Q1040

Birla Mt. Gordon Exploration

Conquest EPM15996

Annual Report

23rd January 2012 to 22nd January 2013

Distribution :
- ☐ Birla Mt Gordon – Mt Gordon Office
- ☐ Birla Minerals – Perth Office
- ☐ DEEDI - Brisbane

G Steinert

January 24 2013

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1. SUMMARY AND RECOMMENDATIONS

This report describes the exploration activity undertaken by Birla Mt. Gordon Pty Ltd (Birla) within Conquest EPM15996 for the reporting period, in accordance with the program of activities for the permit. Birla's exploration philosophy and objective is the exploration for, and discovery of, copper mineralisation that can be economically treated at their nearby Mt Gordon operation. This is the fifth annual report for Conquest EPM15996 which was granted on 23/01/2008 for a period of 5 years.

Work completed on the tenement during the reporting period includes:

- *Drill access track reconstruction.*

Historic drilling at the Caroline and Aslan prospects has outlined a widespread halo of pyritic mineralisation and hematitic alteration with local minor chalcopyrite and bornite mineralisation. Best historic intercepts were 36 metres at 0.42% copper at the Caroline prospect (including 2 metres at 2.9% copper) and 11 metres at 0.36% copper at the Aslan prospect (including 1 metre at 1.60% copper).

The tenement has been inadequately explored. Immediate work priorities include:

- A drill program (3 holes, 700m) at the Caroline prospect to test for extensions to historic drill results
- Detailed geological mapping west-northwest of the Aslan prospect along the Mount Robert/Lake Julius Fault structure
- Detailed geological mapping at Mount Robert prospect
- Completion of soil sample lines across the main structures
- Completion of airborne geophysical surveying of the entire tenement
- Interpretation of Hyperspectral satellite coverage of the tenement to determine alteration haloes associated with mineralisation.

2. INTRODUCTION

2.1. Introduction

This report describes the exploration activity undertaken by Birla Mt. Gordon Pty Ltd (Birla) within Conquest EPM15996 for the reporting period, in accordance with the program of activities for the permit. Birla's exploration philosophy and objective is the exploration for, and discovery of, copper mineralisation that can be economically treated at their nearby Mt Gordon operations. This is the fifth annual report for Conquest EPM15996 which was granted on 23/01/2008 for a period of 5 years.

2.2. Tenement Details

Tenement details are shown in Table 1 below.

EPM	BIM	BLOCK	SUB-BLOCK
15996	CLON	19	b c d e f g h i k
15996	CLON	20	a b f g h l m n
15996	NORM	3402	z
15996	NORM	3403	v w x y z

Table 1: Tenement details

2.3. Location and Access

Conquest EPM15996 is located 30km south-southeast of Mt Gordon as shown in Figure 1. Access is via station tracks leading from the Mt Gordon road. The EPM is located on the MAMMOTH MINES (6758), ALSACE (6858) and PROSPECTOR (6857) 1:100,000 sheets that form part of the CAMOOWEAL (SE5413), DOBBYN (SE5414) and CLONCURRY (SF542) 1:250,000 map sheets.

The map datum used for all survey work is the Australian Geodetic Datum (AGD84) using Universal Transverse Mercator Zone 54 (UTM54) map projection.

3. GEOLOGY

The geology is described in previous annual reports such as Little (2005) as follows:

"EPM15996 is underlain by rocks from the Haslingden Group and the Crystal Creek Block (Figure 2). The Crystal Creek Block comprises Mount Isa Group sediments preserved in a down faulted block. The Haslingden Group is represented by quartzite, sandstone and basalt of the Eastern Creek Volcanics (ECV). The southern boundary of the Crystal Creek Block is marked by the Mount Robert/Lake Julius Fault, which juxtaposes Mount Isa Group sediments (Moondarra Siltstone, Breakaway Shale and Native Bee Siltstone) against sediments and basalts of the ECV's. Similarly to the north, the Crystal Creek Block is bound against ECV's along the Crystal Creek Fault. Structurally the Crystal Creek region is complex, with folding, block faulting and refolding. Outcropping Haslingden Group rocks preserve a regional north-south structural fabric, which conflicts with the tight upright east-west trending folds preserved in adjacent Mount Isa Group rocks."

