



**MATHINNA GOLDFIELD - TASMANIA
EL14/2013**

**ANNUAL PROGRESS REPORT
14th February 2014 – 14th February 2015**

Tenement Holder/Manager

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The conclusions and recommendations expressed in this report represent the opinions of the Authors based upon the data available and provided to them at the time of preparation of this report. While all due care has been taken in preparation of the report, Mathinna Gold Pty Ltd and its employees take no responsibility for accidental inclusion/omission of erroneous data, particularly that sourced from previous work on this licence by other parties.

Note: All figures, grids, and contained data are according to the GDA/MGA94 grid system.

ABSTRACT

Mathinna Gold Pty Ltd applied for the area covering EL14/2013 for two reasons:

1. to secure the area around the currently held Retention Licence for the future expansion and conversion of the RL into a ML and;
2. to explore the surrounding area for further sources of ore to compliment the current resources at the New Golden Gate mine.

The company conducted only one preliminary survey on state forest and sent three rock chip samples to ALS labs in Burnie for assay. These samples returned low gold results.

A consulting geologist has been engaged to develop a new exploration program for this tenement that better suits the current investment climate.

Funding for Greenfields exploration programs has been extremely difficult during the reporting period. The potential for all resource projects to regain funding will rely heavily on the direction of commodity prices going forward.

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INTRODUCTION

This report is a summary of the exploration activities conducted on Exploration Licence EL14/2013, for the period of 14th of February 2014 to the 14th of February 2015. The area of the licence remains 68km². The owner of the tenement is Mathinna Gold Pty Ltd.

The tenement is of particular interest to Mathinna Gold as it hosts the Mathinna Goldfield and surrounds RL2/2008. RL 2/2008 hosts the New Golden Gate and Tasman Consols mine workings and associated tailings. This was the most significant historical gold mine in this part of NE Tasmania and produced 260,000oz at a calculated average head grade of ca. 26g/t Au. Mathinna Gold believes that there is scope for further discovery of new resources within this tenement area.

Location

The tenement is located around the township of Mathinna, in eastern Tasmania (Figure 1). Access to the license area is excellent via sealed (Upper Esk and Tyne Valley Roads) and various gravel roads on State Forest and private property. Mathinna is located 26km NNW from Fingal and is accessed by sealed road (Upper Esk Road).

The licence area can be found on the Mathinna (5640) 1:25,000 scale, and the Forester (8415) 1:100,000 scale; topographic map sheets.

