

RED ROCK AUSTRALASIA PTY LTD
Beneficial Holder: REGENCY MINES AUSTRALASIA PTY LTD

EPM 18219 BUNDARRA PROJECT

Partial Relinquishment report for the period 22nd August 2011 to 21st
August 2014

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ABSTRACT

The Bundarra project EPM 18219 is located 130km southwest of Mackay, in central eastern Queensland. The tenement covers Permian sediments of the Bowen Basin (Blackwater Group) that have been intruded by the Cretaceous Bundarra Granodiorite. Copper and/or gold mineralisation is associated with the contact metamorphic aureole, and some prospects have seen past production from small high-grade workings.

Owing to the work carried out during the period from 22nd August 2011 to 21st August 2014, which included geophysical reviews and comprehensive VTEM surveys, the Company was able to assess the tenement and prioritise target areas for future exploration efforts. Subsequently, 30 of the 40 licence blocks have been marked for relinquishment.

1.0 INTRODUCTION

This report covers work done during the period 22/08/2011 to 21/08/2014. Most recently a review of the VTEM data flown in September 2011 which included processing, picking and modelling, litho-structural interpretation and interpretation, GIS conversion and reporting was completed by Southern Geoscience Ltd. (Perth), on behalf of the Company. The results of this data reinterpretation were submitted to Regency in January 2014. Since then priority targets have been delineated for future exploration. Subsequently, 30 of the 40 blocks have been relinquished.

The Bundarra tenement (EPM 18219) previously comprised 40 blocks and is situated approximately 130km southwest of Mackay in the Bowen Basin of central Queensland. A rail line between the Bowen Basin coalfield and the coast passes less than 10km to the north of the tenement (Figure 1). Access from Mackay is by the Sarina/Marlborough Road, then via the Peak Downs Highway and Fitzroy Road to Bundarra Homestead. A network of formed gravel roads provides good access within the tenement.