Previous work has shown that the Mount Isa Group units exhibit widespread Pb/Zn anomalism throughout the Crystal Creek Block with strong Cu anomalism along the bounding faults. The area is considered prospective for both stratiform sediment-hosted Pb/Zn deposits and Mount Isa/Mammoth-style breccia Cu deposits.

4. PREVIOUS EXPLORATION

The Crystal Creek Block has an extensive exploration history. The following exploration activities have been reported for areas covering all or part of EPM15996.

Date	Tenement – Company – Activity	CR Numbers
1966	AtP 296M – Kern County Land Co. - Regional grid mapping - Soil/rock chip geochem - RAB drilling (17 holes/1219m) - No significant mineralisation	2577, 2082, 2083

Date	Tenement – Company – Activity	CR Numbers
1971	Surprise Creek, Crystal Creek. – Pickands Mather & Co. Int. - Regional stream sediments - 23MLs in Crystal Creek transferred to Triako Mines N.L. 1972 - Follow up auger sampling - Minor IP, SP	
1974	AtP 1400 – Consolidated Gold Fields Aust. Ltd. - Photogeological mapping (1:25000, 1:2500, 1:500, 1:250) - Ground magnetics - Input EM (Mount Close) - Costeaning (7, 1121m) - Stream sediment - Diamond drilling (2 holes)	5192, 5641, 6037, 6142
1974, 1975	AtP 1339 – Consolidated Gold Fields Aust. Ltd - Photogeological mapping, Mount Robert 1:25000, 1:5000) - Diamond drilling (2 holes) - Found Cu in fault breccia	5191
1977 to 1981	AtP 1804M – Esso Exploration and Production Aust. Inc. - Joint Venture – Triako + 23ML - Geological and photogeological mapping - Aeromagnetic survey - Rock chip sampling - Percussion drilling and diamond drilling - False colour Landsat imagery interpretation - Withdrew 1981	6718, 7496, 7675, 8199, 8417, 9909
1983 to 1986	AtP 3421M – Getty Oil Development Co. Ltd. - Rab (bedrock) drilling, two anomalous zones in central and southern sub-basins - Rock chip sampling - Aerial photography (colour) - Geological mapping - Percussion and diamond drilling - Petrography - Best Pb/Zn drill results, uneconomic, at the Egret prospect, southern sub-basin	12425, 12927, 13821, 13822
1987	AtP 3421 – Ausminco Pty Ltd - Purchased Getty interests	15838

Date	Tenement – Company – Activity	CR Numbers
1990 – 1995	EPMs 7336 and 7730, subsequently EPM 9890 MIM Exploration - Drainage sampling - Recon soil lines - Airborne EM (Questem) survey - Gridded soil lines - Confirmed base metal anomalies along the Mount Robert Fault	23338
1996-2007	EPMs 10970 and 11803 Aberfoyle Resources, Western Metals and Birla Mt Gordon - Reprocessing and imaging of MIM AEM - Ground EM at Mount Robert East, Mount West, South Edge and Caroline prospects - 1,370 surface geochemistry samples (max 82,500ppm Cu in soil, max 405ppm Cu in stream sediment, max 161,000ppm Cu in rock chip) - Statistical analysis of stream sediment data - Hyperspectral data collection and interpretation - Reprocessing and imaging of IKONOS satellite high-resolution multispectral, near-infrared imagery - Reconnaissance and prospect geological mapping - Drilling: 11 RC and diamond drill holes at Caroline prospect and 1 diamond drill hole at Aslan prospect - Petrological study of one drill hole at Caroline prospect	
2008-2010	EPM 15996 Birla Mt Gordon - DHTEM on 2 holes - 1 DD hole. 445.7m No significant intercepts	

