

EL43/2004 – Sulphide Creek

Updated 2012/13 Exploration Results

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This report updates details related to reconnaissance geological mapping and rock chip sampling, undertaken between the 11th and 14th December 2012 in the Coupon Prospect of EL43/2004, south of Queenstown. Rock chip analyses were not available for inclusion in the last annual report and are now digitally appended. This also includes some previously unreported channel sampling in the Davie Prospect Adit. A rock catalogue for both data sets is digitally appended as EL432004_201405_04_RockChip.csv, with original analysis included as EL432004_201405_05_DavieAnalysis100427.xls and EL432004_201405_06_RockAnalysisBU12300346.pdf.

Field reconnaissance included the collection of 78 rock chip samples for Hylogger analysis at Mineral Resources Tasmania (see EL432004_201405_03_HyloggerRockChip.csv digitally appended for descriptions). This was undertaken as a test to establish potential hydrothermal alteration halos within the tenement. Notably all 2012 grab and composite rock chips (No. = 18; Figure 1) submitted for multi-element ICP analysis have duplicated Hylogger samples for comparison. Investigation of the Hylogger rock chip data (held by MRT) was not undertaken in light of similar drill hole data, which was previously interpreted by consultant Huntington Hyperspectral Pty Ltd (in Pal, 2013). The consultant found that a spatial association is observed between the gold (Au) assays and spectroscopic signatures of an alteration mineral assemblage comprising dickite plus hematite, minus white mica and kaolin, occurring at a boundary (gradient) in mica chemistry composition.

Key Observations

- A section along ABT railway line cuttings was mapped. A key rail cutting starting from the Coupon access showed moderate to steep west dipping shear – related foliation; similar to Davie. A number of quartz vein orientations were identified. These included a relatively flat dipping sheeted vein orientation, which may have been in part what was previously targeted. This zone returned 0.392ppm Au from a composite rock chip.
- In the immediate Coupon Prospect area most outcrops on track banks are overgrown by moss. Regardless, relatively extensive outcrop was viewed and sampled. A well developed stockwork quartz zone was observed in variably ferruginous sediment at the hill top. Two gold anomalous samples were returned (0.123 and 0.519ppm Au) from composite rock chips covering a zone tested by drilling in LYN004, which returned 6m @ 1.54g/t Au.
- A significant ~15 x 4 x 4m working and 2 partly flooded adits were located on the western side of the Coupon Prospect; Goring's workings. No sampling was possible here.
- Stockwork veining was located on a spur to the north of and lining up with the Coupon through Anomaly 24-28 trend. However gold was only weakly anomalous to 0.007ppm.
- A soil anomalous zone previously interpreted to run NW from the northern end of Coupon was visited, but no rocks were located in this area, moreover, panned concentrate sampling of creek sediments on the potential NW extension returned no visible Au.
- Alluvial and trench workings were located in the Anomaly 24-28 area. The northernmost of these yielded strongly ferruginous sheared (possible sericitic and chloritic?) rock, which was sampled returning very weakly anomalous gold to 0.056ppm. From foliation and topographic morphology it appears to have an east dip. Sampling from the "Unnamed" prospect

immediately south returned 0.117ppm Au from a float fragment bearing moderate to strong quartz stockwork and Fe Oxide.