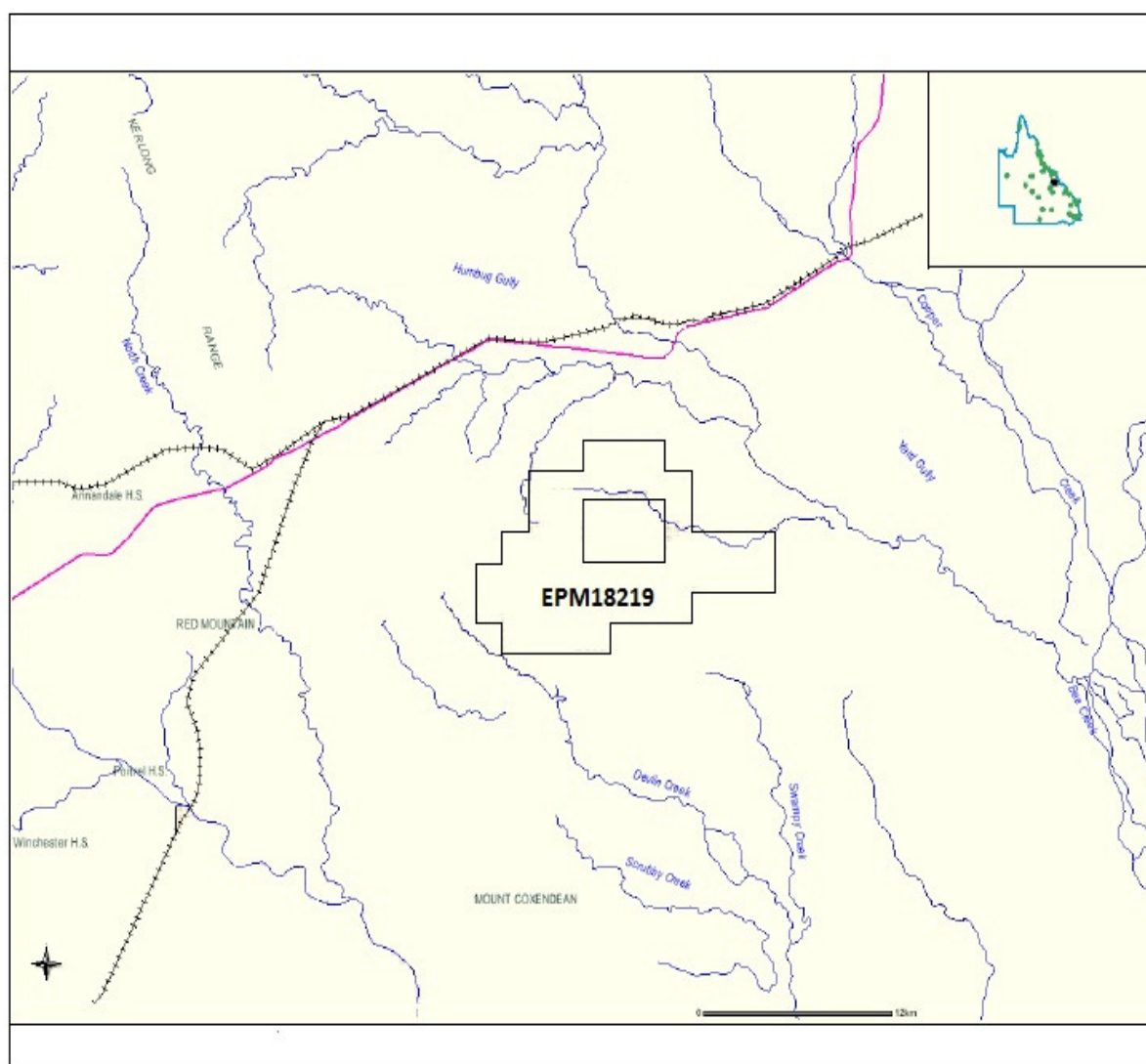


Figure 1. Tenement Map

2.0 LOCATION AND ACCESS

The Bundarra project lies approximately 130km southwest of Mackay in central eastern Queensland. Access from Mackay is by the sealed Peak Downs Highway for some 120km via Nebo, then a final 10km south on the sealed Fitzroy Developmental Road to the project area (Figure 2). The Fitzroy Developmental road traverses the project area from north to south, and numerous station tracks provide off-road access, generally by 4WD only.

The project area straddles the boundary of four 1:250,000 map sheets and four 1:100,000 map sheets; Mt Coolon (SF55-07), Mackay (SF55-08), Clermont (SF55-11) and St Lawrence (SF55-12), and Harrybrandt (8554), Nebo (8654), Grosvenor Downs (8553) and Bombandy (8653).