Table 2: Previous company exploration, 1956-2010

Historic drilling at the Caroline and Aslan prospects has outlined a widespread halo of pyritic mineralisation and hematitic alteration with local minor chalcopyrite and bornite mineralisation (Carthew and Oxenburgh 2007; Pike, Oxenburgh and Steinert 2008). Best historic intercepts were 36 metres at 0.42% copper at the Caroline prospect (including 2 metres at 2.9% copper) and 11 metres at 0.36% copper at the Aslan prospect (including 1 metre at 1.60% copper).

5. EXPLORATION WORK COMPLETED

5.1. Introduction

Exploration work completed during the reporting period includes:

- *Drill access track reconstruction.*

5.2. Drill Access Track Reconstruction

A drill program (3 holes, 700m) was proposed at the Caroline prospect to test for extensions to historic drill results. The historic drill access tracks were re-established during the reporting period but the drill program had to be postponed as a landholder compensation agreement was not concluded during the reporting period thus drill pads and sumps could not be constructed.

6. CONCLUSIONS AND RECOMMENDATIONS

Historic drilling at the Caroline and Aslan prospects has outlined a widespread halo of pyritic mineralisation and hematitic alteration with local minor chalcopyrite and bornite mineralisation. Best historic intercepts were 36 metres at 0.42% copper at the Caroline prospect (including 2 metres at 2.9% copper) and 11 metres at 0.36% copper at the Aslan prospect (including 1 metre at 1.60% copper).

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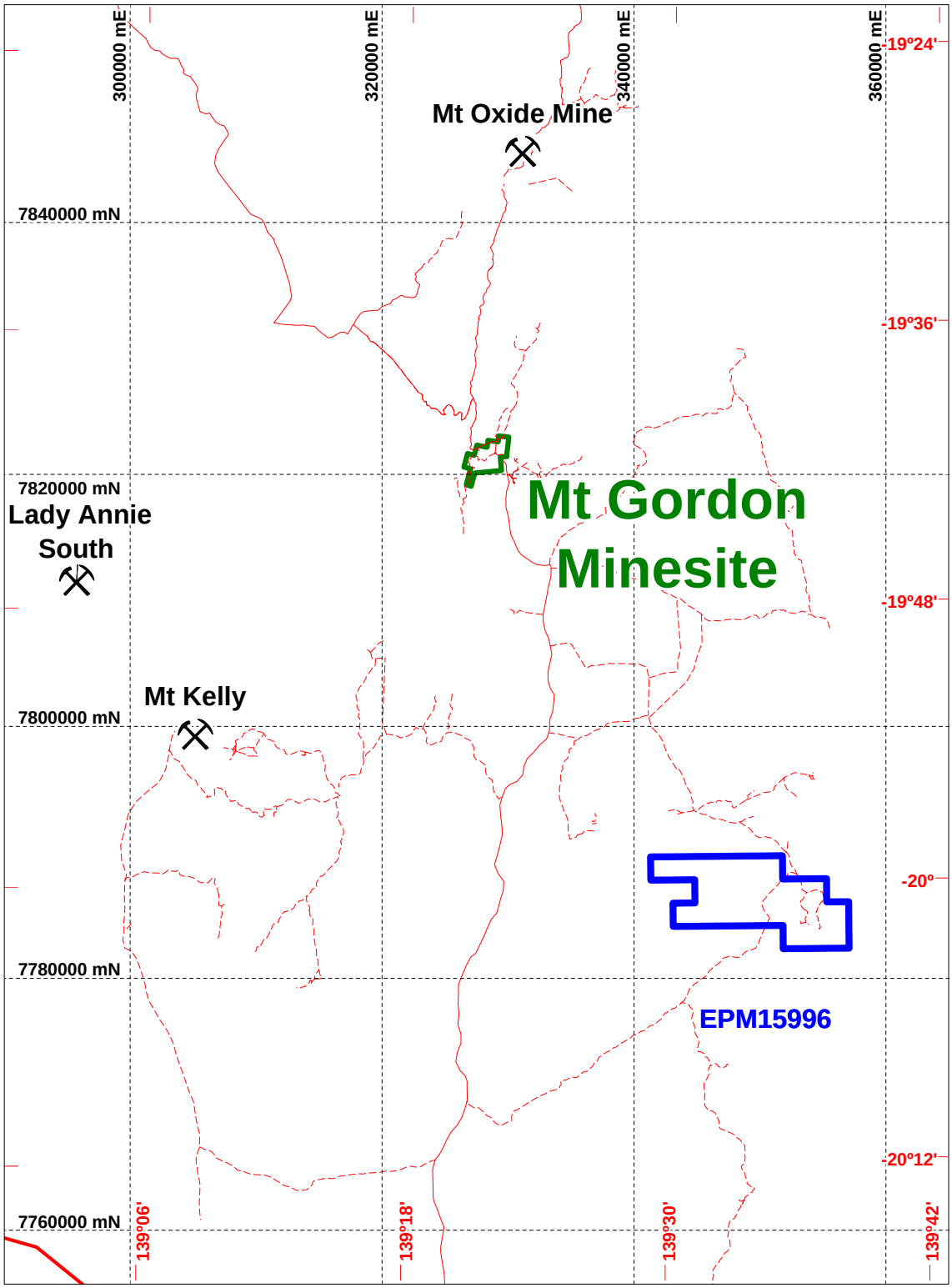
7. REFERENCES