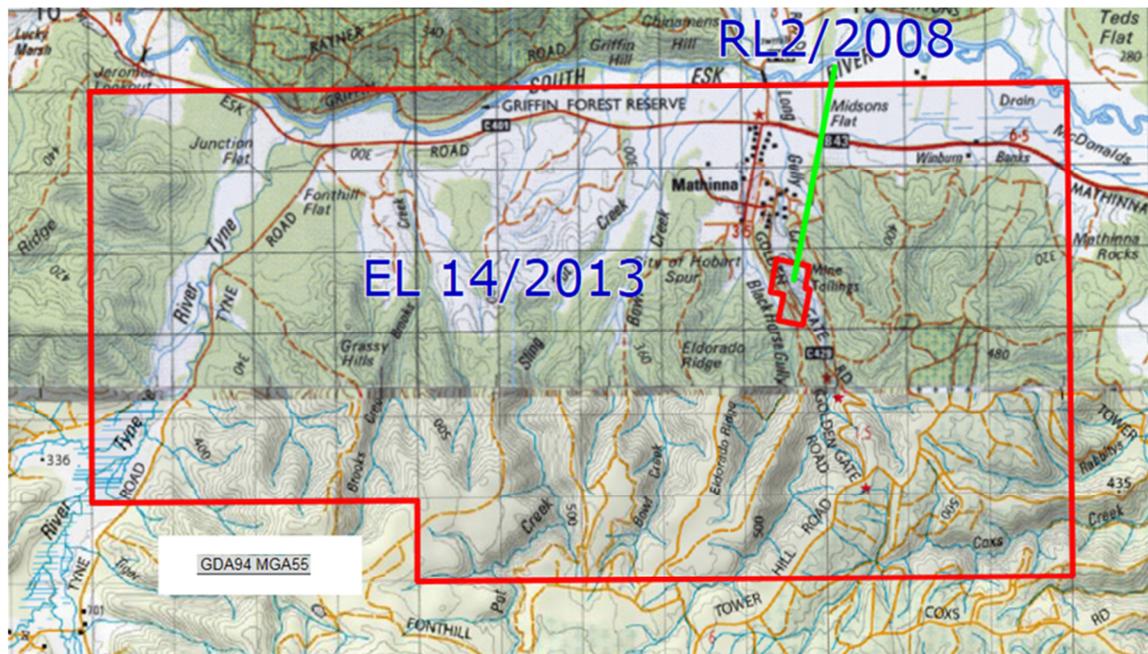


Figure 1. EL 14/2013 is located in northeastern Tasmania, surrounding the township of Mathinna.

Geology Overview

Stratigraphy

The tenement comprises sub- and outcropping Mathinna Supergroup siltstones, sandstones, and subordinate shales. Revision of the internal stratigraphy of the Mathinna Supergroup as detailed in Seymour et al. (2011) and summarized in Table 1 below,

Group	Formation	Member	Age	Brief description
Panama Group	Sideling Sandstone		Early Devonian (plant fossils)	Dominantly fine-grained sandstone, some interbedded siltstone
	Lone Star Siltstone		Late Silurian (graptolites)	Dominantly thin-bedded siltstone with interbedded fine-grained sandstone increasing towards the top
	Retreat Formation		Silurian?	Interbedded turbiditic medium to very fine-grained sandstone and subordinate siltstone-mudstone
	Yarrow Creek Mudstone		Silurian?	Dominantly thin-bedded mudstone, with subordinate cross-laminated siltstone
Inferred faulted unconformable contact				
Tippogoree Group	Turquoise Bluff Slate		Early–Middle Ordovician (graptolites)	Phyllitic dark grey-black slate; recumbent folds and cleavage
		Industry Road Member	Ordovician?	Interbedded phyllitic slate and foliated very fine-grained sandstone; ridge-forming recumbent folds and cleavage
	Stony Head Sandstone		Ordovician?	Graded thick-bedded fine-grained turbiditic sandstone with minor interbedded pelite; large-scale recumbent folds and cleavage

Table 1. Revised Stratigraphy of the Mathinna Supergroup

The New Golden Gate and associated vein deposits are hosted within the Lone Star Siltstone formation (pers. comm M. Vicary 2011). The Lone Star Siltstone Formation comprises basal bioturbated marine siltstone/shale/mudstone which is laminated to thinly bedded (Seymour et al., 2011). Minor black shale occurs and is commonly pyritic. The Lone Star Siltstone Formation grades upward with quartz-rich thick-bedded sandstone becoming more common toward the boundary with the overlying Sideling Sandstone Formation (Seymour et al., 2011).

The regional geology (Figure 2) is dominated by Mathinna Supergroup rocks and granitoids. Note that the granitoids are interpreted to be at a depth of approximately 4km below the New Golden Gate gold system (Leaman D.E. & Richardson R.G., 1992).

Structure and Mineralization

The host-rocks to gold mineralization in the Mathinna area preserve several overprinting deformation features which are documented in Keele (1994) and modified for the specific geometries and observations of the New Golden Gate mine area below.

D₁

Observations by Keele (1994) of minor folding and spaced cleavage overprinted by the dominant S₂ cleavage. Not observed at the New Golden Gate deposit to date.

D₂

Regional folding with NW/NNW trending axial planes. Pervasive slaty cleavage. Dominant fabric in hand-specimen (Figure 3).

