



EPM 15668

**MOUNT
MACKENZIE
PROJECT**

**BOWEN
DISTRICT,
QUEENSLAND**

PARTIAL RELINQUISHMENT

REPORT

28 SEPTEMBER 2007 TO

28 SEPTEMBER 2014

**COMPILED
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EPM 15668 Mount McKenzie Project

1.0 SUMMARY

EPM 15668 was granted to King Eagle Resources Pty Limited (KER), a subsidiary of Golden Cross Resources Ltd (GCR), on 28th of September 2007 for a period of 5 years. Metal Bank Limited acquired the tenement outright after purchasing it from GCR in March 2011.

The tenement is situated in the Bowen-Collinsville district of North Queensland and lies approximately 25 kilometres west-southwest of the township of Bowen.

Principal exploration targets are high tonnage low-grade porphyry-related Cu-Mo-Au systems and high-grade mesothermal precious and/or base metal mineralisation.

Lithologies in the tenement can be divided into three principal domains. These include a northern zone of basic and ultrabasic rocks, a southern zone of biotite granite and associated igneous rocks and a central belt of sheared gneissic granite, informally named the Mackenzie Shear Zone (MSZ), which extends along the NW-SE trending contact between these two suites.

The MSZ is 16km long and 3km wide and hosts most of the mineralisation in the tenement area. It is characterised by extensive shearing and faulting, localised zones of strong alteration, high-level porphyry intrusives and locally mineralised mesothermal quartz veins which are often associated with intermediate and felsic dykes, especially microgranite.

As part of the current relinquishment schedule 5 sub-blocks have been relinquished with 7 sub-blocks remaining to form EPM 15668. This report details the exploration completed on the relinquished 5 sub-blocks.

2.0 TENURE

EPM 15668 - Mt Mackenzie - was granted on 28 September 2007 and expired on 27 September 2015.

The original EPM covered 100 sub-blocks. Relinquishments have occurred on the project as follows:

- 39 sub-blocks in August 2008
- 11 sub-blocks in August 2009
- 25 sub-blocks in late 2011
- 13 sub-blocks in September 2012
- 5 sub-blocks in September 2014 (this report)

The 5 sub-blocks to be relinquished from the tenure are detailed as follows:

BIM	Block	Sub-blocks
CLER	120	E G M N O

Table 1 Relinquished - EPM 15668 Mt Mackenzie 5 Sub-Blocks

The 7 sub-blocks to be retained in the tenure are detailed as follows:

BIM	Block	Sub-blocks
CLER	120	B C D H J K P

Table 2 Retained - EPM 15668 Mt Mackenzie 7 Sub-Blocks

3.0 LOCATION

The tenement is centred 25km west-southwest of Bowen (Figure 1) in North Queensland. Principal access to the eastern side is through Greentop Station from the sealed Collinsville Road in the southeast corner. Access to the northern and western side is from the Bruce Highway in the north. Station tracks provide access

throughout the tenement but the more mountainous areas can only be traversed by quad bike or on foot.

The tenement lies on the Bowen 1:250,000 Geological Map Sheet SF/55-03 and on the Bowen 1:100,000 Geological Map Sheet 8857.

