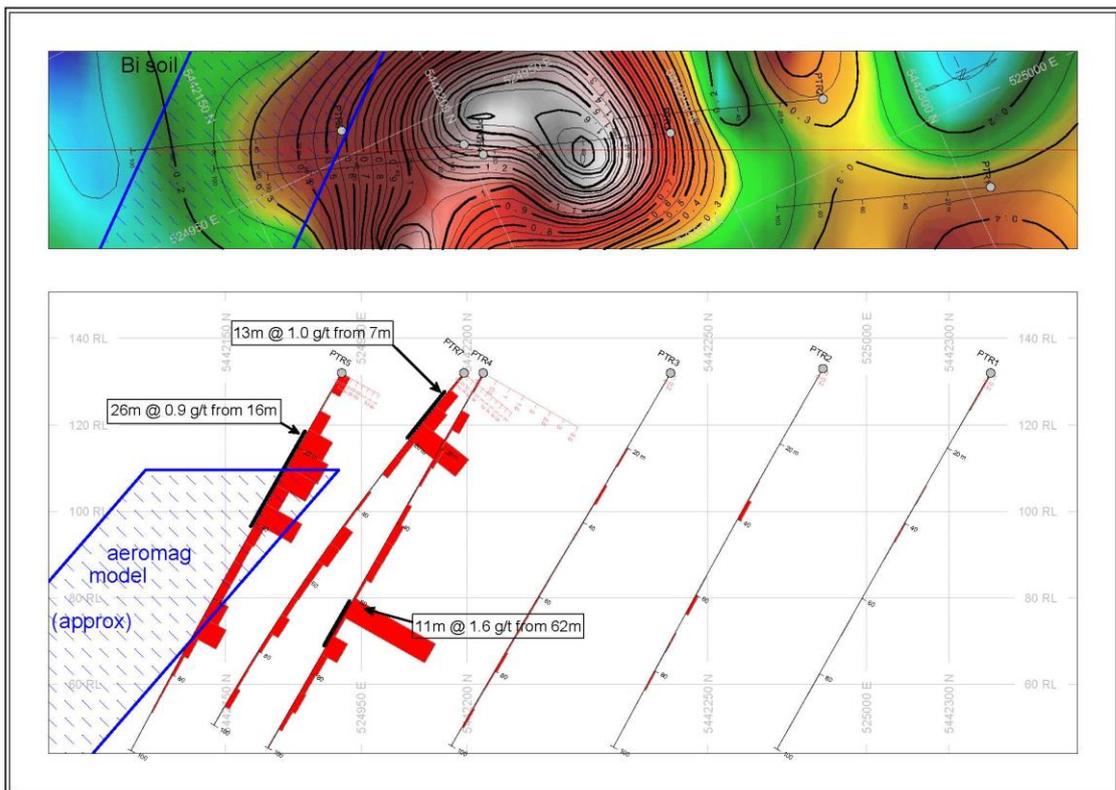


Annual Report
EL 30/2006 Golconda
2015/2016



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Abstract

Tamar Gold Ltd underwent a change of management in late 2012 and after a review of the ground held a decision was made to only explore areas that were prospective for the Intrusive-related Gold System (IRGS) style of mineralisation. The area covered by EL 30/2006 is regarded as having all the characteristics required to be prospective for IRGS mineralisation.

The aim of the exploration at Potoroo during 2013/2014 and 2014/2015 was to demonstrate a type deposit of the IRGS style with the potential to be an example of the source rock for much of the detrital gold previously mined at Lisle-Golconda. Tamar Gold is confident that the mix of geophysics (magnetics and IP) and soil sampling found to be successful at Potoroo will be applied to drill target generation within all of Tamar Gold's ground at Lisle-Golconda.

Drilling results established that the Panama Valley contains IRGS style gold mineralisation at the Potoroo prospect and an analogous sub cropping magnetic granodiorite northeast of the Panama abandoned underground quartz vein workings, remains untested by modern exploration. A program of mapping and geochemistry will be conducted on the North Panama prospect during 2016-2017.