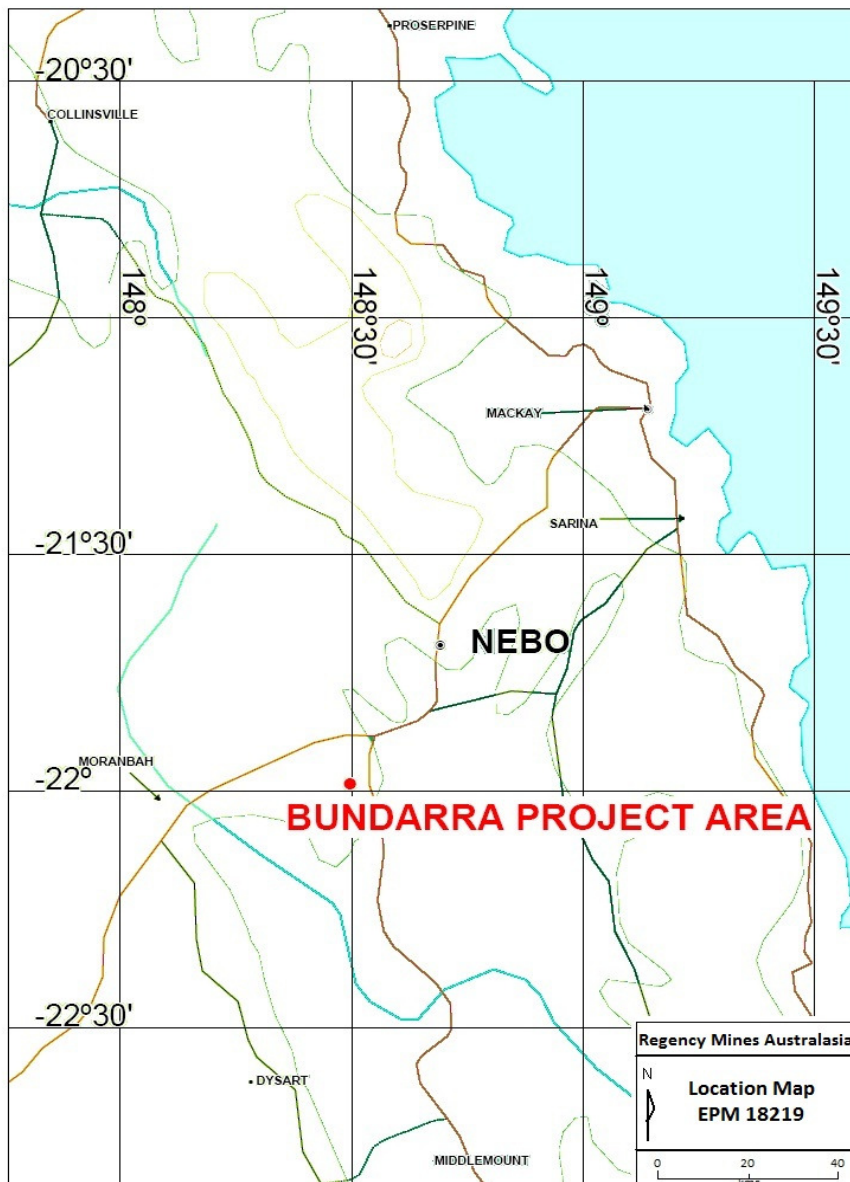


Figure 2. Location Map

3.0 TENURE

EPM 18219 was applied for Regency Mines Australasia Pty Ltd on 03/08/09 and granted on 22/08/2011. Details are presented in Table 1.

Table 1 – Bundarra Project Tenement Details

Tenement No.	Holder	Date Granted	Blocks	Annual Expenditure
EPM18219	Regency Mines Australasia Pty Ltd	22 nd August 2011	40 blocks	\$60,000

4.0 REGIONAL GEOLOGY & MINERALISATION

The Bundarra Mineral Field occurs within the Lower Permian Back Creek Group, a Lower Permian sequence of carbonaceous shales, sandstones and marls within the Lower Permian to Triassic Bowen Basin. The mineral field occurs to the west of South Connors Arch, the magmatic arc element of a Carboniferous convergent plate margin. Copper mineralisation in the licence is centred on and around the margins of the Bundarra Igneous Complex: an Early Cretaceous, calc-alkaline, composite intrusive system which intrudes and domes the Back Creek Group.

A range of intrusive compositions has been reported from granodiorite/quartz monzodiorite/quartz diorite to adamellite/quartz monzonite. Tonalite and syenite have also been reported. The intrusives crop out poorly to form an area of low relief surrounded by a ring of hills of metamorphosed sediments. The Painted Peak pluton stands out topographically within the complex. Eupene (1968) found the latter to contain 30% porphyritic rocks. The presence of numerous porphyries, breccia pipes and occasionally pebble dykes support the high level nature of the Bundarra plutons.

A favourable structural/tectonic aspect of the pluton is its occurrence at the intersection of two large regional linear cross cutting trends namely the Marion Creek Trend, and a NW SE line of plutons extending over 150 kilometres from Collinsville to Mt Flora. The east north east Marion Creek Trend contains the Bundarra Mineral Field and the Hamilton Park Porphyry system. Hamilton Park occurs 20km ENE of Mt Flora and includes the Waitara and Denison Creek porphyry stockwork mineralisation related to a high level intrusive centre suggested from prominent arcuate aeromagnetic features.

The country rock sediments have been domed by the Bundarra Intrusive Complex with the contact between them dipping outwards from the complex at angles of between 20 to 50 degrees.