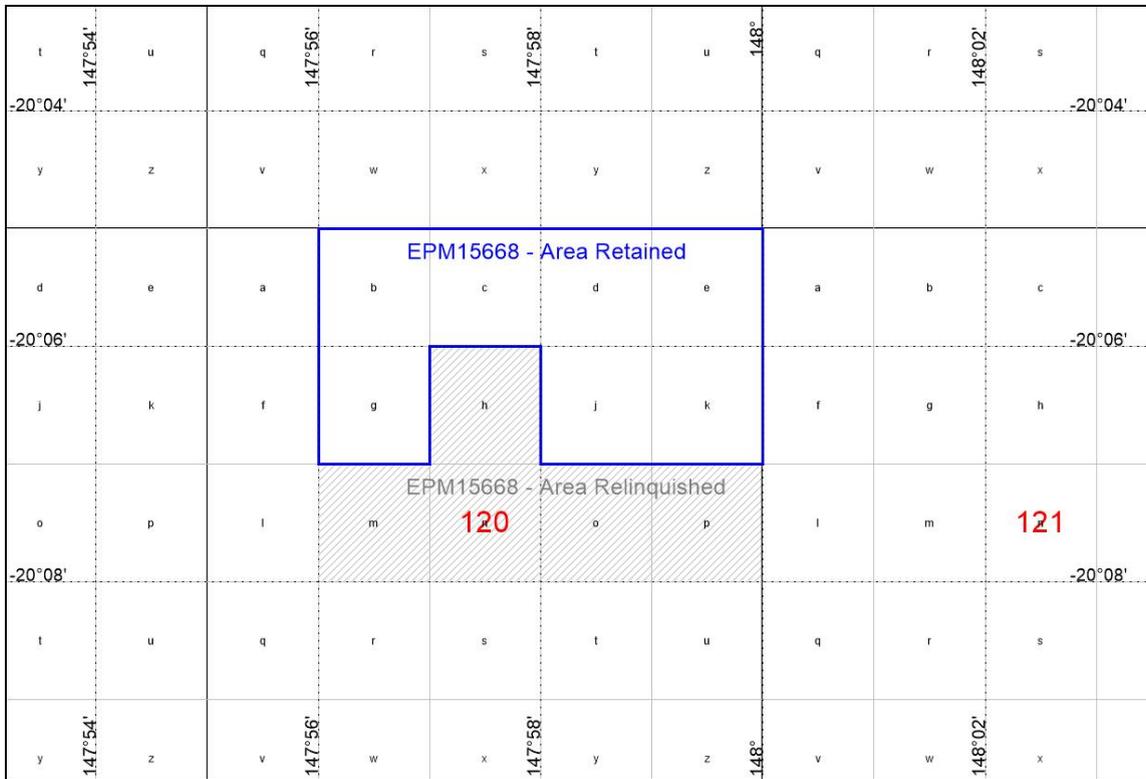


Figure 1 EPM 15668 Mt Mackenzie – Location and reduced area

4.0 REGIONAL GEOLOGY

The tenement is underlain by granodiorite and adamellite of the Hecate Granite in the south (Kh); Permo-Carboniferous granodiorite, adamellite and granite in the centre (CPg); and diorite, tonalite and gabbro in the east and northwest (Cud). Quaternary colluvium and residual soil covers an area in the north of the tenement (Qs). Northwest-southeast trending structures are well developed through the centre of the tenement and may represent extensions of the Mt Buckley Shear Zone in the southeast (Figure 2).