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Introduction

Exploration objective

Tamar Gold Ltd underwent a change of management in late 2012 and after a review of the ground held a decision was made to only retain areas that were prospective for the Intrusive-related Gold System (IRGS) style of mineralisation (see Pemberton and Morrison, 2013).

Geological setting

(see Morrison and Pemberton, 2015)

Tenement information

Tenement number:	EL 30/2006
Tenement name:	Golconda
Tenement location:	North East Tasmania
Reporting period:	12/06/2015 to 12/06/2016
Tenement Holder:	Tamar Gold Ltd.
Tenement Area:	58 sq km

Location

EL 36/2008 is located immediately south of the Lilydale/Scottsdale road approximately 20km west of Scottsdale in North East Tasmania.

Tenure

EL 30/2006 is held by Tamar Gold Ltd after completing a purchase agreement with BCD Resources in January 2013. The licence includes what was previously EL 55/2008 Lone Star Creek, EL 13/2007 Lisle and EL 30/2006 Golconda (see Figure 8 below). The combined licence was established in late March 2014.

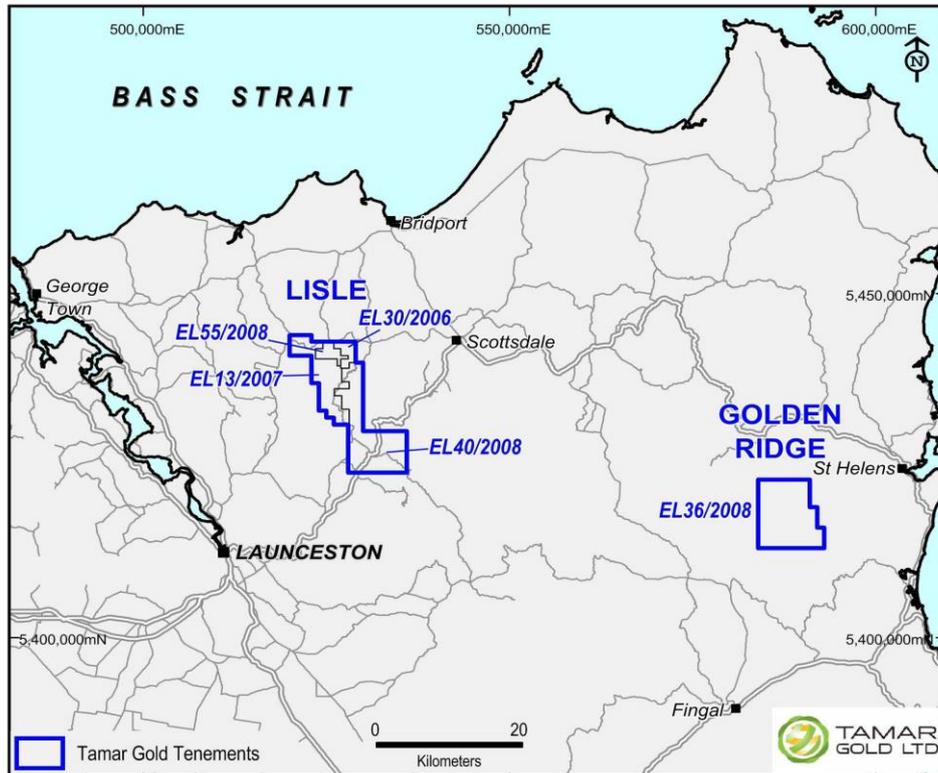


Figure 1. Previous ELs in the Lisle-Golconda area combined to form EL 30/2006.