Surrounding the Bundarra Intrusive Complex is a metamorphic contact aureole up to 800 metres wide of upper albite-epidote hornfels locally containing andalusite (Eupene, 1968). The hornfels and knotted slates which comprise this aureole occur as a topographic high around the pluton which, with the exception of the northern part of the Painted Peak sub-pluton, forms an area of low relief and poor outcrop. Shale detritus often covers the contact between the intrusive and the sediments. Outside the Bundarra Granodiorite to the west and southwest there are numerous intrusive outcrops (Fig 3). These have been found to be generally dykes or sills (Warren, 1963).

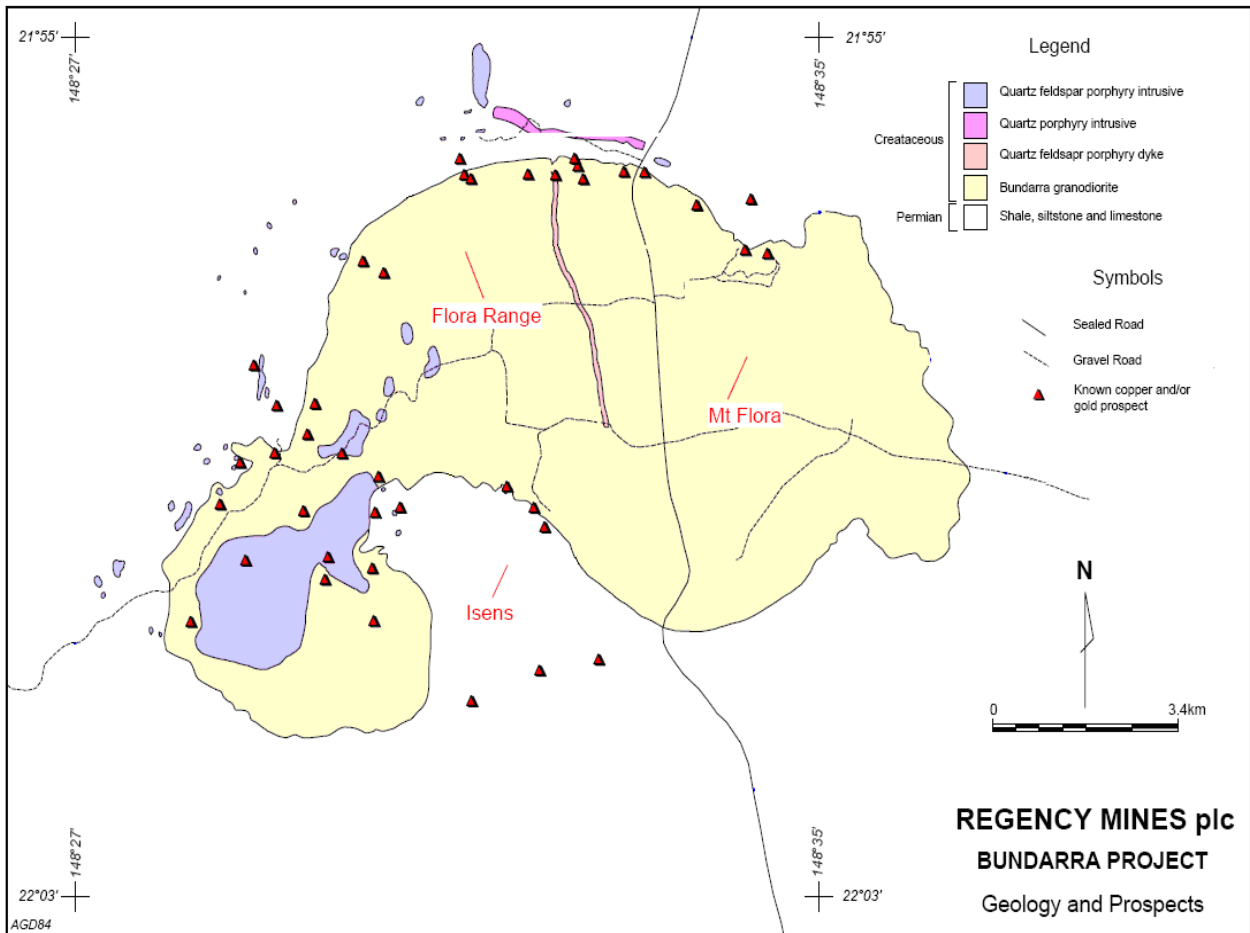


Figure 3. Regional geology map

5.0 PREVIOUS EXPLORATION

Previous exploration activities have been covered in detail by Beams (2001), Castle (2000), Horton (1989) and Syvret (1993). The following is a general summary.