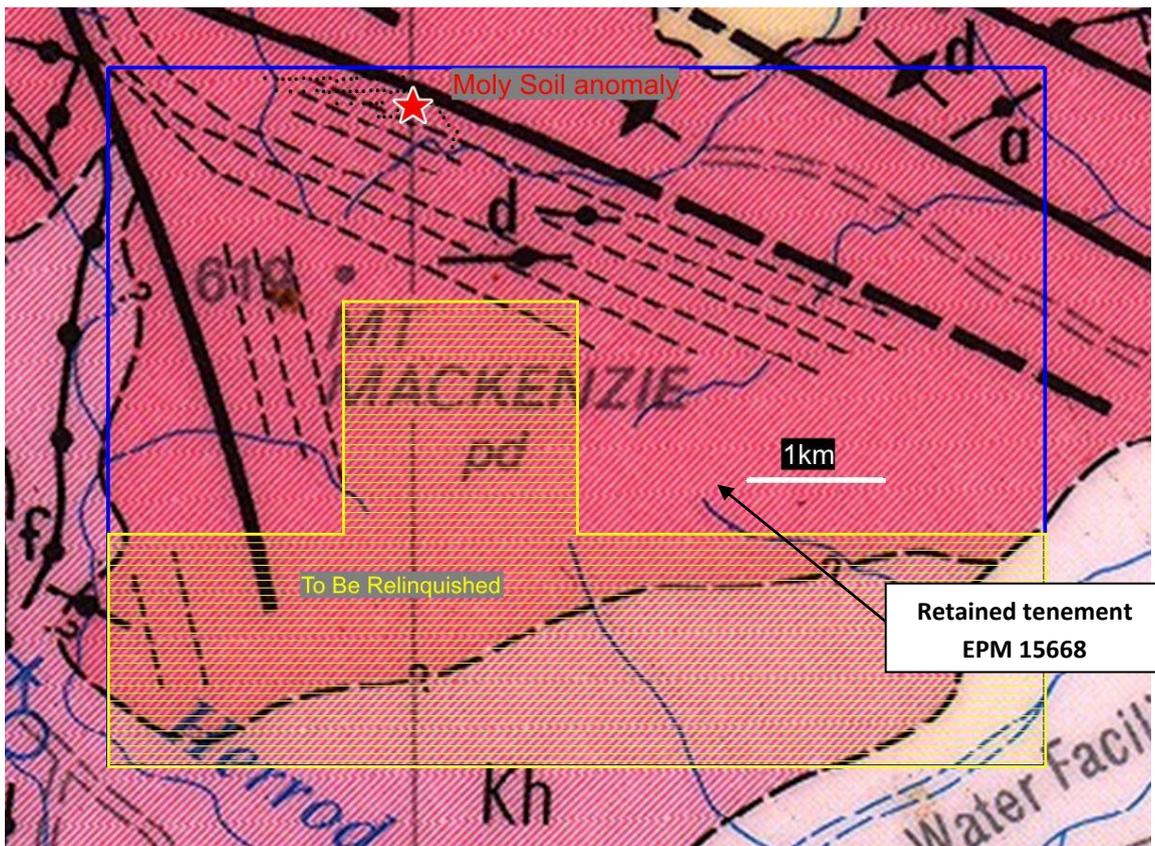


Figure 2 Mt Mackenzie geology on original 100 sub-block tenement outline

Detailed mapping by Otter Exploration in 1971-72 revealed that lithologies in the tenement can be divided into three principal domains: a northern zone of basic and ultrabasic rocks; a southern zone of biotite granite and associated igneous rocks; and a central belt of sheared gneissic granite, informally named the Mackenzie Shear Zone (MSZ), which extends along the NW-SE trending contact between these two suites. The MSZ is ~16km long by 3km wide and hosts most mineralisation in the tenement.

5.0 PREVIOUS EXPLORATION

In the Bowen-Collinsville district of North Queensland, precious and base metal mineralisation is commonly associated with felsic volcanics and intrusive porphyry stocks. The main exploration targets are high-tonnage low-grade porphyry-related Cu-Mo±Au systems and high-grade mesothermal precious and/or base metal deposits.

The 2006 discovery of the Au-Ag-Cu deposit at Silver Hill, at Evolution Mining's Mount Carlton project, demonstrates the prospectivity of the wider region. Exploration by Conquest (prior to the project's acquisition by Evolution Mining) located a high-grade Au-Ag-Cu orebody within a prominent east-west magnetic structural feature at Silver Hill. This is a high sulphidation epithermal deposit with a central core and was planned to be open-pit mined at grades around 3.3g/t Au, 73g/t Ag and 0.46% Cu. EPM 15668 is located 40km NE of the Mount Carlton project.

Exploration carried out in the area prior to 1970 has been summarised by Paine and Cameron (1974) and Paine et al (1974). The principal exploration activity was for porphyry copper and molybdenum deposits as described by Horton (1978).

In 1972, Otter Exploration discovered a high-level Cu-Mo anomalous polyphasal intrusive complex at Otter Ridge. After detailed mapping, soil and rock geochemistry and an IP survey, five percussion and diamond drill holes were drilled (total 839m) to test the area but results were disappointing (Burban, 1974).

WMC explored the Bowen region in 1988-89. In the Mount Mackenzie area work comprised stream sediment sampling and rock chip sampling and mapping which resulted in the discovery of a number of zones of veining and alteration. The principal anomalies were followed-up with more detailed mapping and sampling but no economic deposits were found and the tenement was relinquished in 1989.

6.0 EXPLORATION UNDER EPM 15668

Stream sediment sampling and rock chip sampling was completed over the areas relinquished which showed little anomalism. Refer to Figure 3 showing the sample locations and the Appendix 1 (rock chip data) and Appendix 2 (stream sediment data). No anomalous gold or multielement results were returned from the sampling.

The stream sediment samples were collected from active transport zones, sieved to minus 1mm in the field and placed into calico bags for submission to the laboratory. At ALS the samples were dried and sieved to minus 80 mesh prior to a portion being pulverized and analysed for Cu, Pb, Zn, Ag, As, Sb, Mo by ME-ICP41s. Gold was analysed by fire assay by the AA25 method (30gm charge) with an AAS finish.