D₃

Local folding with N/NNE trending axial planes. Antiformal fold observed by Twelvetrees as central to the reefs of the New Golden Gate and Tasman Consols mines is likely to be an F₃ fold. S₃ cleavage recorded in geological logs of Defiance Mining diamond-drilling in the licence area. Intersection lineation (L₃⁰) in hand specimen (Figure 3) post-dating S₂ and pre-dating late kinking. Occurs at ~60degree angle to L₂⁰ in the plane of bedding. Observations by Twelvetrees (1906) that the 'apparent' drag of reefs into the main slide, previously assumed to be fault-drag folding, is actually a manifestation of simultaneous brecciation along the reef line and the main slide. This gives the effect of the reef turning sharply. His evidence for this was that although the reefs exhibited this 'apparent' drag on intersection with the main slide, bedding in the host-rocks did not. This observation is supported by TGL interpretation of the controls on high-grade and wider mineralization in the mine as being located at the intersection of NW striking faults and the NNE striking reef structures. NNW trending faults (Main Slide, Western, Central, East and West branch) may represent domainal reactivation of the S₂ slaty cleavage concurrent with the development of N/NNE trending fault/shear-zones which became reef 'channels'. Folding of bedding and the main S₂ cleavage may have created a zone of restraining during D₃ reactivation of S₂ and this is seen as the contributing factor as to why the New Golden Gate reef system is located where it is. Note that both orientation of structures are mineralised. The main phase of gold mineralisation is interpreted as late- to post D₃.

Post-D₃

Kink-folding is recognized in hand-specimen and overprints all other fabrics (see Figure 3).

Exploration Rationale

The New Golden Gate mine was one of the most significant gold mines in Tasmania when operating ~1888 – 1908. The mine produced ca. 260,000oz from a multiple reef system.

The discovery of the Dylan's and Sophie's reef system (Defiance Mining 1999) along strike from the New Golden Gate historic workings shows that there is potential to discover new reefs within the tenement area.

Mathinna Gold plans to explore the tenement area with the aim to build on the existing small resource base on RL 2/2008.

REVIEW OF PREVIOUS WORK

A review of previous work is currently underway with a view to designing a new work program that best suits the current investment climate

WORK DURING THE CURRENT REPORTING PERIOD

Current market conditions for gold projects have made funding for any exploration extremely difficult and even more so for greenfields exploration.

Only one minor reconnaissance survey was conducted during the reporting season. This survey was over an area south of the Tyne Valley previously identified as an area with the potential to host large geological structures similar to the Main Slide at the New Golden Gate.

Three rock chip samples were taken of Iron Gossan reef material striking NNE. Assays by fire assay for gold and ICP four acid digest for 33 element assay was conducted by ALS Labs in Burnie.

Results were mixed with #1 returning the highest gold assay of 0.22 g/t Au

All results are included in the attached Appendix 1.

Sample	Easting	Northing
#1	568359	5404982
#2	568376	5405070
#3	568387	5405090

Table 2. Sample locations



Figure 2. Photograph of rock chip sample #1



Figure 3. Photograph of rock chip sample #2



Figure 4. Photograph of rock chip sample #3

PROPOSED EXPLORATION

A new review of previous work and a new exploration program is currently being completed for this tenement area that is suitable for the current investment climate. The new work program will meet, as a minimum, the current statutory expenditure commitments for years 1 and 2 of this tenement area (\$38,750)

ENVIRONMENT

The company has environmental policies in place, including compliance with the Mineral Exploration Code of Practice, which minimise the impact that exploration activities have on the environment. The policies include guidelines on how to reduce the risk of spreading plant diseases and weeds as a result of day-to-day exploration tasks.

EXPENDITURE

3 rd February 2011 – 2 nd February 2012		
Geoscientific Costs	Geology	\$500
	Geochemistry	\$153
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	
	Admin Costs	\$1000
	Total - eligible	\$1653

Table 3. Expenditure for the reporting period.

Note that no admin costs have been lodged for this tenement.