Late 1800s to 1918: Small scale copper production from high grade lodes. The field has many known primarily copper occurrences and past mines, at least 24 of which were significant producers in the smelter days.

1963-1973: exploration focussed on the potential for intrusion-related porphyry-style Cu and Au. Geological, geochemical and geophysical studies, diamond drilling and mine

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evaluation was carried out at Mt Flora and Mt Orange by Geopeko Ltd, Planet Metals Ltd, Shaw River Alluvials Ltd, ICI Exploration Ltd and Endeavour Oil Company NL.

1973: Endeavour Oil Co NL estimated 262Kt @ 2.58% Cu and 40g/t Au at Mt Flora.

1980s: Quorn breccia and other lithologies along the north margin of the Bundarra Granodiorite evaluated by Chesterfield Mining and Exploration Ltd, returning a best intersection of 3m @ 7.25g/t at Cadet Prospect.

1984: Gravity survey completed by Carpentaria Exploration, which outlined a strong anomaly along the western edge of the Bundarra Granodiorite. This was subsequently interpreted as a second intrusive or a stacked set of haematite veins in the Permian sediments.

1986-1988: Mt Flora, Quorn and Painted Peak re-evaluated by G.S.S. Homes Pty Ltd, ARI Ltd and Elliott Exploration Co Pty Ltd. Results returned 6m @2.2g/t Au and 6.5% Cu at Isens prospect.

1987: Detailed aeromagnetic and radiometric survey commissioned by Elliott Exploration Pty Ltd.

1989: Photo-geological mapping, stream sediment and rock chip sampling south of the intrusion conducted by Xenolith Gold Ltd returning up to 3g/t Au at Hill 1 prospect.

1989-1991: Two Cu-Ag-Au prospects discovered in Quorn area by Palladin Resources Pty Ltd.

1991-1994: An 800m long siliceous breccia containing 9% Cu was identified in the Quorn Breccia. Work conducted by Dominion Mining Ltd, Marlborough Mines NL, Queensland Metals Corporation Ltd and Normandy Exploration Ltd. Drilling suggested near-surface enrichment in this lithology which narrows at depth.

1994: MIM Exploration Pty Ltd reprocessed airborne magnetic data and drilled the north margin of the Bundarra intrusion.

2001: RC drilling conducted at Mt Flora by Central Queensland Resources Ltd.

2005: Regency Resources Ltd undertook mapping and soil sampling at Isens, Mt Flora and Flora Range returning significant Cu and Au. Landsat and aerial photos were obtained and the 1987 airborne geophysics survey was revisited.

2011-2014: Geophysical review and VTEM survey flown by Regency Mines plc (Figures 4 & 5)

The exploration carried out from the 1960s onwards outlined further areas of mineralisation and confirmed the area's potential to host multiple styles of mineralisation, including:

- 1) high-grade copper-gold vein type mineralisation amenable to open pit and underground extraction
- 2) bulk tonnage low grade or smaller higher grade breccia hosted gold-copper bodies, and
- 3) bulk tonnage low grade sheeted vein/stockwork copper-gold bodies.

A review of past exploration suggests that limited work is required to delineate copper-gold resources at a number of prospects, and that the project area is also prospective for large IOCG copper and gold systems of Olympic Dam and Ernest Henry style. In the past, exploration of the Bundarra region was hampered as a result of competitive company attitudes and fragmented tenement ownership.

