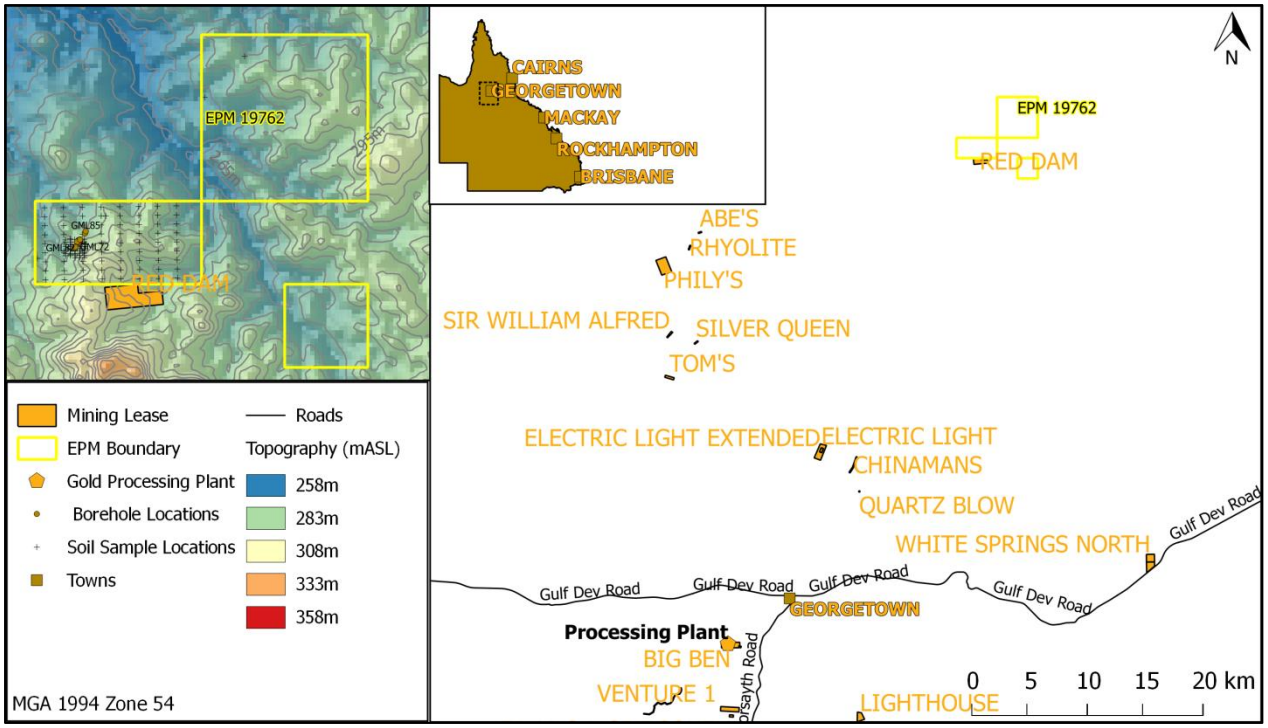
Queensland Gold Pty Ltd

EPM 19762 – Cattle Creek Project

ANNUAL REPORT FOR THE SECOND YEAR PERIOD 21 JANUARY 2015 TO 20 JANUARY 2016



AUTHOR:	Queensland Gold Pty Ltd
DATE OF REPORT:	24 Feb. 16
TENEMENT HOLDER:	Queensland Gold Pty Ltd ACN 156 053 833
PREPARED BY:	Queensland Gold Pty. Ltd.
SUBMITTED BY:	Queensland Gold Pty. Ltd.

ACKNOWLEDGEMENT AND WARRANTY

1. Subject to 2, the mining tenement holder acknowledges that this report, including the material, information and data incorporated in it, has been made under the direction or control of the State of Queensland (the State) within the meaning of section 176 of the *Copyright Act 1968* (Cwlth)

2. To the extent that copyright in any material included in this report is not owned by the State, the mining tenement holder warrants that it has the full legal right and authority to grant, and does hereby grant, to the State, subject to any confidentiality obligation undertaken by the State, the right to do (including to authorise any other person to do) any act in the copyright, including to:

- use;
- reproduce;
- publish; or
- communicate in electronic form to the public, such material, including any data and information included in the material.

