

MFG PTY LTD

ACN 113 324 806

Annual Report for EPM 15047

11 December 2011 - 10 December 2012

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COMMODITIES: All

MAP SHEETS: 1:250,000
Atherton (SE5505)

1:100,000
Chillagoe (7863)
Mungana (7763)

GEOGRAPHIC COORDS: 17° 1'S 144° 27'E

DATE: December 2012

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Appendix A Geological Legend

1.0 Summary

EPM 15047, which is situated approximately 137 kilometers west from Cairns, is accessed via sealed and unsealed roads. Tenure was initially granted on the 11th of December 2007 for a period of 5 years.

No work was done on the tenement during the reporting year of 2011 - 2012.

The work program and expenditure on the EPMs did not meet the DME requirements. The work program outlined in the grant document stated that the company would be undertaking reconnaissance, however the company has not met its planned work program for the year.

2.0 Introduction

EPM 15047 was initially granted on 11 December 2007 and comprised 36 sub-blocks. The current tenure stands at 36 sub-blocks in the Hodgkinson Basin.

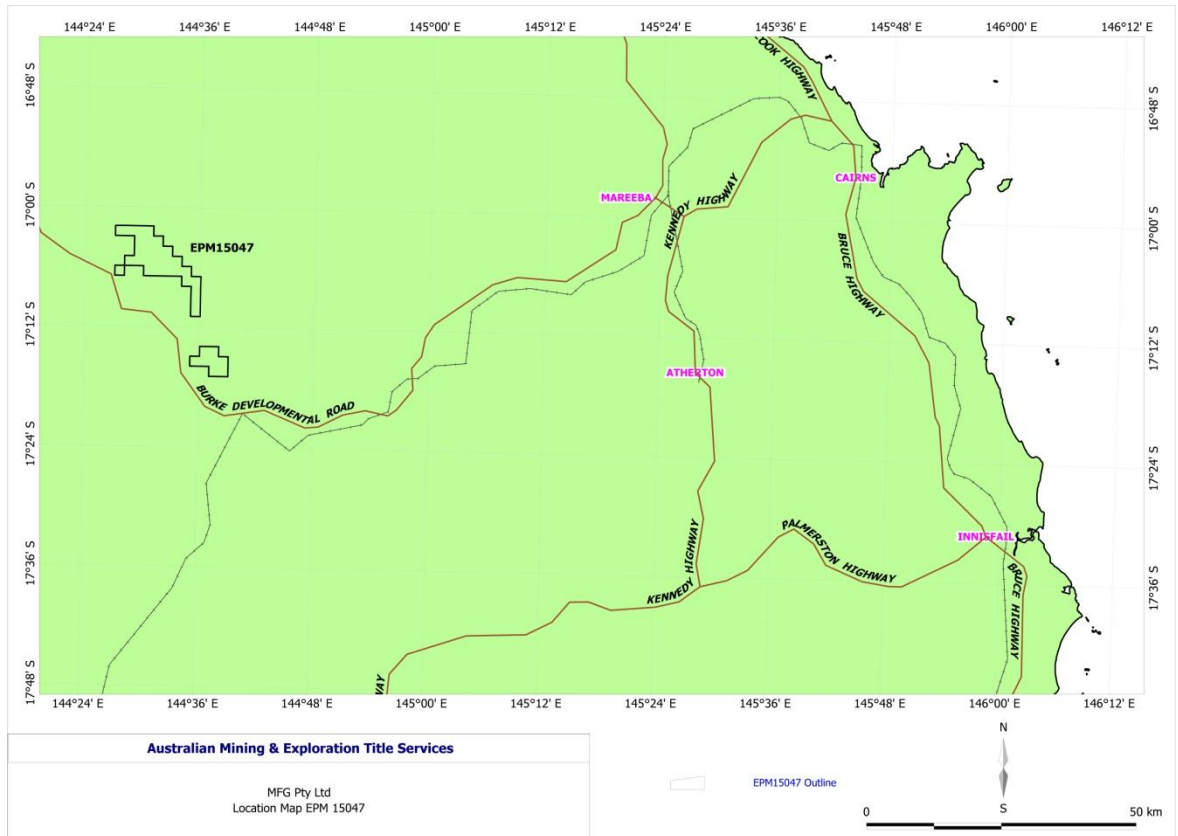


Figure One. EPM 15047

2.1 Location and Access

EPM15047 is located on Cape York Peninsula in North Queensland (See Figure One). The EPM is located approximately 137 kilometers west from Cairns and 4 kilometers north of Chillagoe township. Access to the EPM is via the sealed Burke Development Road and local roads via Chillagoe.