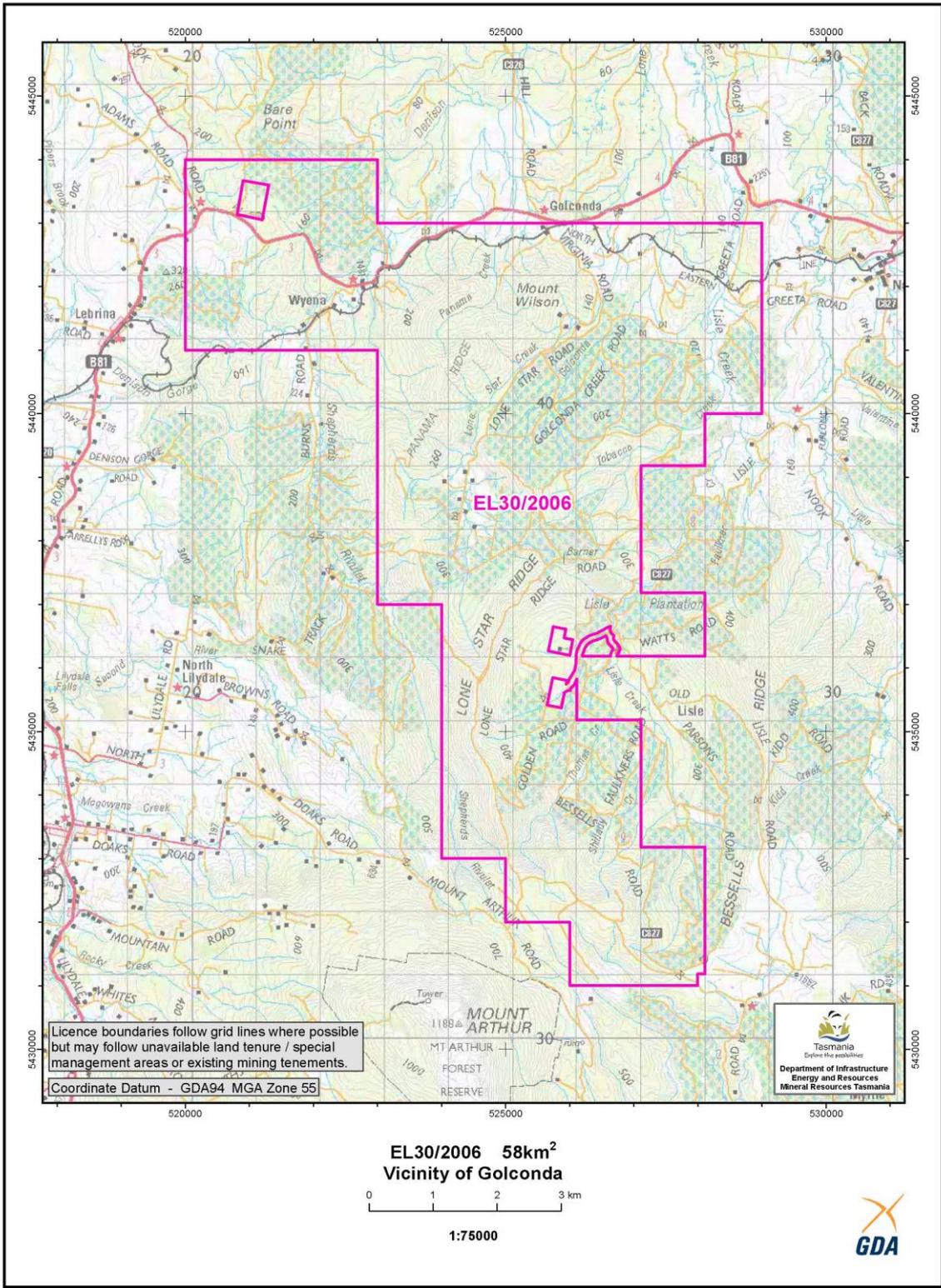


Figure 2. New combined EL 30/2006 Golconda.

