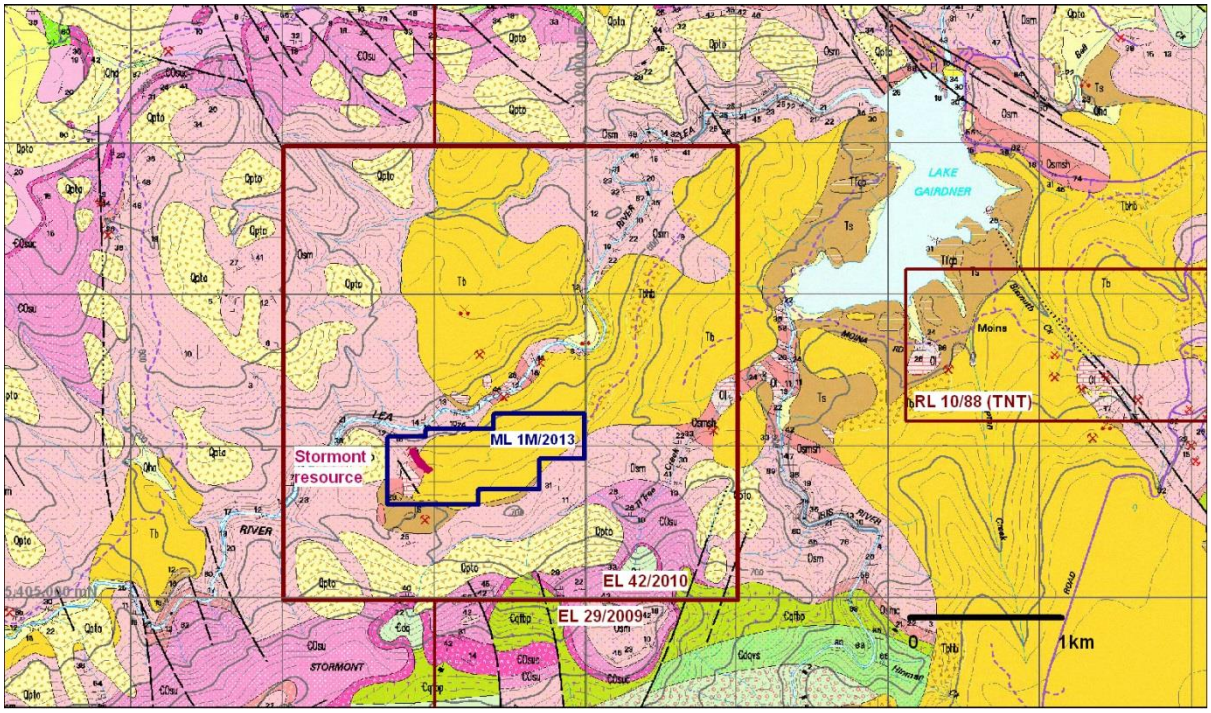

Figure 2.3: Tenement geology after Mineral Resources Tasmania's mapping – Lea* and *Cethana* 1:25,000 sheets*. Green rocks are Cambrian volcanics and volcaniclastics, pink rocks are Ordovician sediments, brown rocks are Tertiary sediments overlain by orange rocks which are Tertiary basalt, light yellow rocks are largely Quaternary talus, minor alluvium.

2.5 Exploration Philosophy

Frontier Resources Ltd/Torque Mining Ltd is actively exploring for gold principally but with Bi, Mo, W, Sn, Cu, Pb, Zn, Ag, F and rare earths also targeted.

Most mineralisation known in the licence area and district is associated with the Dolcoath Granite, largely as skarns but with some lode style also.

In areas not under Tertiary cover soil sampling should be an effective tool bearing in mind the narrow shape of probable gold skarn mineralisation.

Beneath Tertiary cover (and in areas of poor outcrop) geophysics may provide vectors to favourable setting. Known gold skarn mineralisation is found in retrograde skarn assemblages which appear to immediately overlie magnetite rich skarn.

