

Final Exploration Report

EPM 18790

West Normanby River

July 2013

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1. Introduction

Exploration Permit for Minerals (EPM) 18790 consists of 7 sub blocks and is approximately 23 square kilometres in area. The EPM is located downstream of the headwaters of the West Normanby River, which originates on the large granitic pluton, the Windsor Tableland Granite. The EPM is approximately 7 kilometres south east of the township of Lakeland and approximately 80 kilometres west of Cooktown.

The EPM was granted on 23 April 2012. The area was selected with the idea that small scale alluvial and reef gold mineralisation may be prospective in this area, due to existing prospectors and historic mining in the area. It is thought that the gold may be originally sourced along fractures north of the Mount Windsor Tableland Granite.

The West Normanby River continues to support alluvial and small reef gold and tin miners and has been historically mined since 1882 when the first lode gold production was recorded.

This area was previously held by Westco Mining P/L from 1978 to 1982, for the purpose of exploration for potential gold and or tin mineralization. The exploration was undertaken by Allan McGain of McGain Exploration Services. McGain concluded that the mineralisation in the area was small and erratic, with good gold grades from tiny targets and did not justify further exploration.

No fieldwork was undertaken during the period of review due to locked gates and the inability to obtain a key from leaseholders. Work undertaken for the period was restricted to regional research and desktop studies, including compilation of previous work and regional data sets such as geochemical, geophysical and structural information. A field trip is planned in the next few months during the dry season to undertake stream, soil and rock sampling.

The area was fully relinquished in July 2013 due to exploration commitments in other areas.

2. Location and Access

EPM 18790 is located approximately 5 kilometres south of Lakeland and can only be accessed through the pastoral lease of Butcher Hill Station, via gates off the Peninsular Development Road. The EPM is approximately 75 kilometres south west of Cooktown, approximately 130 km NW of Cairns

The EPM consists of steep ridges and valleys, with a highest elevation of 500 metres and descends to 200 metres in the West Normanby River. The elevation drops by 300 metres from the top of the sedimentary ridges to the river valleys within a distance of less than one kilometre. The area is covered with sparse native bush and has limited vehicle tracks. There are several ephemeral creeks in the area that drain into the West Normanby River. The area will only be able to be accessed during the dry season.

The vegetation consists of grassy open eucalypt woodland growing on a very thin soil cover. The rainfall is generally received in the wet season, which can start in November and continue to May, restricting all vehicle access. The average rainfall is around 1000 mm per year. Temperatures vary from 15° C to over 45° C.

3. Tenure

EPM 18790 was granted on the 23 April 2012 to CR Mining Services Pty Ltd, for a five year period .It has been relinquished in July 2013

The Block identifications are as follows;