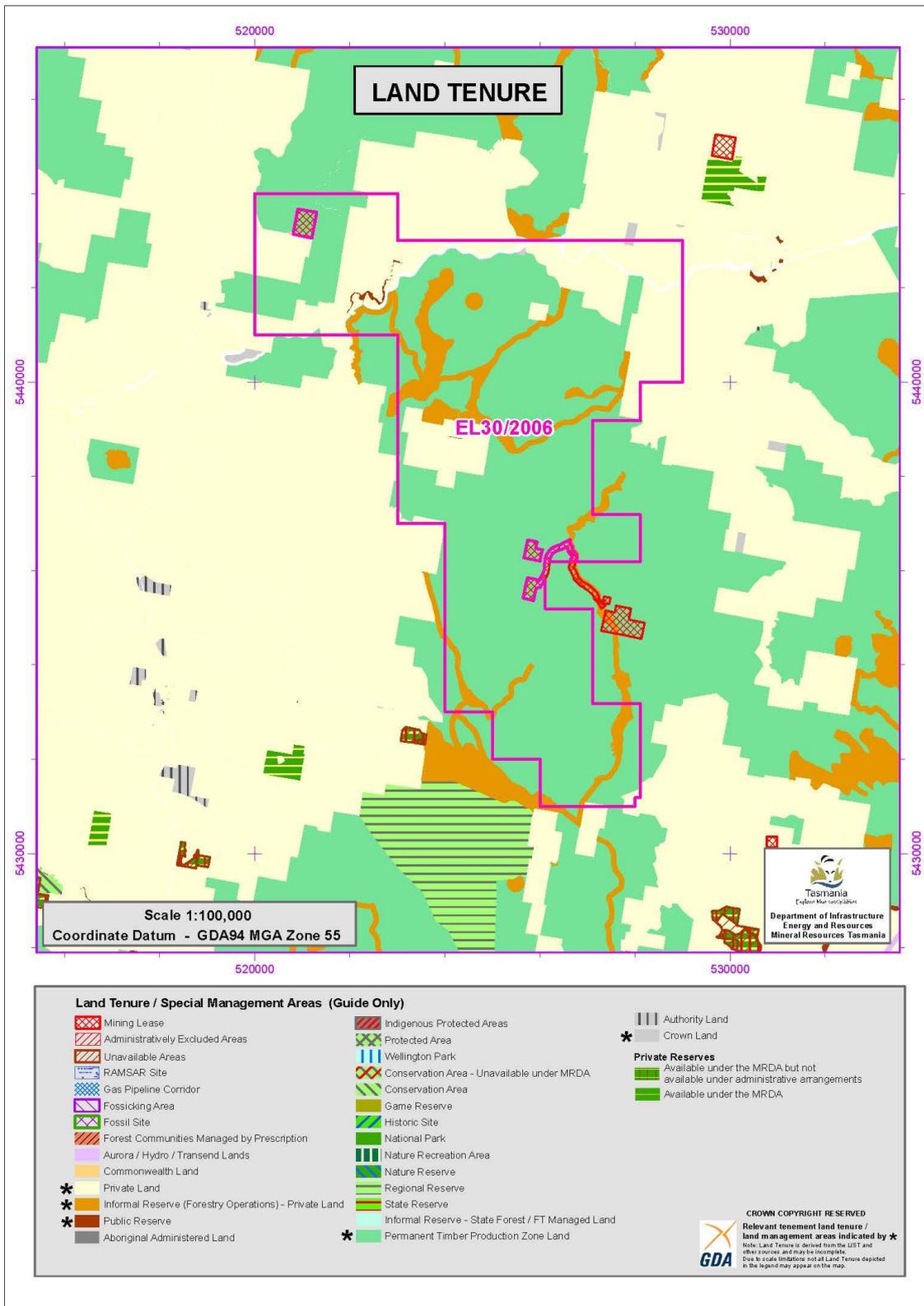


Figure 3. Land Tenure (from MRT).

The land tenure map from MRT shows State Forest with Informal Reserves and some private property at Golconda on the northern boundary and at Lone Star. The State Forest is a mixture of pine and eucalypt plantations and regrowth native forest.

Access is via a network of all weather gravel forestry roads and exploration vehicle tracks, which all connect to the Lilydale Road, the bitumen road to the city of Launceston, some 40km by road to the southwest, or to Scottsdale, 10km to east.

Review of previous work

In the modern era from 1992 to 2007 various incarnations of MacMin NL (Tasmin Pty Ltd, TasEx Resources Ltd, TasGold Ltd, Frontier Resources Ltd) held EL 2/92 which covered the larger Lisle-Golconda area (see literature review in Pemberton and Morrison, 2013).

Regional soil sampling, structural interpretation, trenching, percussion and diamond drilling were conducted during that period. Four main areas of prospectivity were identified in the area covered by EL 30/2006 - Enterprise, Gold Crest, Potoroo and Panama.