The regional 3D IP survey has shown correspondence between Stormont and the two adjacent syncline hosted skarn bodies (Western and Eastern Synclines) and shallow anomalous conductivity highs. This conductivity is apparently due to shale in the upper Moina Sandstone (i.e. stratigraphically just beneath the skarned sequence) but may be used to map out synclines, a favourable structural setting for the preservation of skarn.

5.0 Previous Exploration

Historical exploration over the tenement area would have commenced in the latter part of the 19th century, however, successful discoveries only commenced in the early part of the 20th century with the Stormont Au+Bi deposit discovered in 1928.

Other old workings which date back to the early phase of prospecting are the Fletchers Adit workings, Stormont gold mine, Lea River alluvials and the western portion of the Ti Tree Creek workings.

The following summary draws largely from Purvis (2000) with post-2000 exploration added.

"Largest was the Stormont Mine, where a 40m long and 8m deep opencut with 40m long adit were excavated in a body of mineralized skarn between 1928-34. The mine produced 6.3t of bismuth concentrate containing 63% bismuth and 91 oz of gold (Roberts, 1986).

A similar but more weakly mineralized Au-Bi skarn was prospected at Fletchers Adit on the south bank of the Lea River 1km NE of Stormont Mine. There is no record of production from Fletchers.

Alluvial gold was worked in the Lea River downstream of the Stormont Mine and Fletchers Adit occurrences.

Hard rock gold, hosted by thin quartz veins in a fault in Ordovician sandstone with conglomerate bands, was prospected by shafts 15m deep at the Stormont Gold Mine on the northern slopes of Mt Stormont (Twelvetrees, 1913). Again, there is no record of production.

There is no record or visible sign of historic prospecting in the Ti-Tree Creek skarn.

Modern large-scale systematic exploration of the (licence) area was initiated by Mt Lyell Co. in 1965. After an aeromagnetic survey they cut a grid extending from the Lea River to the Cradle Mountain Road. They followed up with detailed grids over the skarns at Ti-Tree Creek and the Stormont Mine - Fletchers Adit area.

(Just east of EL 42/2010's eastern boundary) magnetic and bismuth-in-soil anomalies delineated over the Ti-Tree skarn were investigated by 700m of costeaning and two test lines of pole-dipole IP. IP anomalies and costean rock chip intersections up to 10m @ 0.48% Bi were obtained. Drilling was recommended but not done.

In the Stormont Mine - Fletchers Adit area Mt Lyell undertook soil sampling and gradient array IP. They delineated a large skarn with modest bismuth-in-soil and IP anomalies north of the Lea River opposite Fletchers Adit, but did no drilling. No further work was done at Stormont Mine because their estimate for the mineralized skarn body (250,000 tons) was regarded as too small (McKibben, 1972). Mt Lyell withdrew in 1972.

In 1972-73 the Department of Mines drilled two holes into the Ti-Tree Creek. DOM2 (101m – within EL42/2010) intersected 15m of skarn at surface with a best interval of 3.2m @ 0.19% Bi & "trace" Au. DOM3 (95m – just outside EL 42/2010) intersected 13m of skarn and calc-silicate under 10m of Tertiary basalt, for a best result of 1m @ 0.11% Sn. From 1974-79 the licence area was part of a major exploration effort by Comalco, who discovered and drilled out the Moina Deposit (26 million tonnes @ 18% CaF_2) (further east of EL 42/1010).

They searched the surroundings for similar mineralization, gridding almost the entire area at 50m spacing and carrying out mapping, soil sampling, magnetics, some IP and drilling.

At Ti-Tree Creek Comalco determined the DOM2 skarn contained up to 5.6% F. Chip sampling of outcropping magnetite-pyrite skarn returned values up to 0.65g/t Au over 4m. They drilled hole SMD31 (41m – inside EL 42.2010) to test a magnetic peak, intersecting 7m of magnetite skarn with low values: 0.15g/t Au & 1% F. They did a gradient array IP survey over Stormont Mine and Fletchers

Adit which indicated skarn extensions SW of Stormont, and east and west of Fletchers. However, they did no drilling at either prospect."

