

**FIRST ANNUAL REPORT
ON WALLA MANGANESE PROJECT**

QUEENSLAND

Exploration Permit Mineral: 17810

BY

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DISTRIBUTION

- 1. Queensland Department of Minerals & Energy*
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1.0 WALLA MANGANESE PROJECT

2.0 INTRODUCTION

The Bundaberg Manganese Project is located approximately 57 road kilometres east of Bundaberg Township in Queensland. Extensive untested manganese outcrops occurs within the EPM area with excellent potential to delineate direct shipping ore based on the accessibility of the location.

1. No systematic exploration has been conducted on the manganese prospects and historical mine areas within the Bundaberg Manganese project.
2. Historical assays have also indicated that the silica, iron and phosphate levels are all within the direct shipping ore parameters which further confirm the economic potential of stand alone mining operation.
3. Excellent potential for further discovering manganese throughout the area.
4. No systematic exploration has been conducted to delineate any further sub cropping manganese or deeper mineralized zones.
5. Testing, refinement and successful deployment of helicopter borne EM surveys for direct detection of blind manganese deposits will transform regional to prospect scale exploration, thus suitable for relatively rapid coverage.

3.0 LOCATION AND ACCESS

The Bundaberg Manganese Project is located approximately 11.8 road kilometres north of Gin Gin and 57 road kilometers east from Bundaberg Township in Queensland. The project comprises one application Exploration Licence (EPM17810) which covers an approximate area of 43.55 km² that is easily accessed from the Bruce Highway from Bundaberg.

The EPM area lies on the Maryborough 1:250,000 Geological Sheet Series (SG56-6). The nearest bulk handing shipping port from the EPM area is located at Gladstone, located in the south approximately 218 rail kilometres from the EPM area and 46.7 kilometres from the port of Bundaberg.

The manganiferous country is gently rolling. It was formerly covered with dense scrub, but most of it was formerly under cultivation, the slates forming a rich brown soil. It is drained by Currajong Creek and its Right Branch, and a feature of the country is the number of springs, some of which persisted even in the drought.

The project is comprised of three application exploration licence (EPM) with the tenement details summarized in Table 1 and the location is shown in Figure 1.

Table 1: Walla Project - Tenement Summary

Project	Tenement Number	Status	Current Area		Current Holder	Granted Date	Expenditure Covenant (\$)
			Blocks	(sq km)			
Bundaberg	EPM 17810	Granted	14	43.55	Bluekebble Pty Ltd	20/07/2009	\$25,000



Figure 1: Bundaberg Project – Topographic Map

5.0 REGIONAL GEOLOGY & MINERALISATION

A narrow north and south stretching zone of slates and tuffs of undetermined age includes all the manganese lodes. The beds strike north and south and dip at high angles both east and west, owing to folding, compression from east and west.

Clay schist with segregated lenticules of quartz occurs west of the slates, and similar country – probably a continuation of the same belt - exists in the Perry Scrubs to the south (GMJ August 1903, p 400). The soil produced is comparatively poor, and the quartz blows carry little or no gold.

Immediately east and north-east of the manganese area the slates are capped by rich red and black residual basaltic soils, but they have been denuded a short distance to the east and north-east, leaving sandstones and conglomerates (of Triassic age) exposed.

The tuffs and slates are apparently of much younger age than the schists, but are themselves much older than the sandstones and conglomerates. Nothing is known as to the basalt beyond that it is younger than the sandstone; but as none of these rocks appear to have any connection with the manganese deposits.