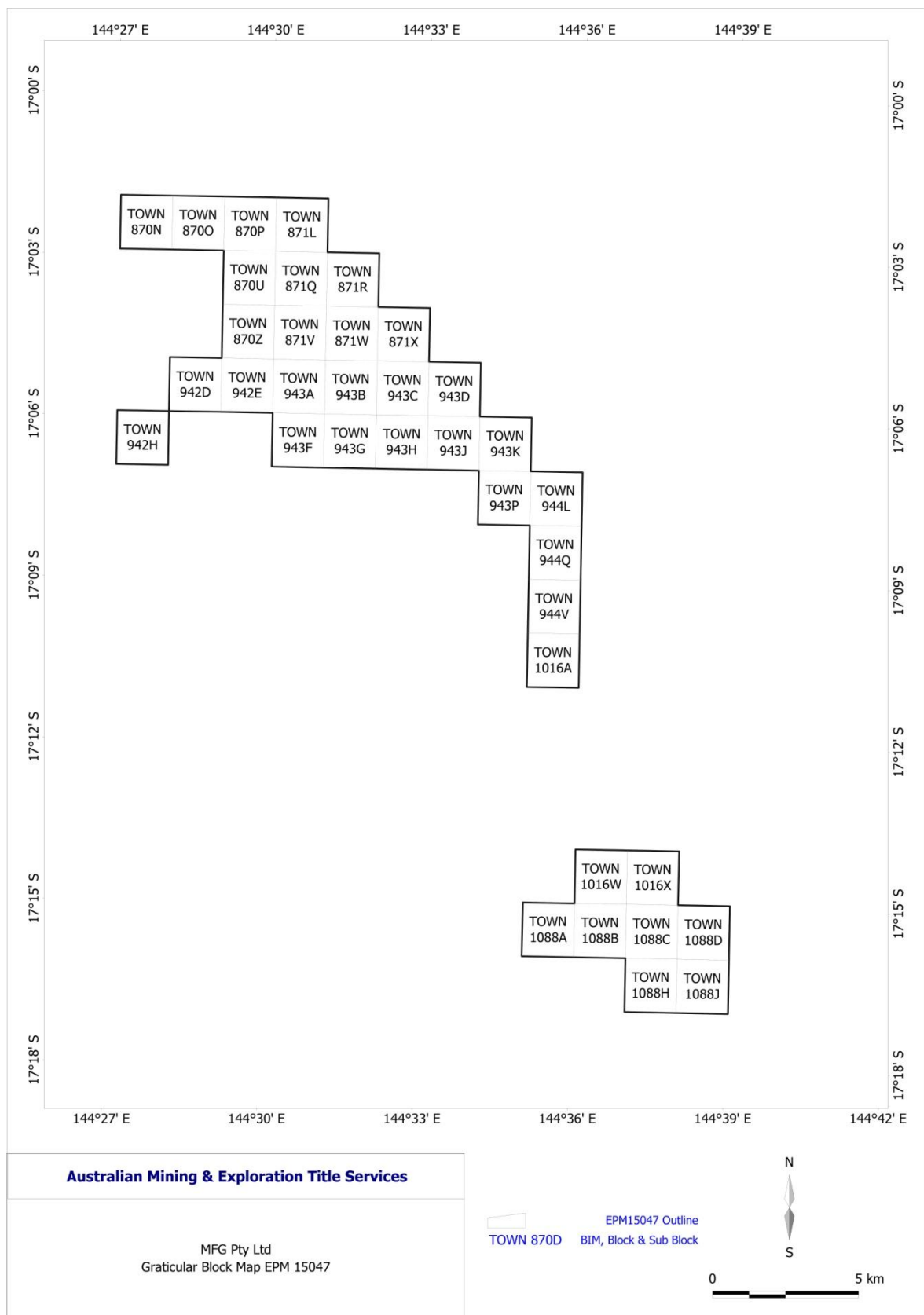


Figure Two. Block map of EPM15047

2.2 Climate, Vegetation & Topography

The climate of the area is monsoonal. 85% of the annual rainfall (generally 1480mm) occurs between November and April. The average maximum daily temperatures range from approximately 18°C in July to 35°C in January, the 'wet season' and may be up to 10 degrees cooler during the 'dry season'. Wet season access to the tenement is difficult given road conditions after heavy rainfall.

Vegetation is typically an open eucalypt woodland with a speargrass groundcover apart from a few rainforest filled gullies, creeks and river areas.

The topography of the EPM consists of low hills with predominantly flat lying terrain.

2.3 Relevant Maps

Relevant maps for EPM 15047 include: -

1:250,000
Atherton (SE5505)

1:100,000
Chillagoe (7863)
Mungana (7763)

Figure 2 displays the sub blocks and layout of EPM 15047. There are 36 sub blocks in total.

2.4 Compliance

The Company has not complied with the expenditure commitments and the planned work programs laid out in the application document. Expenditure for this reporting period is therefore, nil.

3.0 Geology

The tenement lies just on the eastern side of the Palmerville Fault, a major fault system in north Queensland which separates Proterozoic metamorphics on the west from mid-Paleozoic sediments and volcanics of the Hodgkinson Basin to the east.