"Comalco was followed on the Moina project by two JV partners: Shell and CRA. CRA reassayed most of the Comalco holes for gold, concentrating on those in and around the Moina Deposit. In 1981 Shell drilled LGD1 (254m) at 5407500N / 420650E within (EL 42/1010), to test a coincident magnetic / gravity anomaly on the Moina Sandstone ridge west of Lake Gairdner. Below 101m the hole was in magnetite-veined Mt Read Volcanics. It was devoid of mineralization.

In 1983 Gold Fields Exploration took up the Stormont area after it was dropped by the Comalco JV. GFEL's target was gold and they determined all streams draining north from Mt Stormont were anomalous in gold. Channel sampling of the old workings at Stormont Mine returned values up to 42m @ 9.56 *glt* Au & 0.5% Bi. Sampling of the final face in the adit showed the old miners stopped in ore grading *36.5 glt* Au and 1.1% Bi.

From 1988-90 GFEL drilled 21 holes at Stormont Mine and 9 near Fletchers Adit. The most significant intersections were in the Stormont skarn: 13m @ 4.1g/t Au, 0.46% Bi (SD1); 2.1m @ 12.8g/t Au, 0.35% Bi (SD3); and 5.4m @ 2.5g/t Au, 0.1% Bi (SD10).

At Fletchers the holes were all north of the Lea River and outlined a large area of weakly auriferous skam mostly beneath thin Tertiary basalt. Best intersection was 2m @ 1.5 g/t Au in FD7. One hundred metres away the northern-most hole (FD8) had a 35m gold-anomalous section with 21m assaying 0.3 g/t Au. Despite the encouraging drill results GFEL withdrew in 1991.

In the 5 years Goldstream-Titan had (old EL) EL20/92 the exclusive focus of groundwork on the licence was drilling at (the) Stormont (Au+Bi) Mine. They put down a further 32 short holes, mostly in peripheral areas for generally poor results. Better intersections were all in the main mineralized zone: 10.5m @ 1.4 gft Au (SD33); 9.5m @ 2.7g/t Au (S036); 196m @ 2.9g/t Au (S039) and 8m @ 1.8g/t Au (S044). They estimated the deposit contained 100,000 - 150,000t @ 2-4g/t Au (Newnham, 1996).

The only work done by Goldstream-Titan on the EL outside Stormont was a high resolution helicopter-bome aeromagnetic survey of the whole 25 sq km tenement (EL 20/92) in 1996." (Purvis, 2000)

In August 1999 EL 20/92 was transferred to Jervois Mining N.L. (Jervois). In early 2000 Jervois drilled 4 holes (NTW size = 64mm) in the Stormont prospect (Purvis, 2000). Holes ST01, ST02 and ST03 were drilled at the southeastern end of the central zone with ST04 drilled into the western zone. All holes were drilled vertically. Both ST01 and ST02 intersected unmineralised skarn. ST03 was drilled apparently east of the Stormont fault. The results of the three holes in the central zone were poor but appear to have closed off the main mineralised zone between SD44 and ST01. ST04 in the western zone intersected 2.0m at 3.5g/t Au.

Jervois also drilled five holes (TC01 to TC05) totalling 188m (of which TC01, 04 and 05 lie within EL 42/2010) at the Ti Tree Creek skarn magnetic anomalies, anomalous Bi in soils and IP anomalies from the Mt Lyell survey. Four of the five holes intersected skarn though best result was 1m @ 1.32g/t Au and 0.18% Bi in TC04.

Frontier commenced work on the Stormont prospect in early 2008, completing diamond drillholes SFD001 to SFD016 (for 543.9m). All holes were drilled HQ/NQ. Frontier also carried out further channel sampling in the open cut with 16 samples for 21.8m.

In 2009 Frontier estimated a JORC compliant Inferred Resource for the deposit (at 1.5g/t Au cut-off) of 91,400t @ 4.57g/t Au, 0.30% Bi and 3.52g/t Au for 13,430 oz Au, 277t Bi and 10,340 oz Ag.