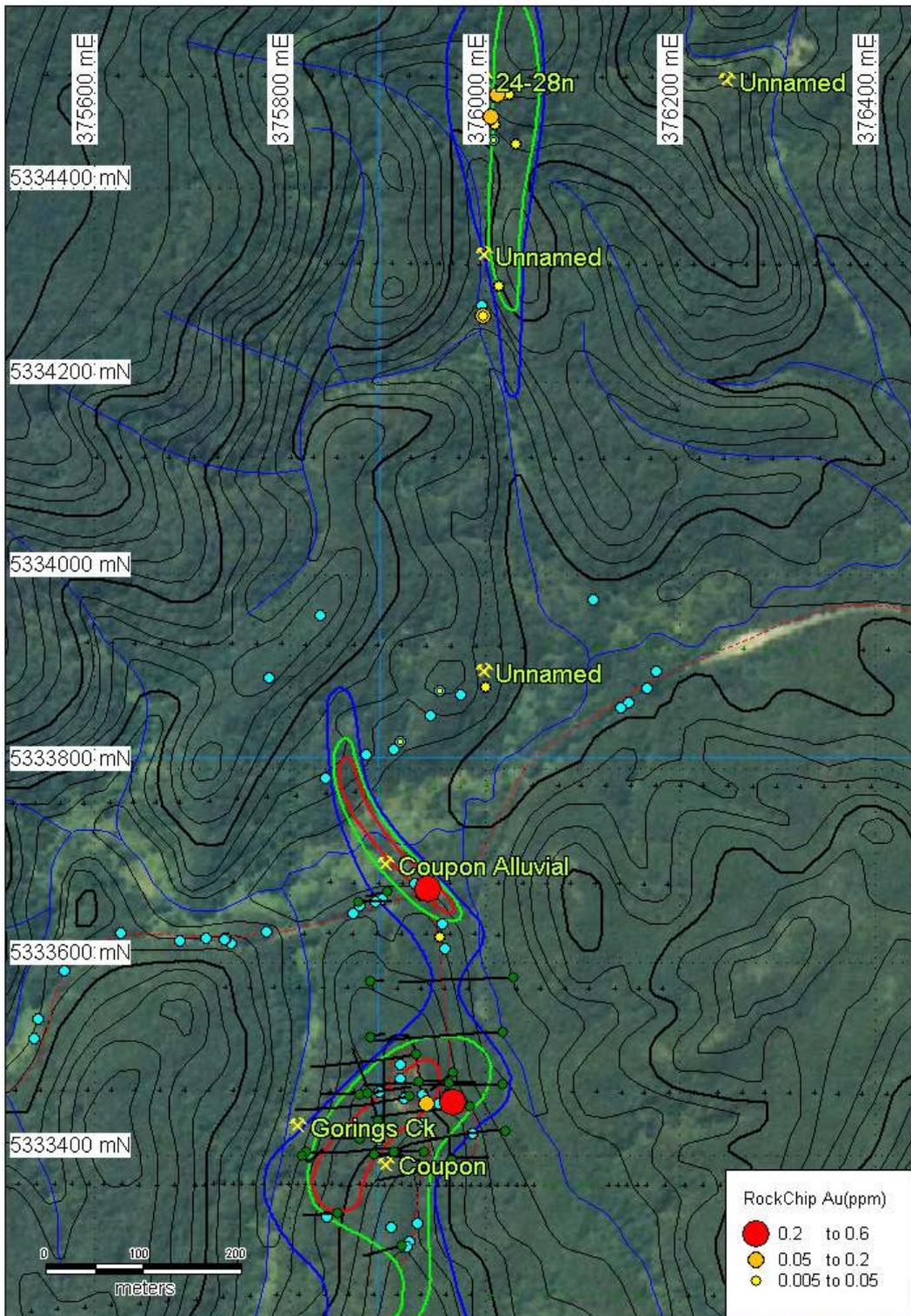


Figure 1: Coupon Prospect Area with surface projected drill holes, Au in rock chip thematic, HyLogger Samples (light blue) and gold in soil contours (blue = 10ppb, yellow = 50ppb & red = 100ppb; GDA94 projection).