Carboniferous to Permian igneous rocks intrude both sequences and are accompanied, especially in the case of the Permian, by co-magmatic terrestrial, felsic-dominated volcanics.

The faulted contact has a complex history of development that includes major thrusting events during the Late Devonian to Early Carboniferous. Permo-Carboniferous terrestrial felsic-dominant volcanics and granitoids are regionally extensive, and there are isolated remnants of Mesozoic sedimentary rocks in the region.

Regionally there is a wide diversity of commodities and mineralisation styles. Most of the mineralisation in the district appears to have a genetic link with Permo-Carboniferous magmatism, with many of the deposits showing multi-episode activation and reactivation, as at Red Dome and Mungana.

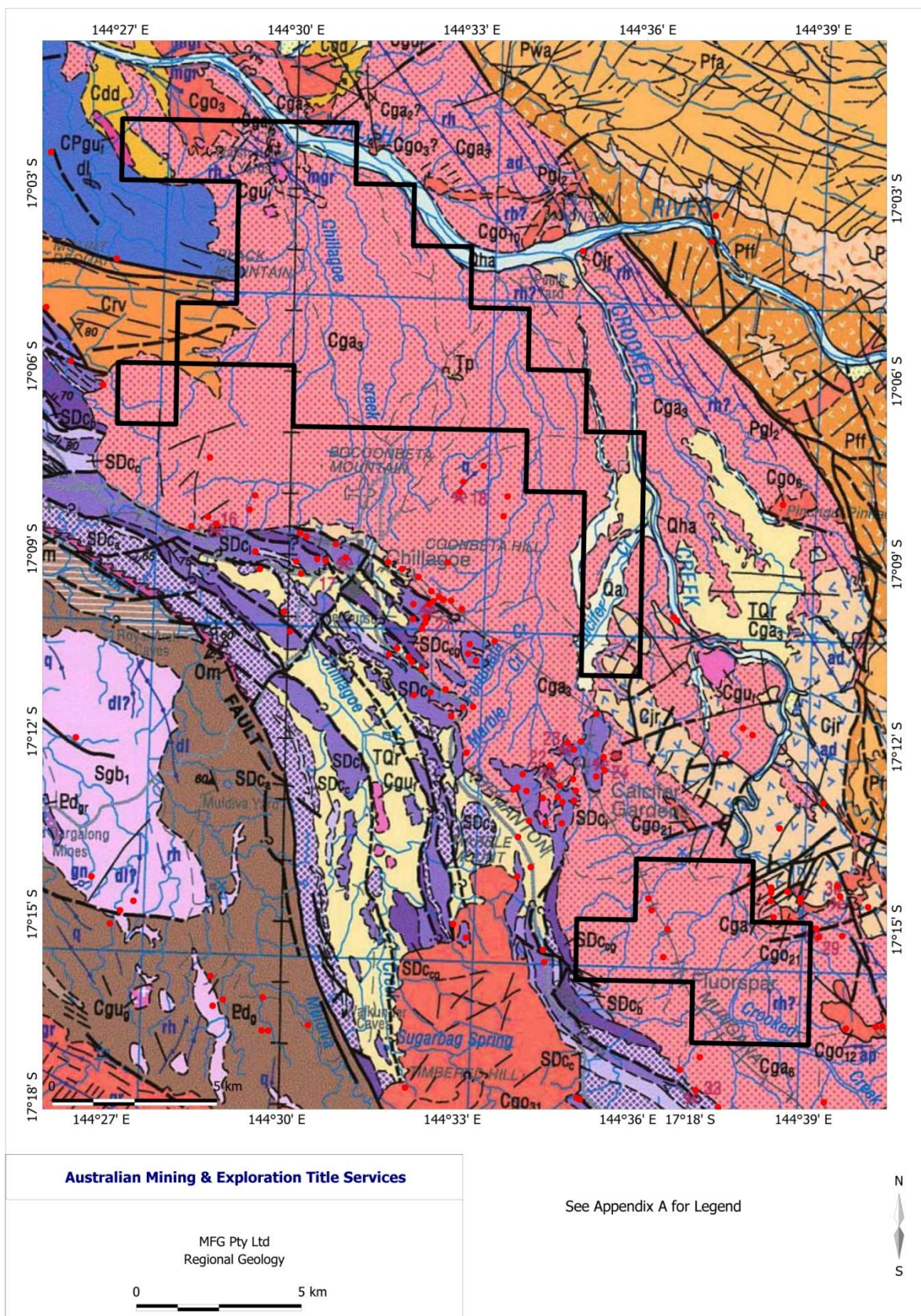


Figure Three: Geology of EPM 15047

4.0 Work Completed on EPM 15047

During the 2011 - 2012 reporting period, there has been nil exploration undertaken.

5.0 Future Work

Exploration planned includes an extensive review of existing literature and maps of the lease, followed by ground-truthing the area.

6.0 References

- | | |
|-----------------------------------|--|
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Appendix A

Geological Record



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