In 2011 Frontier drilled a further 31 holes for 872.1m's to upgrade the resource from Inferred to Indicated status. 38.7m's of channel samples were also taken along the northeastern wall of the open cut to aid in this estimate.

This work resulted in the estimation of an Indicated Resource of 84,536t @ 4.38g/t Au and 0.23% Bi for 11,906 ounces of gold and 197 tonnes of bismuth at a 1.5g/t Au cut-off or 157,144t @ 2.78g/t Au and 0.17% Bi for 14,047 ounces of gold and 264 tonnes of bismuth at a 0g/t Au cut-off.

In addition to the resource work a futher 8 holes were drilled to the southeast of the resource with better intersections SFD53 1m @ 5.86g/t Au, SFD50 2.8m @ 4.7g/t Au and SFD49 1m @ 2.8g/t Au.

The licence was also included in an ambitious 24skm regional 3D IP survey which identified a conductivity anomaly coincident (in plan view) with the Stormont deposit considered due to shales in the upper part of the Moina Sandstone and numerous other look-alikes.

The Far West area was soil sampled with anomalous Au and Bi coincident with a magnetic high.

4.0 Work Done May 2012 to April 2013

4.1 Introduction

EL 42/2010 is part of Frontier's Moina Project (also including RL 3/2005 "Narrawa Creek" and EL 29/2009 "Cethana").

The Moina Project has been a major focus of Frontier's exploration activity since the second half of 2011 with a large regional 3D IP survey and drilling at both Stormont on EL 42/2010 and Narrawa Creek RL 3/2005. In particular the 2012/13 year has seen

- the signing of a JV between BCD Resources and Torque Mining Ltd to mine and process the Stormont Au+Bi deposit
- pegging of an ML over the deposit
- submission of a DP&EMP and re-submission after queries

From an exploration perspective Torque has also drilled three holes into the Western Syncline prospect for 91.95m).

Work done in 2012/13 is summarised on figure 4.1.