3. Without limiting the scope of 1 and 2 above, the mining tenement holder warrants that all relevant authorisations and consents have been obtained for all acts referred to in 1 and 2 above, to ensure that the doing of any of the acts is not unauthorised within the meaning of section 29(6) of the *Copyright Act 1968* (Cwlth).

Contents

LIST OF TABLES

LIST OF FIGURES

1 SUMMARY

EPM 19762 was granted to Queensland Gold Pty Ltd on 21 January 2014. The tenement is referred to as the Cattle Creek Project and is located approximately 43 km north east of Georgetown.

2 INTRODUCTION

Queensland Gold Pty Ltd (QG) is a privately owned Australian company, incorporated for the purpose of sourcing, developing, exploring and operating mineral tenements.

This report outlines exploration activities conducted over EPM 19762 during the first year of tenure.

2.1 Tenure Information

EPM 19762 was granted to QG on 21 January 2014 and is comprised of 7 sub-blocks. Details of the current tenure are shown below in Table 1.

Table 1– Tenement details for EPM 19762

Tenure Number	EPM 19762
Province	Etheridge Gold Field
Date Lodged	14 June 2012
Date of Grant	21 January 2014
Date Expires	20 January 2017
Term	3 years
Sub-Blocks	7

2.2 Sub-Block Information

Table 2 – Sub-block details for EPM 19762

Sub-block Details

BIM Code	Block Number	Sub-blocks
NORM	1653	- - - - - - - - - - - - - - - - - - T U - - - Y Z
NORM	1725	- B C - - - - - - K - - - - - - - - - - - - - - -

Current number of sub-blocks held: 7

2.3 General Description of Area and Access

Access to the Project area is via Vanlee Road from Dagworth Road and numerous other unsealed tracks north east of Georgetown. Or from the haul road providing access to the Red Dam mining lease.

Terrain in the tenement is largely flat lying as can be seen in Figure 1 below.