BIM	BLOCK	SUB BLOCKS
COOK	3395	D J K O P
COOK	3396	Q R

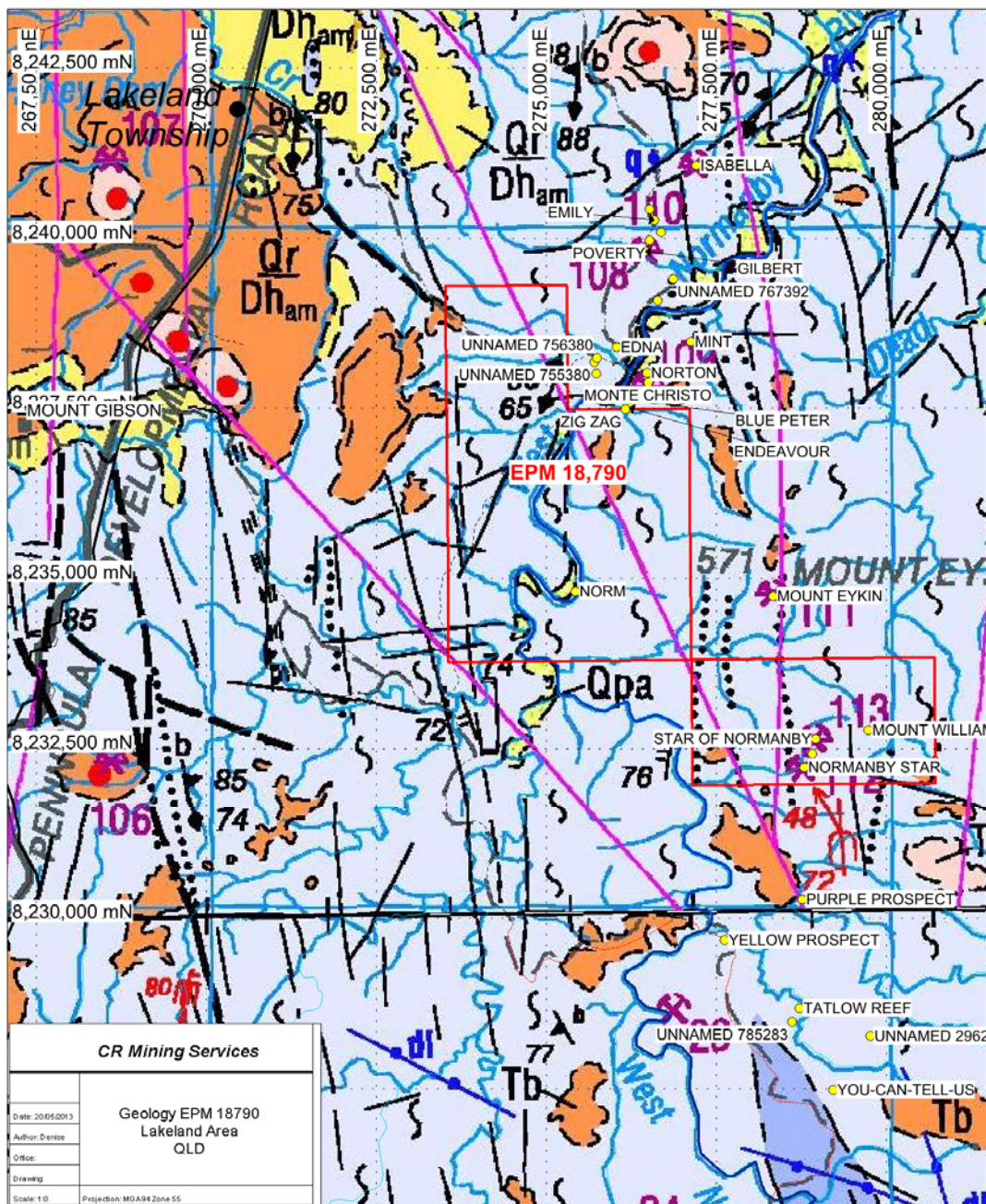


Figure 1: EPM Location and Geology

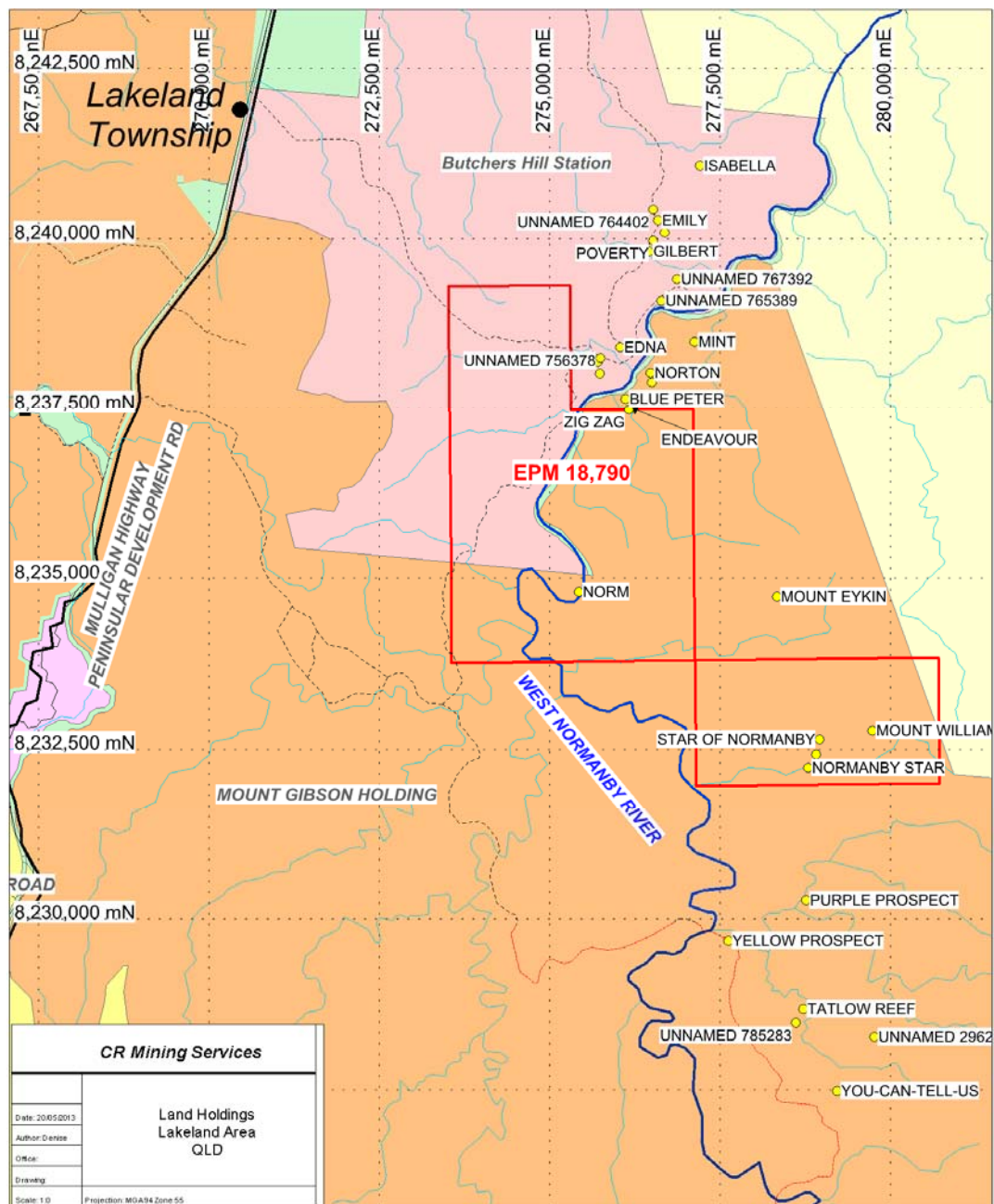


Figure 2: Location of EPM and Pastoral Leases

4. Regional Geology

Regional geological mapping of the Cooktown sheet area was carried out in 1961 by a combined party of the Geological Survey of Queensland and the Bureau of Mineral Resources (Lucas & de Keyser, 1965 and de Keyser & Lucas (1968)). The area is underlain by tightly folded and faulted psammitic sediments of the Devonian Hodgkinson Formation, which are covered by the Tertiary Maclean Basalts.

The Hodgkinson Formation forms a deeply dissected terrain, particularly in the West Normanby River catchment. Uplift during the Cainozoic of a mature river system has incised the drainage, making river traverses time consuming. Lithologies comprise shales, greywackes and siltstones, with

minor sandstones, conglomerates and limestone beds. Interbedded, highly altered basic volcanics also occur. Repetition of the sedimentary intervals by large scale folding and thrust faulting has been observed and previously reported.