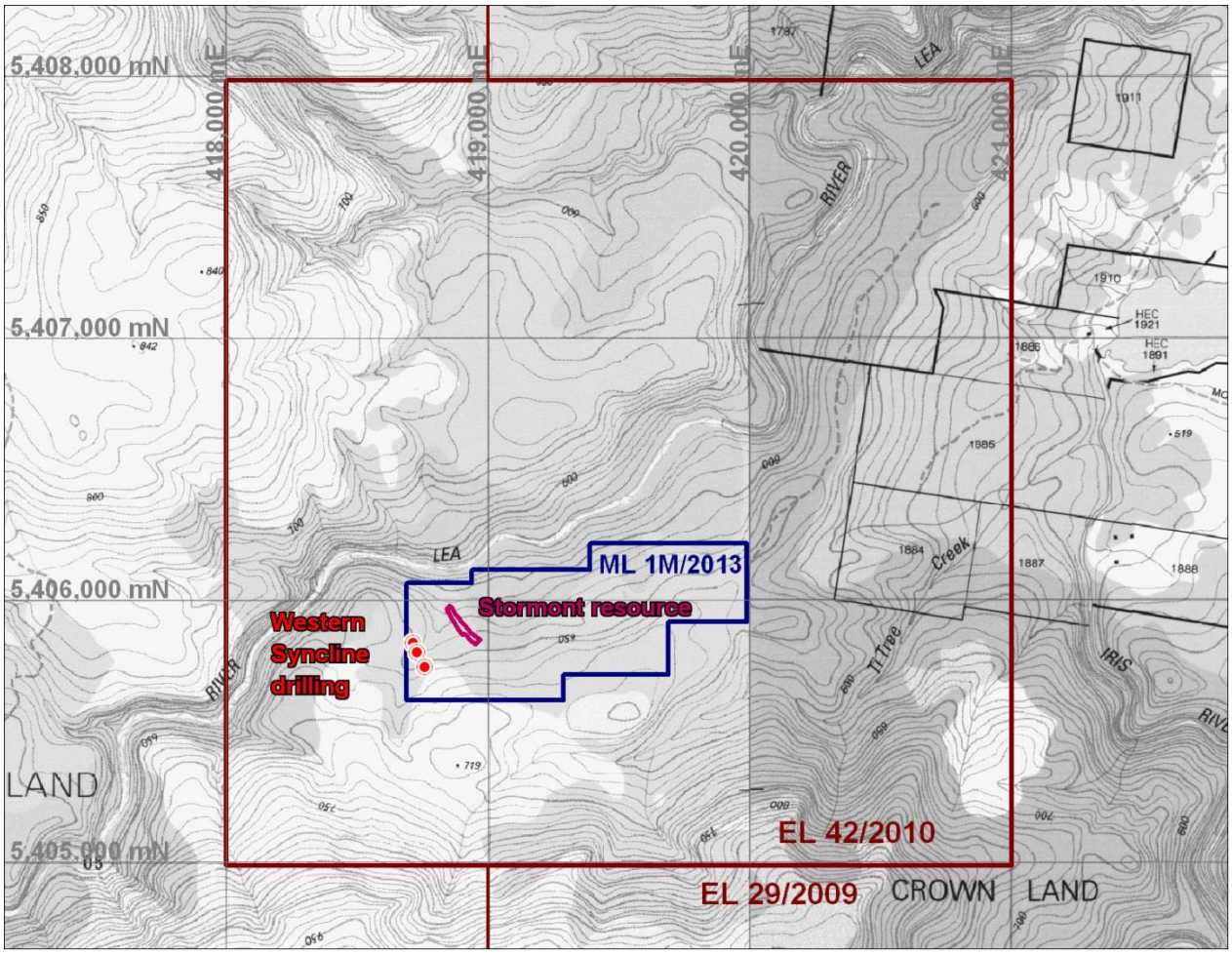

Figure 4.1: Summary of work completed in 2012/13 year. Map datum is AGD66.

4.2 Stormont Au+Bi Mine Development Work

In late 2012 Torque Mining Ltd signed a JV agreement with BCD Resources to mine and mill the ore in BCD Resources Beaconsfield mill. The JV is 50% BCD Resources, 45% Torque Mining Ltd. and 5% Frontier Resources Ltd. with BCD Resources the manager and operator of the venture.

A 57 hectare mining lease 1M/2013 (see figure 4.1) was pegged on 11th January 2013 and is in the process of being granted. A Notice of Intent has been issued to the Environmental Protection Authority (EPA) and Kentish Councils.

The DP&EMP has been submitted to the EPA, questions and clarifications sought by the EPA and a revised DP&EMP submitted to date. The DP&EMP contains appended reports addressing;

- Flora and Fauna
- European Heritage
- Aboriginal Heritage
- Traffic Management
- Geochemistry of Waste Rock
- Water Quality issues

These reports are not included in this report but will be contained in the final DP&EMP report, a copy of which will be lodged with Mineral Resources Tasmania when the final draft is completed.

It is hoped that mining can commence in the 3rd quarter 2013 and continue for about 3-4 months.

4.3 Drilling Western Syncline Prospect

Three holes were drilled in the Western Syncline prospect, SFD56 (56.9m), SFD57 (13.9m) and SFD58 (21.15m) (see figure 4.2).