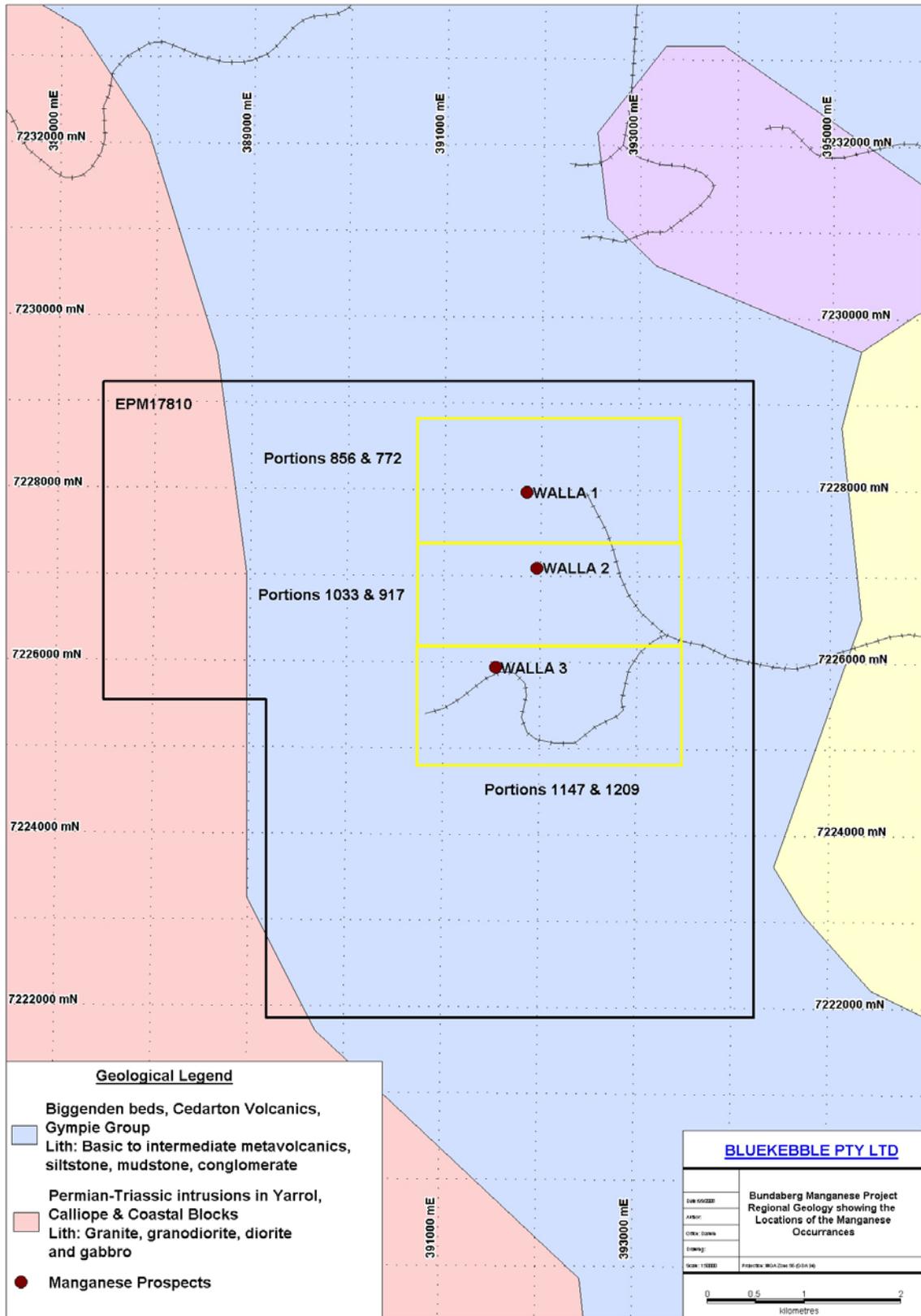


Figure 2: EPM17810 – Regional Geology with Prospect Location Map

6.0 PREVIOUS EXPLORATION AND MINING HISTORY

The area of manganese ore on this portion is in the extreme south-eastern corner, and extends along the eastern side for 201 metres from the southern end. It consists of scattered pebbles and boulders over a width of 35.57 metres at the northern end to 1.82 metre at the southern. At 120.7 metres from the southern boundary is a solid outcrop 1.82 metres wide. The wider parts are due to the occurrence of a number of separate lenses, not to a thickening of one single lens.

The northern portion is formed of a mixture of hard and soft cellular, slightly ferruginous ore of good quality, but towards the southern boundary the fragments of ore on the surface are often found, when broken, to have a centre of rhodonite (manganese silicate), or else of partly replaced slate.

A general sample, taken from the whole outcrop assays (Government Analyst):

Manganese.....	42.4%
Silica and insoluble.....	16.3%

The amount of manganese dioxide was not estimated, but, even assuming the whole of the metal to be per-oxidised, it would amount to 67%. The northern end of this deposit is very well worth prospecting, for the discovery of a large lode here.

The road to the west of the northern end of the above deposit, and just south of the Central Mill Tramline Crossing, is covered for a distance of 60 metres with small pebbles of very good ore, possibly derived from veins running along the road.