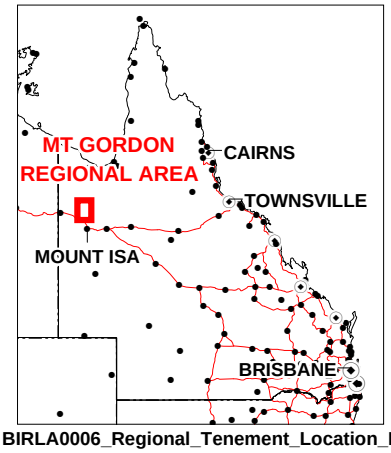
Carthew S J and Oxenburgh S K 2007. Mt Gordon Combined Annual Report for the period ending February 28, 2007. Birla Mt Gordon unpublished report Q0904.

Little G 2005. Combined Annual Report for the period ending 28 February 2005. Birla Mt Gordon Limited unpublished report Q0816.

Pike S, Oxenburgh S and Steinert G 2008. Mt Gordon Combined Annual Report for the period ending February 28, 2008. Birla Mt Gordon unpublished report Q0955.



Mt Gordon Exploration



TENEMENT LOCATION PLAN
EPM15996 Conquest

January 2012

0 10 40km

Scale 1 : 500 000

Projection : AMG Zone 54 (AGD84)

BIRLA0006_Regional_Tenement_Location_Plan.WOR

Figure 1

340,000 mE

345,000 mE

350,000 mE

355,000 mE

360,000 mE

7,795,000 mN

7,790,000 mN

7,785,000 mN

7,780,000 mN

Mt Robert

Mt West

Caroline

07GRLDD013

08GRLDD014

Aslan

Legend

Conquest EPM15996

Access Track

Prospect

Historical RC and Diamond Drill Holes by maximum Cu %

- 10 to 100
- 5 to 10
- 3 to 5
- 1 to 3
- 0 to 1
- all others

BIRLA MT. GORDON

ADITYA BIRLA GROUP

Mt Gordon Exploration

Date:04/02/2009

Author: GCW

Office: MtG

Figure 2

Scale: 1:25000

Conquest EPM15996

Geology and Drill Hole Locations

Projection: AMG Zone 54 (AGD 84)

0 500 1,000 metres

Scale 1:25,000