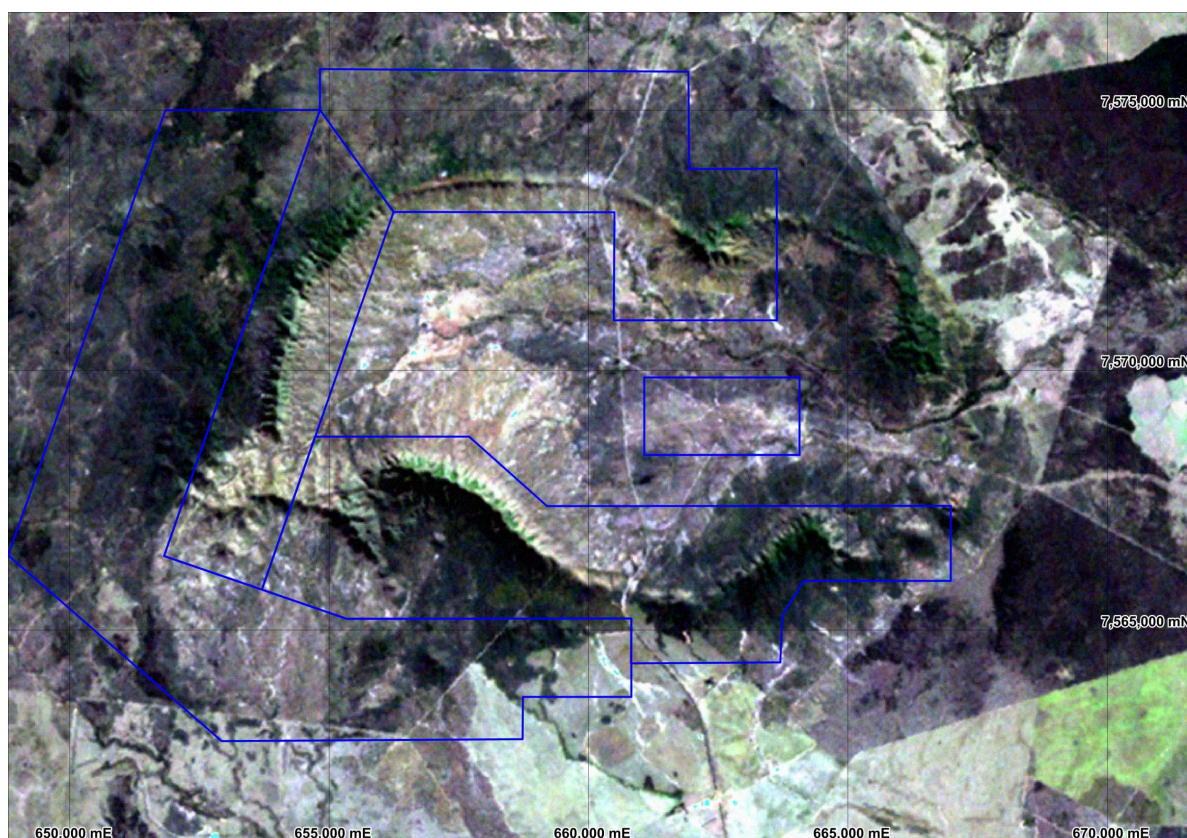


Figure 4. Satellite image of EPM 18244 and 18219 with VTEM acquisition area shown by blue box (2012)