Portion 1033 Walla 2 Area

Six areas on this portion have received attention, all lying on the continuation of the zone embracing those in Portion 856 and the road adjacent.

Some work has been done 200 metres south-west of the south-eastern corner of 856, a pothole 3.08 metres deep proving a width of 1.82 metres of clay stained manganese ore, seemingly bulging to the south in depth. On the western or hanging wall is a 0.6 metre band of partly replaced slate, but much of the remainder of the ore is fine-looking blue-dioxide sandy clay. The quality of the ore varies greatly within the area and is believed to improve with depth. The hanging wall is fairly defined and vertical, but the footwall is stained and veined with ore. The country on the west is fissile decomposed tuff slate, dipping 70° to 80° to the west-south west, while that on the east is decomposed massive slate.

The deposit was found by trending and judging from the fragments on the surface scattered over a width of a 20 metres, it may be 60 to 80 metres in length.

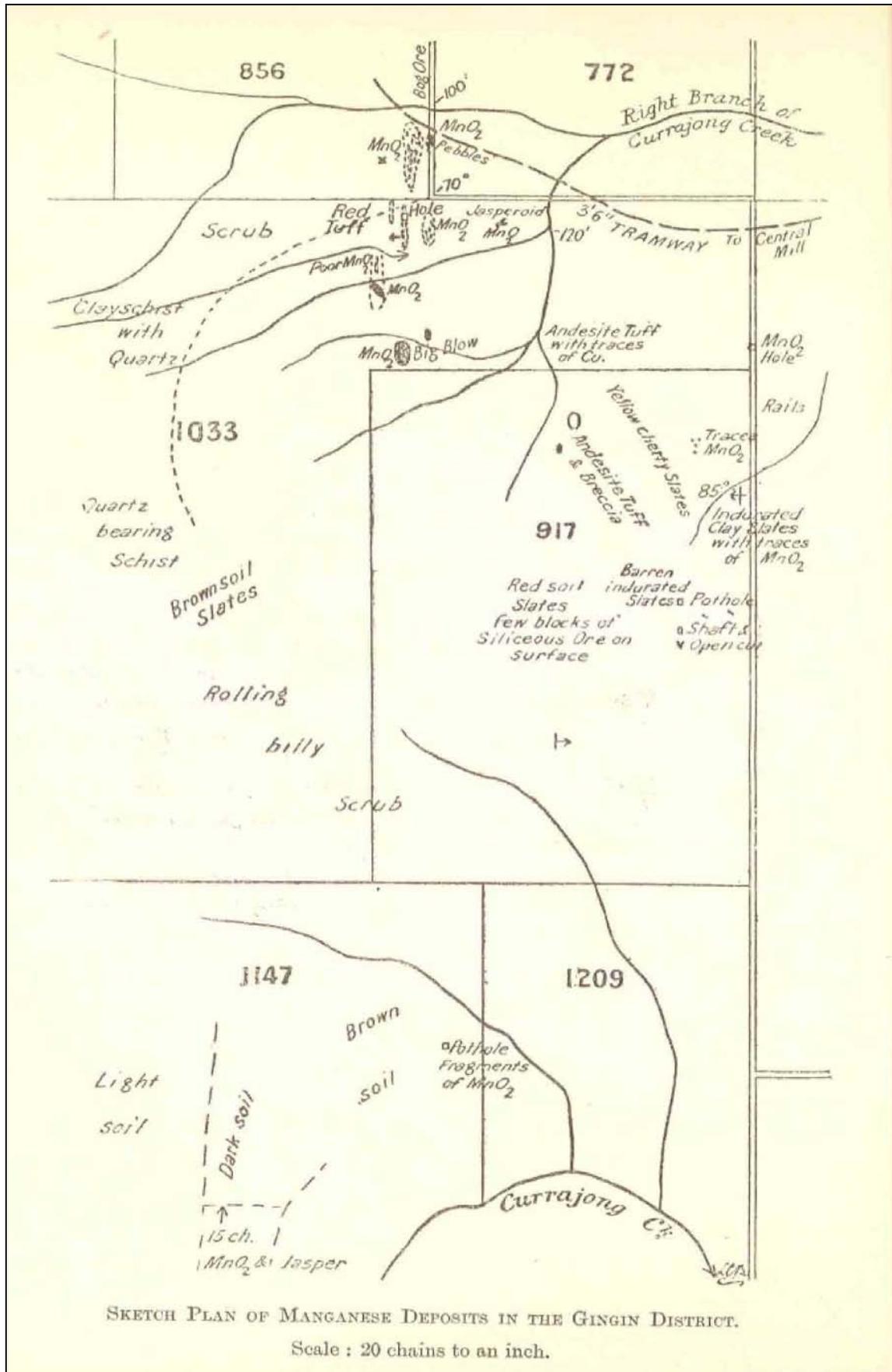
A sample assayed (Government Analyst):