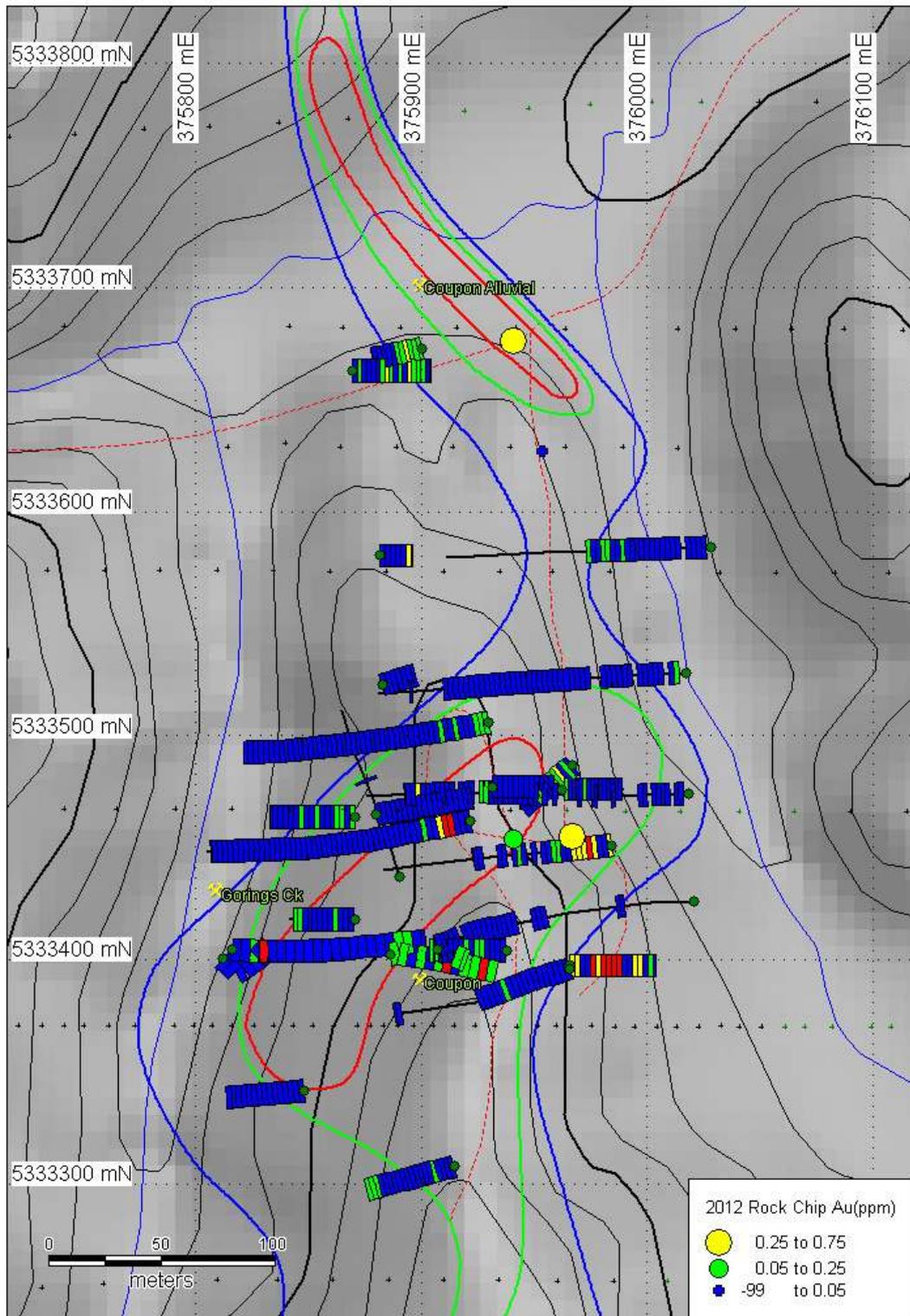


Figure 2: Coupon Prospect with drill holes showing surface projected 4m Au composites with the same legend colours as the rock chip thematic and gold in soil contours (blue = 10ppb, yellow = 50ppb & red = 100ppb; GDA94 projection).

Geology and Exploration Potential

A cursory 3D visualisation of the drilling shows erratic gold distribution on shallow to moderate east plunging zones is a reasonable interpretation forwarded by earlier workers. However, this brief assessment of the Coupon area shows that structural controls are not well understood and indicates potential for gold to in part be west dipping shear related. Importantly, much of the previous diamond drilling inadequately tests this scenario, being orientated parallel to this inferred structure orientation. Whereas, the east directed RC drill holes are problematic in that they return minimal gold when compared to nearby diamond holes, but this may reflect a sampling bias. T89CCRC03 is an exception returning 24m @ 1.09g/t Au (at cut off 0.25g/t Au and large internal dilution of 4m @ 0.1ppm); an intersection which is open to the south east (Figure 2). Further some diamond drill holes are incompletely sampled in questionable areas. Retesting via east directed triple tube diamond drilling could resolve this.

Another key aspect related to exploration potential is that gold grades could potentially be erratic in spatial distribution along the strike of the fault. This potential is clearly illustrated by ongoing drilling in the Henty Gold Mine area, where relatively recently the Read Zone has been discovered within an area that'd been covered by exploration drilling returning sub economic Au grades.

Tear (2011) undertook a good data compilation for the tenement area. Modelling of the Coupon and Davie Prospects utilising drill hole data resulted in some plausible models that in part fit with the postulated moderate west dipping potential of the Harvey Creek Fault. However, data capture from the Coupon drill core logs was only very basic and structural assessment cannot be made, beyond lining up lithology, faults and gold grades. Significant drill hole intersections reported by Tear (2011) show that there is significant core loss associated with some intersections. This could be reviewed in light of new structural interpretation.

It is suggested herein to undertake re-logging and additional sampling of drill core (eg. LYN010A to 0 to 157m) along with further digital data capture (eg. Recoveries), enabling this data to be added to the current drilling database, hopefully then elucidating further vectors for drilling following improved structural understanding.

References

- Pal, M., 2013. Sulphide Creek - EL43/2004, Annual Report For The Period 1/03/2012 to 28/02/2013 (Shree Minerals Ltd.). Unpublished Company Report
- Tear, S., 2010., Data Compilation Report, Sulphide Creek EL 43/2004, Tasmania (unpublished, prepared for Shree Minerals Ltd)

List of Appended Digital Data

1. EL432004_201405_01_List_of_Appended_Digital_Data.txt
2. EL432004_201405_02_Recon_Report2013.pdf
3. *EL432004_201405_03_HyloggerRockChip.csv
4. *EL432004_201405_04_RockChip.csv

5. *EL432004_201405_05_DavieAnalysis100427.xls

6. EL432004_201405_06_RockAnalysisBU12300346.pdf

Note: * Data provided in digital form