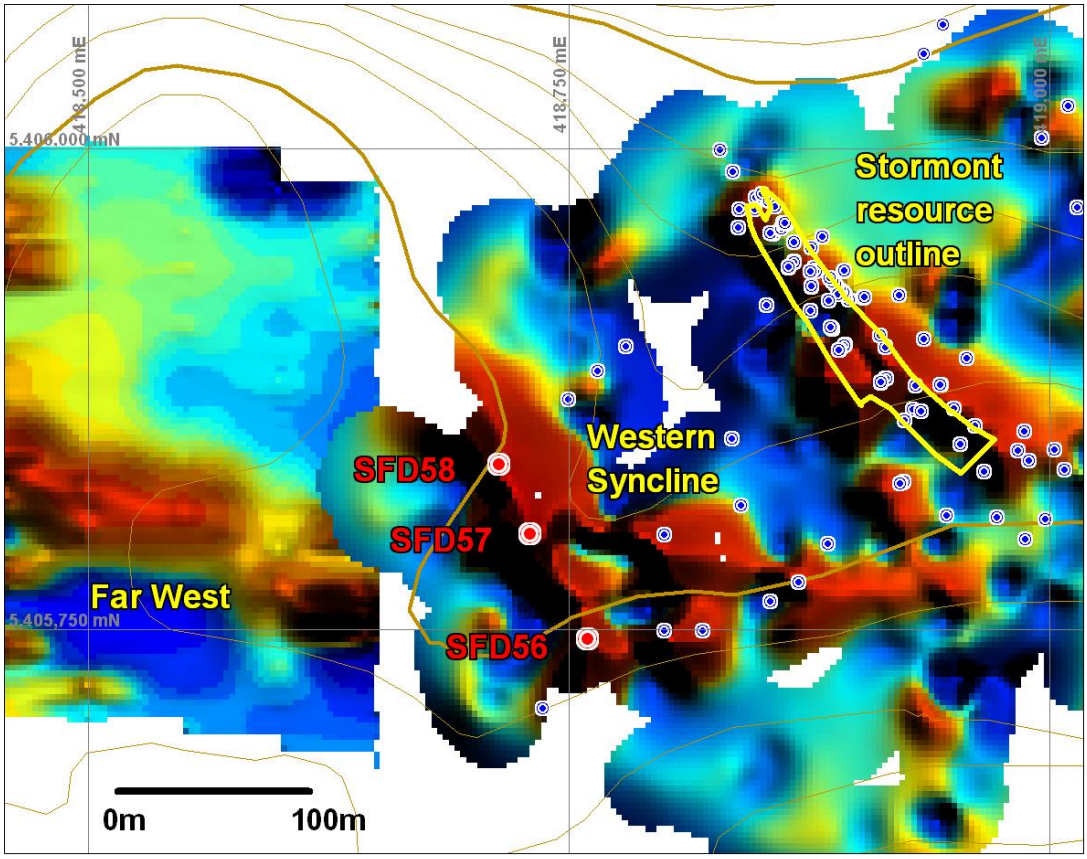

Figure 4.2: Western Syncline drilling (red spots), historical drilling (blue spots), Stormont resource outline (yellow outline) superimposed on ground magnetics image. Map datum is AGD66.

Three holes were drilling into the Western Syncline magnetics high which bears a strong similarity with the magnetics high associated with the Stormont deposit. All holes were vertical with SFD56 drilled using the big "RB38" rig and SFD57 and SFD58 drilled using the man-portable Poltock rig.

All three holes intersected a similar skarned sequence with orange clay after skarn on surface followed by fresh magnetite+/-actinolite skarn followed by a more variable skarn assemblage, often with paisley like textures. In SFD56 this variable skarn probably corresponds with the grit and quartzitic sandstone with calc-silicate bands/alteration seen below the skarned sequence in SFD57 and SFD58 as neither of these latter holes intersected the black shale+/-calc-silicate seen in SFD56 below 32m.

Summary logs:

SFD56

0 – 5.40m	Orange clay/weathered skarn
5.40m – 6.10m	Magnetite+actinolite skarn
6.10m – 18m	Garnet+actinolite+pyroxene+magnetite skarn
18m – 32.0m	Variable skarn
32.0m – 42.90m	Interbedded black shale and creamy calc-silicate zones
42.90m – 46.55m	Shale
46.55m – 49.2m	Interbedded black shale and creamy calc-silicate zones
49.2m – 56.90m	Quartzitic sandstone with calc-silicate alteration
56.90m	EOH