Manganese.....	40.5%
Silica and insoluble.....	20.1%

A second small outcrop – probably a separate deposit – is to be seen half 10 metres up the hill to the west, and partly replaced slate 10 metres beyond.

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The next area is approximately 50 metres to the east, on the line of that on the road (referred to under portion 856). Fragments of good ore are scattered over the ground for a distance of 40 metres and a general sample from them assays (Government Analyst):

Manganese.....47.3%

The next manganiferous belt is 100.5 metres west of the pothole, and has a width and length of 20.1 metres. Large blocks of rather soft quartz veined ore, with central pinkish manganese stained slate

Some metres south and within 80 metres of the north-west corner of Portion 917, a large outcrop known as the Big Blow, the fragments and manganese boulders are up to 1.82 metres in diameter covering an area 40 metres long and 20 metres wide. There are two manganiferous portions separated by 1.21 metres of red slaty tuff containing bunches of manganese ore, the south-western about 1.52 metres wide, the other been around 1.82 metres wide. The third outcrop, 6 metres to the northeast is 1.21 metres in greatest width and consists of better ore.

Manganese.....33.0%
Silica and insoluble.....30.2%
Iron.....2.3%

Portion 917 Walla 2 Area

Trenches and one open cut shaft was developed down to 6.4 metres. The trenches were cut around 9.1 metres in length by 4.57 metres in depth with the ore observed to be dipping south east. A few tons of ore obtained was of a good quality, a sample of that left on the surface assayed (Government Analyst):

Manganese.....48.4%

Also 10 tons of manganese ore was recovered within two over-lapping, north and south striking bunches of outcropping manganese from a depth of 1.21 metres. The samples yielded (Government Analyst):

Manganese.....47.2%
Silica and insoluble.....8.2%
Phosphorus.....0.075%
Sulphur.....0.1%
Iron.....0.91%

Portion 1147 Walla 3 Area

Manganese ore has thus been shown to be abundant in this locality; with trial drilling has the potential to local payable ore.

7.0 WORK COMPLETED AND DISCUSSION

During January 2010 consulting geologists Kastelco Geological Consultancy (“**KGC**”) conducted a review of existing historical exploration data within the Queensland Mines Department Survey

Database. This was conducted for all the Project areas to identify any high potential manganese exploration targets and resulted in the identification of several targets that warrant further work.

The targeting was undertaken at a high level to identify areas of interest that stand out in the regional re-interpreted geophysical data. Historical prospects were reviewed to determine the effectiveness of the previous exploration and evaluate remaining potential within the Exploration Licence area.

Through detail interpretation of airborne magnetic from the Queensland Geological Survey, the following magnetic anomalies were identified as shown in Figure 3. The location of the magnetic anomalies targets is represented in Figure 3.

Table 2: Magnetic Targets warranted for follow up exploration work over EPM17810

Tenure Number	Strike Length Anomaly (km)	Width Anomaly (km)	Geological Setting
EPM17810	3.00 km	0.25 km	Biggenden Beds
EPM17810	3.21 km	0.23 km	Biggenden Beds