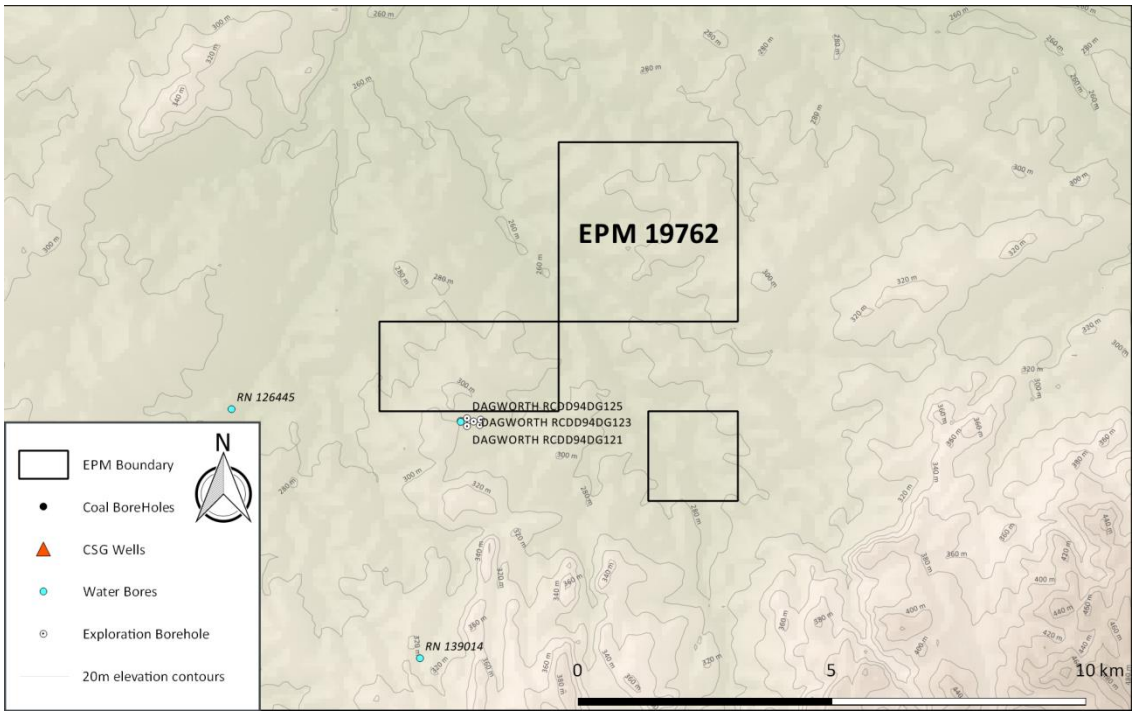


Figure 1 - Topography within EPM 19762

2.4 Location

The regional location of the Cattle Creek Project is shown below in Figure 2.

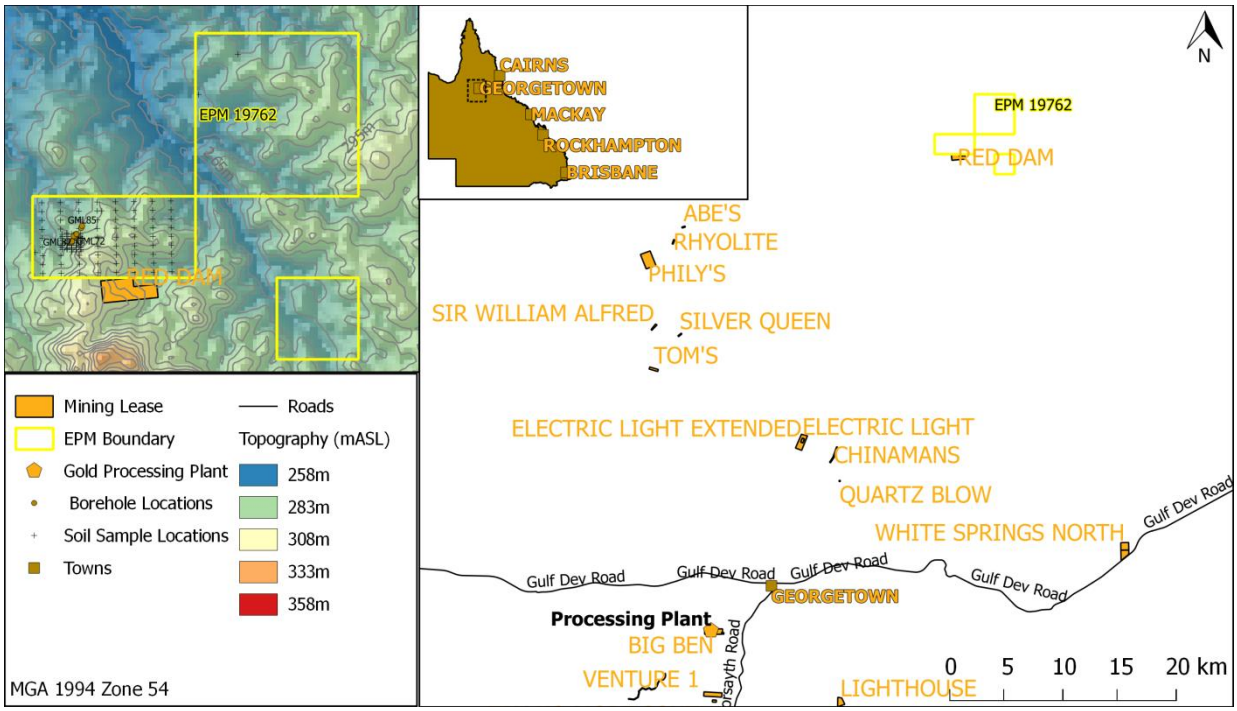


Figure 2 – Regional location map of EPM 19762

2.5 Exploration Rationale

QG holds a number of exploration tenures in the Georgetown – Red River district. The company's primary metal targets in that district are gold, copper and silver. There is also the potential for uranium mineralisation in the region.