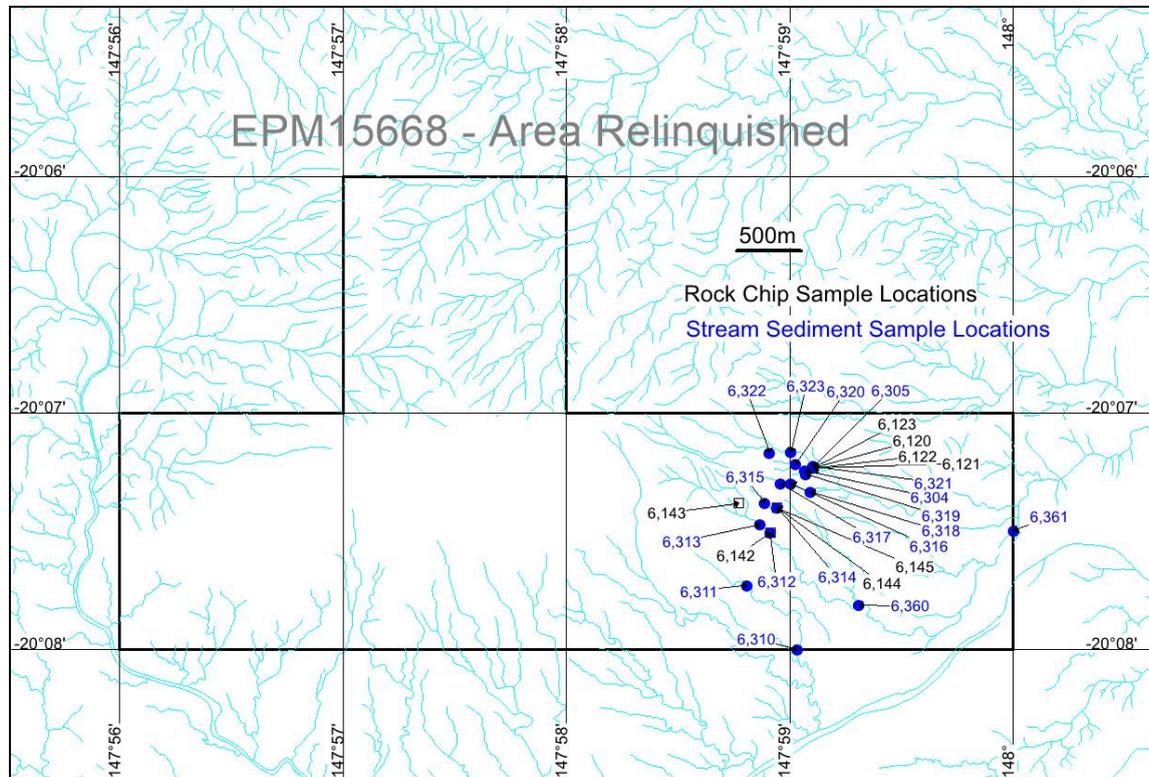


Figure 3 Mt Mackenzie samples locations within relinquished area.

7.0 CONCLUSIONS

The MSZ is characterised by extensive shearing and faulting, localised zones of strong alteration, breccia pipes, high-level intrusives and locally mineralised mesothermal quartz veins which are often associated with intermediate and felsic dykes, especially microgranite.

At the date of relinquishment, there was very little exploration evidence (past or present) for Metal Bank Limited to justify retaining the sub-blocks being relinquished. Given the work done to date, the retained sub-blocks display greater prospectivity to host a mid-large scale intrusive related Cu-Mo-Au porphyry style system.

8.0 REFERENCES

Burban, B (1974) Final Report on Authority to Prospect 1075M. Otter Exploration N.L. Report CR 4920.

Horton, D J (1978) Porphyry type copper-molybdenum mineralisation belts in Eastern Queensland. Econ. Geol. 73: 904-921.

Paine, A G L and Cameron, D E (1974) Explanatory notes on the Bowen Geological Sheet. SF-53-3 Dept. Mines. Geol. Survey Qld.

Paine, A G L, Clarke, D E and Gregory, C M, (1974) Department of Minerals and Energy, Bureau of Mineral Resources, Geology and Geophysics Report 145. Geology of the Northern Half of the Bowen 1:250,000 Sheet area, Queensland (with addition to the Geology of the Southern Half).

APPENDIX 1 – King Eagle Rock Chip Geochemistry Data

APPENDIX 2 – King Eagle Stream Sediment Geochemistry Data