In the 2013-2014 Tamar Gold Annual Report on EL 55/2008 (see Pemberton and Morrison, 2013) the following work was presented:

- A literature review.
- A review of IRGS.
- Compilation of mineral deposits from the MRT database.
- Compilation of the prospect scale magnetics and DTMs by Phil Muir.
- Soil and panned concentrate surveys at Cradle Creek Goldfield and the South Lisle Prospect.
- Recompilation of the soil sample results from the work BCD Resources did on EL55/2008.

In the 2014-2015 Tamar Gold Annual Report (see Morrison and Pemberton, 2014) a six hole RC drilling program at Potoroo was reported on and summarised as follows:

The granodiorite is a fine grained plagioclase, reddish brown biotite, +/- minor hornblende and quartz rock with consistent estimated 0.3-0.5% (locally up to 1%) disseminated fine pyrite and patchy fine sericite alteration. Texturally the fine sulphide appears to be a primary magmatic phase. The rock is consistently magnetic but neither magnetite nor pyrrhotite were confirmed during logging the percussion cuttings. Interpreted thin quartz veins, some with traces of arsenopyrite, and rarely possible bismuthinite, were occasionally encountered and greisen like textures are associated with some intervals carrying sericite alteration. Similar narrow vein intersections also occasionally occur in the Mathinna hornfels. Overall the granodiorite is uniform and due to its texture, sulphide content and magnetic response, it is an unusual intrusion in comparison to observed outcropping Devonian granitic rocks in the Lisle-Golconda district.

Broad intervals of geochemically anomalous gold occur in the granodiorite, increasing in tenor from north to south. Patchy background concentrations in the range of 10-100ppb also occur in the hornfels aureole drilled in PTR-2, suggesting that the gold was sourced from the intrusion and fluids mineralised the roof rocks during contact metamorphism. PTR-5 produced the most encouraging intersection; 26m @ 0.94g/t Au from 16m. The PTR-5 intersection correlates with previous holes drilled by Tas Gold/Frontier Resources to indicate a zone of low grade mineralisation along the southern margin of the granodiorite body.

In 2014/2015 field work consisted of a soil sampling traverse across a discrete magnetic high named by Tamar Gold as the Ridge Prospect, and one further drill hole (PTR-7) at Potoroo (see Morrison and Pemberton, 2015). In addition, a petrography and mineralogy study was conducted on whole rock chips and a sulphide concentrate prepared from a composite sample of mineralisation from the previously drilled Potoroo hole PTR-5.

Exploration completed during the report period

Tamar Gold successfully applied for an exemption from expenditure commitments during the current year to conserve remaining funds and to seek further funds if market conditions improve.

Future Exploration

Previous exploration has established that the Panama Valley contains IRGS style gold mineralisation at the Potoroo prospect and that an analogous sub cropping magnetic granodiorite northeast of the Panama abandoned underground quartz vein workings, remains untested by modern exploration (see Morrison and Pemberton, 2014 and 2015). Tamar Gold's exploration priority on this EL is to test the potential for a viable bulk tonnage, open cuttable IRGS style resource incorporating the Potoroo and North Panama prospects.

Within the financial constraints of the current investment situation, a modest but effective program will be conducted during the 2016-2017 licence year to advance the project. At North Panama a program of mapping and soil and rock chip geochemistry will be conducted over the area underlying the aeromagnetic high over granodiorite. The aim is to definite drill targets based on arsenic and bismuth anomalism, which proved successful pathfinders at Potoroo. The proposed exploration program budget for the year is outlined below.

Track Cutting	\$10K
Geology and Sampling	\$10K
Assays	\$5K
Drafting & Reporting	\$5K
TOTAL	\$30,000

Environment

No work was undertaken during the current year.

Expenditure

Expenditure to June 2016 is estimated to be \$4357.

References

Morrison, K.C. and Pemberton, J. 2014. Annual Report EL 30/2006 Golconda Tamar Gold Ltd June 2014. *Unpublished Annual Report, Mineral Resources Tasmania.*

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