SFD57

0 – 0.5m	Soil
0.5m – 1.05m	Orange Clay after skarn
1.05m – 1.30m	Weathered Skarn
1.30m – 2.90m	Garnet+pyroxene+magnetite+actinolite skarn
2.90m – 4.10m	Magnetite+actinolite skarn
4.10m – 4.80m	Weathered pyroxene(?) skarn
4.80m – 9.45m	Variable skarn
9.45m – 9.55m	Calcite pyrite muscovite vein
9.55m – 10.50m	Grit
10.50m – 13.90m	Quartzitic sandstone with calc-silicate bands
13.90m	EOH

SFD58

0 – 0.5m	Soil.
0.5m – 2.30m	Orange/grey weathered skarn
2.30m – 3.65m	Magnetite+actinolite+pyroxene skarn
3.65m – 6.60m	Magnetite skarn.
6.60m – 9.15m	Garnet+actinolite+pyroxene+magnetite Skarn
9.15m – 12.10m	Weathered variable skarn.
12.10m – 13.90m	Pyroxene(?) skarn
13.90m – 14.50m	Grit
14.50m – 21.15m	Quartzitic sandstone with calc-silicate bands
21.15m	EOH

Only SFD56 has been assayed to date (see summary below) and it shows clearly that Au+Bi mineralisation is confined to the magnetite rich zone. SFD57 and SFD58 have yet to be assayed but it is expected the potential ore zone in each of these holes will only be to 4.1m in SFD57 and to 6.6m in SFD58.

SFD56 assays

From/to (m)	Au (ppm)	W (ppm)	Mo (ppm)	Bi (ppm)
0.4m - 1.8m	0.09	61	14	726
1.8m - 3.3m	0.13	34	19.1	593
3.3m - 4.3m	0.04	31	11.2	291
4.3m - 5.3m	<0.01	0	9.6	269
5.3m - 6.5m	<0.01	17	18.6	254
6.5m - 7.7m	<0.01	0	0	0
7.7m - 8.7m	0.04	0	4	21
8.7m - 9.7m	<0.01	0	0	0
9.7m - 10.65m	<0.01	26	0	0
10.65m - 11.6m	0.02	17	0	66
11.6m - 12.5m	<0.01	115	0	28

Preliminary logs are supplied in Appendix A. SFD56 assays for Au and in-house XRF are shown in Appendices B and C. More detailed interpretative sections will be supplied in the 2014 annual report when all assay results have been received.

5.0 Proposed work

Work proposed for the 2013-2014 year will include the following:

- Assaying drillcore from SFD57 and SFD58 with results influencing the decision whether to drill more holes into the Western Syncline prospect or not.
- Drill proposed holes into the Far West prospect with its coincident anomalous Au and Bi in soils, and coincident anomalous conductivity (3D IP) and magnetics.
- Progressively drill test the numerous other conductivity anomalies, particularly those with coincident anomalous magnetics+/-Bi anomalous soil geochemistry.

6.0 Environmental

There has been considerable activity on the ground on EL 42/2010 in the 2012-13 year.

The bulk of the environmental impact came from the drilling work.

Drillhole SFD56 was drilled with Torque's custom built skid mounted "R38" (rated to 400m NQ). Holes SFD57 and SFD58 were drilled with the minimal impact Poltock man-portable rig.

The rig and all gear and fuel movements were done using the Yanmar crawler with 4wd vehicles parked ~500m east on drier ground in order to minimise siltation.

Early drillholes used already cleared areas e.g. tracks as drill pads. Some later holes were drilled in the margins of the plantation requiring the clearing of the typical scrubby regrowth.

All holes have PVC in the top 1.5-3m with cement inside the pipe and around it (where needed).

7.0 Expenditure

Geoscientific costs	geology	$66,521
	geochemistry	$25,380
	geophysics	$13,878
	drilling	$81,207
other costs (inc rental)		$3,717
Administration costs		$3,543
Total costs		**$194,246**

8.0 References

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Appendix A

Drillhole Logs SFD56, SFD57 and SFD58

Appendix B

Drillhole SFD56

Au Assays, ALS, Burnie

Appendix C

Drillhole SFD56

In-house XRF assays