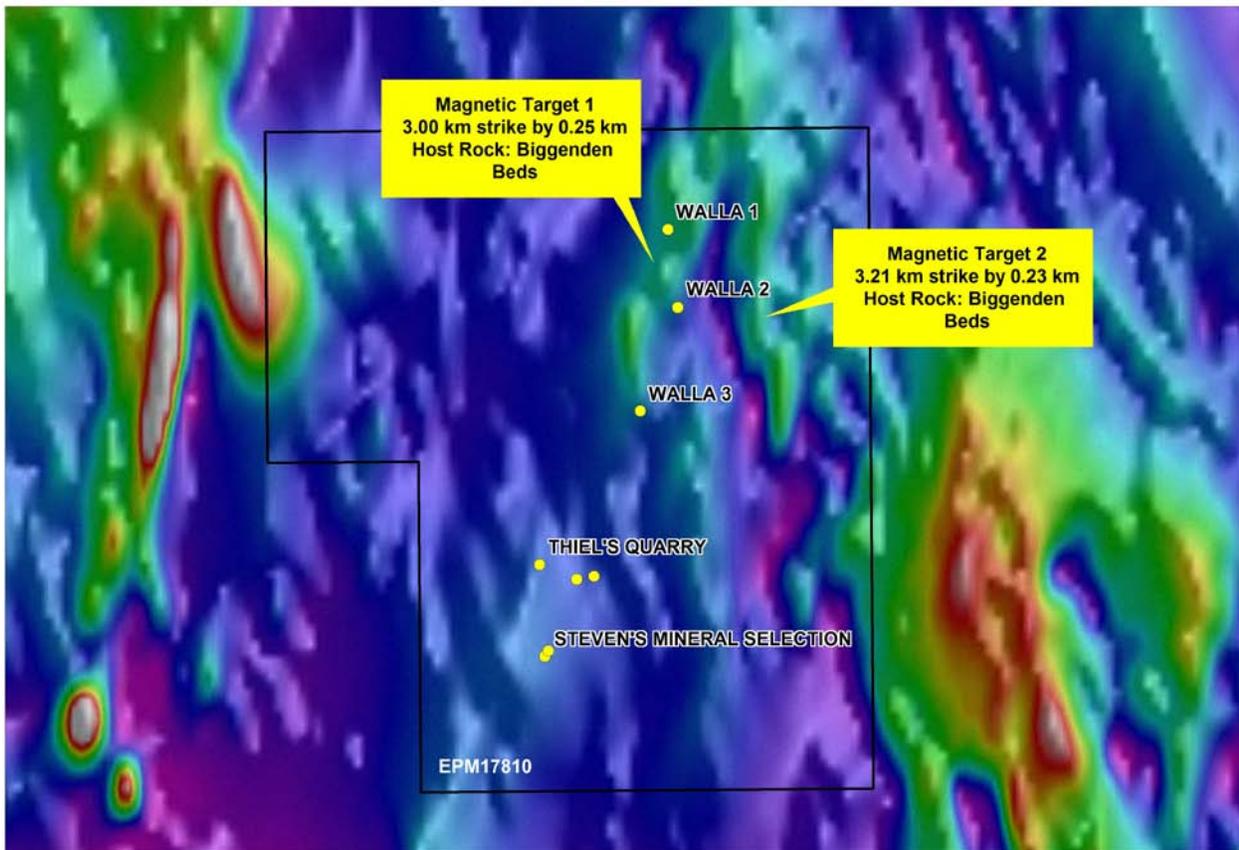


Figure 3: EPM17810 – Regional TMI with Prospect and Magnetic Targets Location Map

8.0 EXPLORATION POTENTIAL

6. No systematic exploration has been conducted on the manganese prospects and historical mine areas within the Gladstone project.
7. Historical assays have also indicated that the silica, iron and phosphate levels are all within the direct shipping ore parameters which further confirm the economic potential of stand alone mining operation.
8. Excellent potential for further discovering manganese throughout the area.
9. No systematic exploration has been conducted to delineate any further sub cropping manganese or deeper mineralized zones.
10. The best surface indications of manganese occur in a structural zone. Numerous drill targets could be developed with limited electromagnetic survey.
11. Testing, refinement and successful deployment of helicopter airborne EM surveys for direct detection of blind manganese deposits will transform regional to prospect scale exploration, thus suitable for relatively rapid coverage.
12. The target areas are interpreted to be potentially analogous to the Woodie Woodie Deposit in Western Australia.

9.0 PROPOSED EXPLORATION

Kastellco Geological Consultancy recommends that Genesis Resources Ltd exploration programmes should be designed to test the tenement for manganese targets is described below;

1. Carry out airborne EM surveys over high grade base metal areas generated by the surface sampling programme to delineate any manganese targets at depth for future drilling.
2. Detailed regional structural interpretation with strong emphasis on the identification of untested mineralised structural trends

10.0 REFERENCES

Ball, LC, 1903. SOME MANGANESE DEPOSITS IN THE GIN GIN, DEGILBO AND WARWICK DISTRICTS, Queensland Geological Publication No 189, pages 1 to 10.