5. Previous exploration

The West Normanby Goldfield was worked from 1882 when lode gold production was first recorded, but alluvial gold mining may have taken place previous to this. R.L Jack visited the area in 1898, at which time the goldfield was deserted. Alluvial and small reef mining by prospectors is still occurring along the West Normanby River today. Greater production has occurred during the 1930's, during the depression and between 1906 and 1916, in the Brothers mine further upstream on the river.

In the late 1960s, Stockdale Exploration Limited explored the area for diamonds as part of Authority to Prospect 523M. Their work identified a probable ultrabasic body southwest of Mt. Maclean.

Westco Mining Pty Ltd took up the area in 1978 looking for tin and gold mineralisation.

EPM	Company	Year	Minerals Sought
523	Stockdale Exploration Ltd	1960	Diamonds
1924	Westco Mining Pty Ltd	1978	Gold
3046	Oilmin NL, Transoil NL & Petromin NL	1982	Diamonds
4060	Queensland Metals N.L	1985	Gold
4796	Lake Gold Pty Ltd	1987	Gold
9686	Savage Resources Ltd	1995	Diamonds

Table 1: Previous Exploration

Oilmin NL et al 1982 (From Youles – EPM 3046 - 1982)

Narrow quartz veins and stringers are common and occur sub-parallel to the isoclinal fold trend of N20°W. Large strike slip, quartz infilled faults follow the same trend and frequently contain low grade sulphide and gold mineralisation. Several small gold workings of the West Normanby Goldfield, e.g., the Isabella, Emily, Monte Cristo, etc., occur along this trend. Occasionally cross faults trending ENE occur with mineralisation, e.g., Star of Normanby. Both sets of quartz veins frequently form resistant ridges, clearly visible on aerial photographs.

The Maclean Basalt forms flat country to the north and northwest of the ATP with remnant volcanic vents frequently forming distinct crater characteristics, sinter cones, lava flows, etc. Agglomerates containing peridotite fragments are possible areas of prospectivity for kimberlite pipes and thus, potentially diamonds.

Old river gravels preserved underneath the basalt flows, have yielded workable gold alluvials, usually in combination with current drainage reconcentrating the gold into recent traps.

A stream sediment geochemical survey was undertaken by Oilmin NL consortium over the area in the 1980's. 501 samples of minus 10 mesh stream sediment, weighing approximately 2 lbs each, were collected and the plus 20 mesh fractions were then analysed for niobium. If the result was greater than the threshold of 20 ppm niobium, a minus 72 mesh fraction was analysed for chromium, cobalt and nickel - 38 samples exceeded this threshold.

The surveys delineated the Mt. Scatterbrain area as having high niobium (50 ppm) and nickel (800 ppm) values. These results indicated that ultrabasic rocks in the vicinity are possible. Follow-up bulk sampling in the vicinity of two samples did not recover any diamonds. Three tons of creek sediment from suitable trap sites were processed through a jig and iron oxides with minor pyrope and olivine were recovered.

Following an appraisal of the West Normanby Goldfield, a gold assessment by panning at 575 locations was carried out in the southern portion of EPM 3046. This work confirmed that the alluvial material was not payable. Reasonably consistent results were obtained in the Twins or Isabella-Monte Cristo area. This area has the greatest concentration of reefs with small workings located on narrow quartz stringers trending generally NNW and on strike faults. Check sampling by washing and panning showed very low gold concentrations.

CONCLUSIONS by Oilmin NL:

The geochemical survey was successful in delineating an area with a high ultrabasic component, but no diamonds were recovered. Further exploration would be costly and time consuming and is not warranted at this time without the positive indication of diamonds. Gold associated with the small reefs and in the small creeks draining the Twins area may be payable for a one man operation.

6. Exploration undertaken during period of Review

No work was undertaken during the period of review.

7. Conclusions.

The area has reluctantly been fully relinquished without thoroughly exploring the area due to expenditure commitments in other areas and the relatively low prospectivity of the area in regard to gold mineralisation for large scale mining.

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