A large amount of work has been done on EPM 19762 to define the 'D7' Prospect which is found within the project area. The gold occurrence is found within a small zone of mineralised and brecciated metasediment and rhyolite located at an inflection point along a northeast trending rhyolite dyke.

Rock samples taken of the breccia assayed up to 51g/t Au and 14% arsenic (Sample 3997071 – appendix 1 (Lew & Mackee, 1996)). Work will focus on defining the extent of the mineralised zone and also on exploring the possibility of an extension. The style of mineralisation is similar to the deposit mined at the adjacent Red Dam mining lease and would lend itself well to a small scale surface mining operation.

3 NATIVE TITLE & CULTURAL HERITAGE

As all significant Aboriginal Cultural Heritage in Queensland is protected under the Aboriginal Cultural Heritage Act 2003, all reasonable and practical measures have been, and will continue to be, undertaken to ensure that exploration activities do not harm Aboriginal Cultural Heritage. This includes adherence to the Cultural Heritage Duty of Care Guidelines (under the Act) as well as training of all relevant staff and contractors to be aware of their Cultural Heritage responsibilities.

4 GEOLOGY

4.1 Regional Geology

The project area is found within the Georgetown Inlier where late Proterozoic Forsayth Granite has intruded the basement consisting of the Archaean Einasleigh Metamorphics, Proterozoic Robertson River Metamorphics, Etheridge Formation and Cobbold Dolerite. (Porton, 2003). A time – space diagram of the Georgetown Inlier can be seen in Figure 3 and a map of regional geology can be seen in Figure 4.

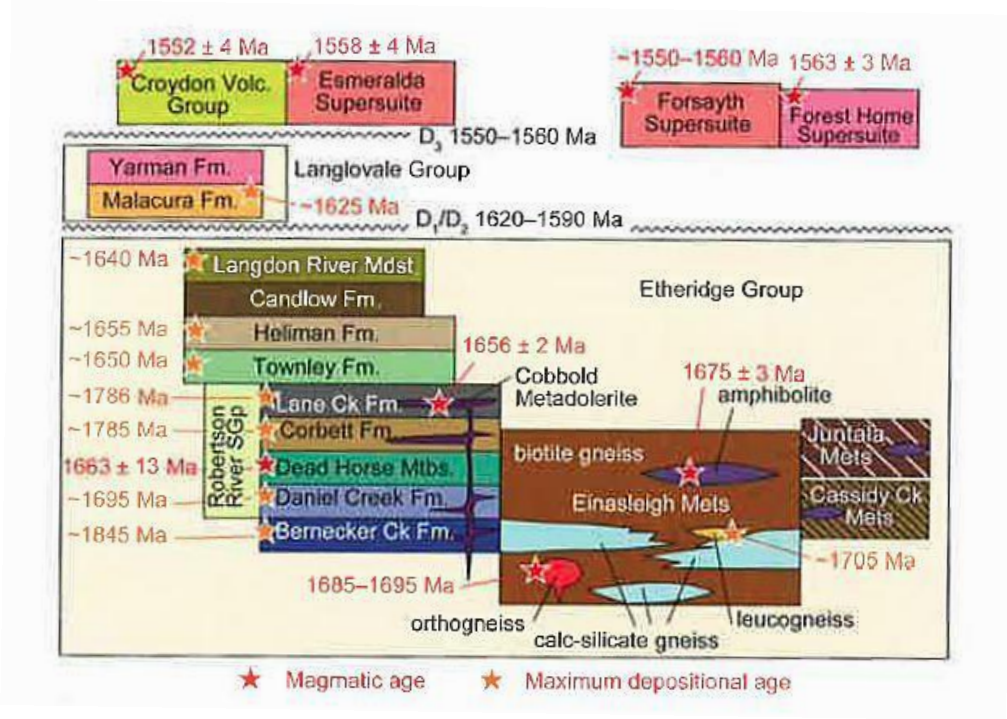


Figure 3 - Time - space diagram for the main part of the Georgetown Inlier (Jell, 2013)