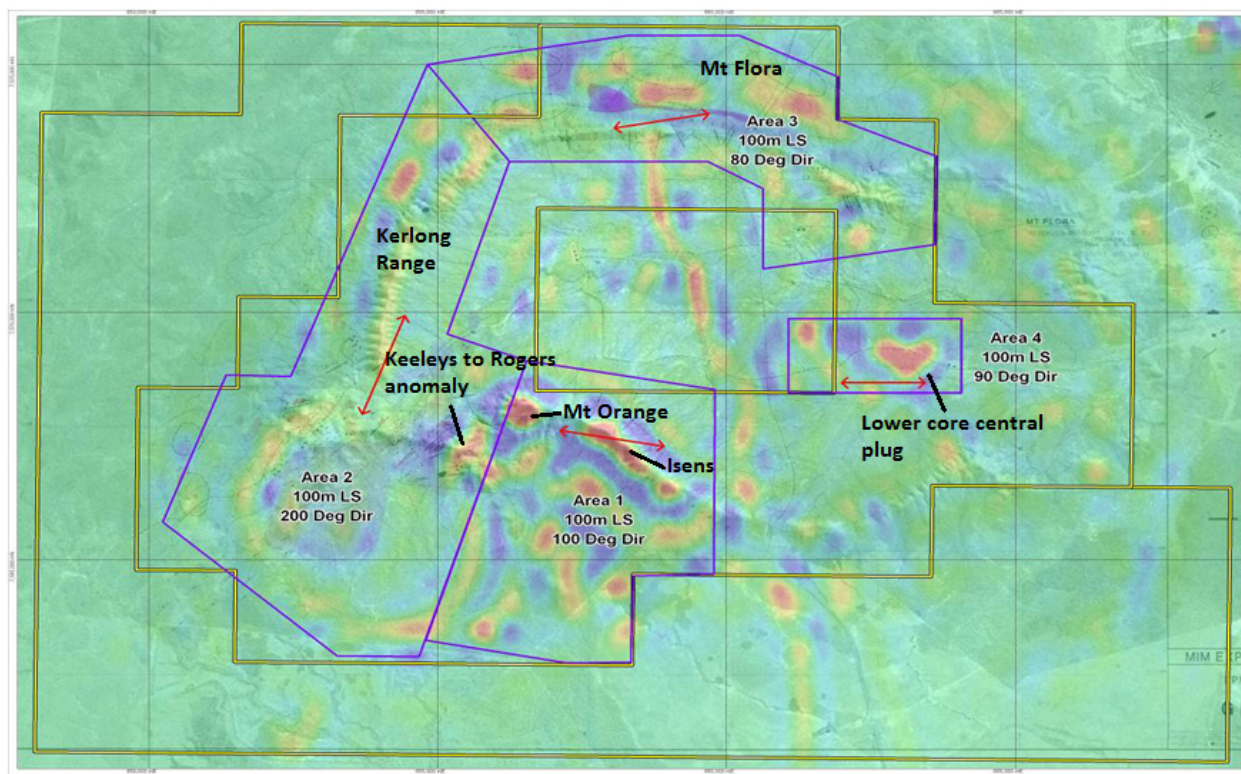


Figure 5. Geophysical anomalies. (2012)

6.0 WORK CARRIED OUT THROUGHOUT THE PERIOD

The table below summaries the work completed by Regency Mines in the period 22nd August 2011 to 21st August 2014:

YEAR	WORK DONE	APPENDIX
2011	5 day reconnaissance trip to the tenement	
	Geophysical review	1 Full Report
2012	VTEM survey flown across 5 areas of the tenement. Images were processed and drill targets delineated.	2 Full Report
2013/2014	Comprehensive review, processing and reinterpretation of the VTEM data completed by Southern Geoscience Consultants Pty Ltd., as commissioned by the Company. Primary targets and EM anomalies identified. (Appendix 3: Full report)	3 Full Report

Several targets, as delineated by the EM anomalies in the 2014 VTEM review, have been prioritised for further assessment and exploration work and are the basis on which 10 of the tenement's 40 sub-blocks were selected to keep, while the remaining 30 sub-blocks have been relinquished. Figure 6 shows the outlines of EPM18219 before and after partial relinquishment.

The 10 sub-blocks retained are:

- CLER 1711 H
- CLER 1711 J
- CLER 1711 K
- CLER 1710 U
- CLER 1710 Y
- CLER 1710 Z
- CLER 1711 V
- CLER 1711 W
- CLER 1782 E
- CLER 1783 A

The 30 sub-blocks relinquished were:

- CLER 1711 B
- CLER 1711 C
- CLER 1711 D
- CLER 1710 K
- CLER 1711 F
- CLER 1711 G
- CLER 1710 P
- CLER 1711 L
- CLER 1711 P
- CLER 1710 T
- CLER 1711 Q
- CLER 1711 U
- CLER 1712 Q
- CLER 1712 R
- CLER 1710 X
- CLER 1711 X
- CLER 1711 Y
- CLER 1711 Z
- CLER 1712 V
- CLER 1712 W
- CLER 1782 C
- CLER 1782 D
- CLER 1783 B
- CLER 17B3 C
- CLER 1783 D
- CLER 1783 E
- CLER 1782 J
- CLER 1782 K
- CLER 1783 F
- CLER1783G

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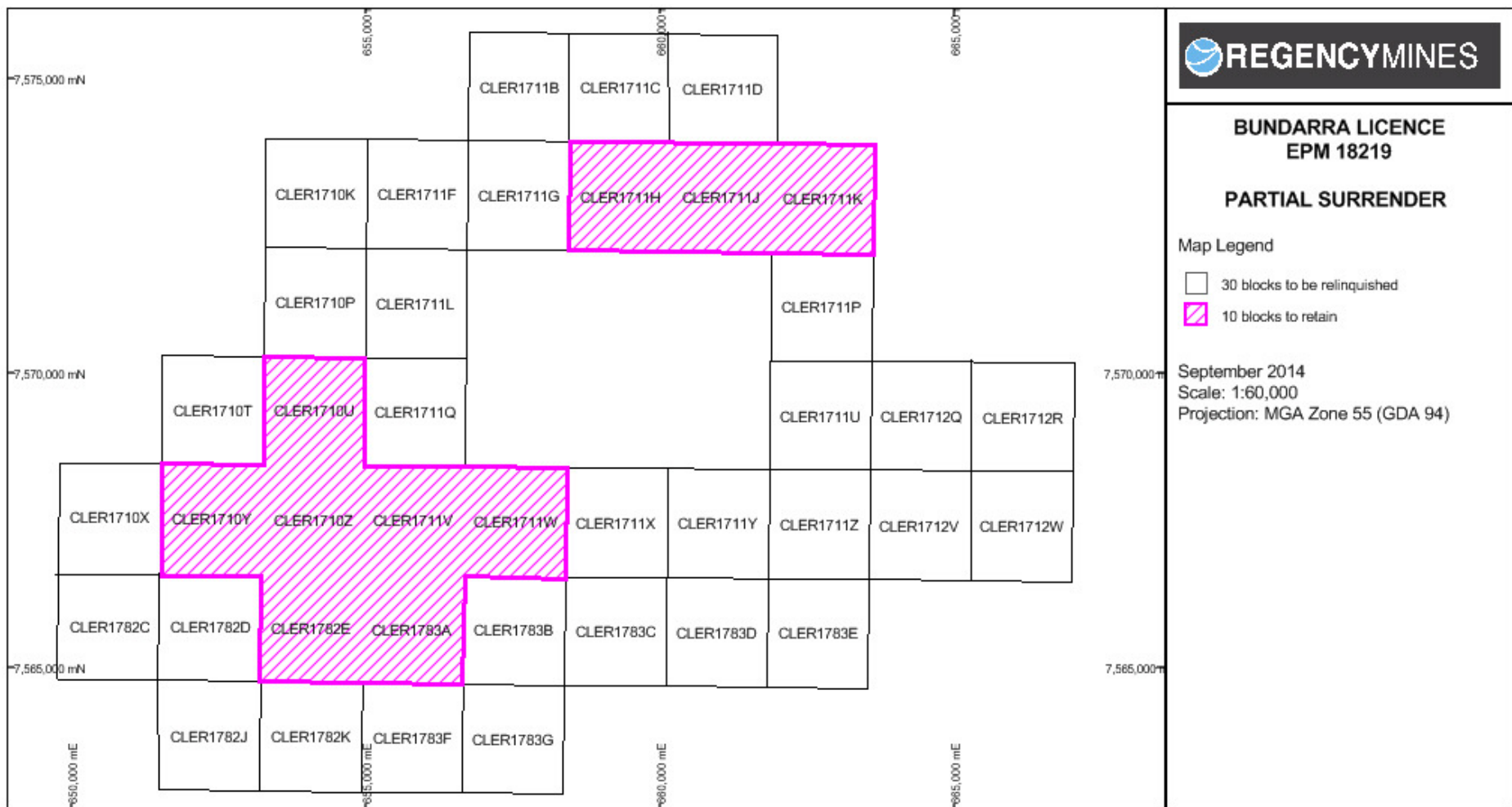


Figure 7: Map of relinquished and retained sub-blocks