The oldest rocks in the area are the Archean **Einasleigh Metamorphics**, which typically crop out as roof pendants within the granite areas of the Georgetown Inlier. The unit comprises high grade regionally metamorphosed rocks, predominantly schist, amphibolite, gneiss, granulite and migmatite rocks exposed mainly in a broad belt, between 50 – 80 kilometres wide, and extending 200 kilometres, from Dagworth in the north, to Cheviot Hills in the south. The thickness of the unit is not known, due to it being tightly folded. The unit does not contain any marker beds and only sub-crops sporadically (Porton, 2003).

The Proterozoic Etheridge Geosyncline forms a broad zone up to 120 kilometres long and 50 kilometres wide, running from Gilberton in the south to Ironhurst Station, in the North. The geosyncline as originally made up of predominantly argillaceous (with some arenaceous) sediments 5000 – 7000 metres thick. Metamorphism associated with the Pre-Cambrian granitic intrusions of the Forsayth Batholith has resulted in the development of high-grade metamorphics along contacts with the granites, with lower grade metamorphics extending out from the contacts (Porton, 2003).

Low-grade metamorphics of the **Etheridge Formation** have an irregular contact with the high-grade metamorphics of the Robertson River Metamorphics unit. This contact is often gradational and conformable, but in many places it is abrupt and unconformable and may represent a thrust zone. The contact between the Etheridge Formation and the Robertson River Metamorphics is structurally the most complex of the Georgetown Inlier.

The Etheridge Formation is typically metamorphosed to andalusite bearing mica-schist, with hornfelds occurring around small granitic intrusions(green Schist facies). Locally, near contact with the granites, the sediments are often domed up. These doming folds are favourable for mineralisation, particularly where they are present as roof pendants. Regionally the formation dips between west and south.

The **Robertson River Metamorphics** outcrop over a wide area, either side of the Forsayth Granite and as remnant roof pendants within it. The metamorphics comprise interbanded schists and granulites regionally metamorphosed to almandine-amphibolite facies. Typical minerals include garnet, muscovite, quartz, biotite and feldspar in the schists and biotite, muscovite, quartz and microcline in the granulite. Bordering some of the main shear zones are rocks which resemble schists formed by intense shearing, which are called phyllenites. In some areas, they form very hard resistant ridges (Porton, 2003).

The Proterozoic **Cobbold Dolerite** has intruded the Pre-Cambrian sediments and metamorphics as sills and dykes. They have been folded with Pre-Cambrian rocks and then intruded by the Forsayth Batholith. The Cobbold Dolerite is metamorphosed and generally consists of hornblende, plagioclase, epidote, zoisite and quartz.

The pre-Cambrian **Forsayth Granite** is a large batholith intruded mainly into the central portion of the Georgetown inlier. It runs in a zone from south of Forsayth to northwest of Georgetown and comprises granites, ademellite and granodiorite. The **Lighthouse Granite**, which outcrops generally in the north-eastern to eastern part of the area, is a white, even-grained foliated biotite leucogranite, which has been intruded by the Forsayth Granite (Porton, 2003).

The Forsayth Granite can be divided into three types, depending upon its origins:

a) Migmatitic granites, grading from gneisses to migmatites. They are formed by extreme metamorphism.
b) Granites formed by local melting, usually of the original migmatitic granites. It is within these granites that auriferous and sulphide quartz reefs are generally developed.
c) Metasomatic granite formed by soaking or permeation of suitable rocks by granitising fluids, e.g. silica and potash. In some cases, gold has been introduced into these rocks.

Permo-Carboniferous acid igneous rocks are wide-spread in the Georgetown Inlier. They consist of high-level granite intrusion and large volumes of genetically related rhyolite and ignimbrite (Porton, 2003).

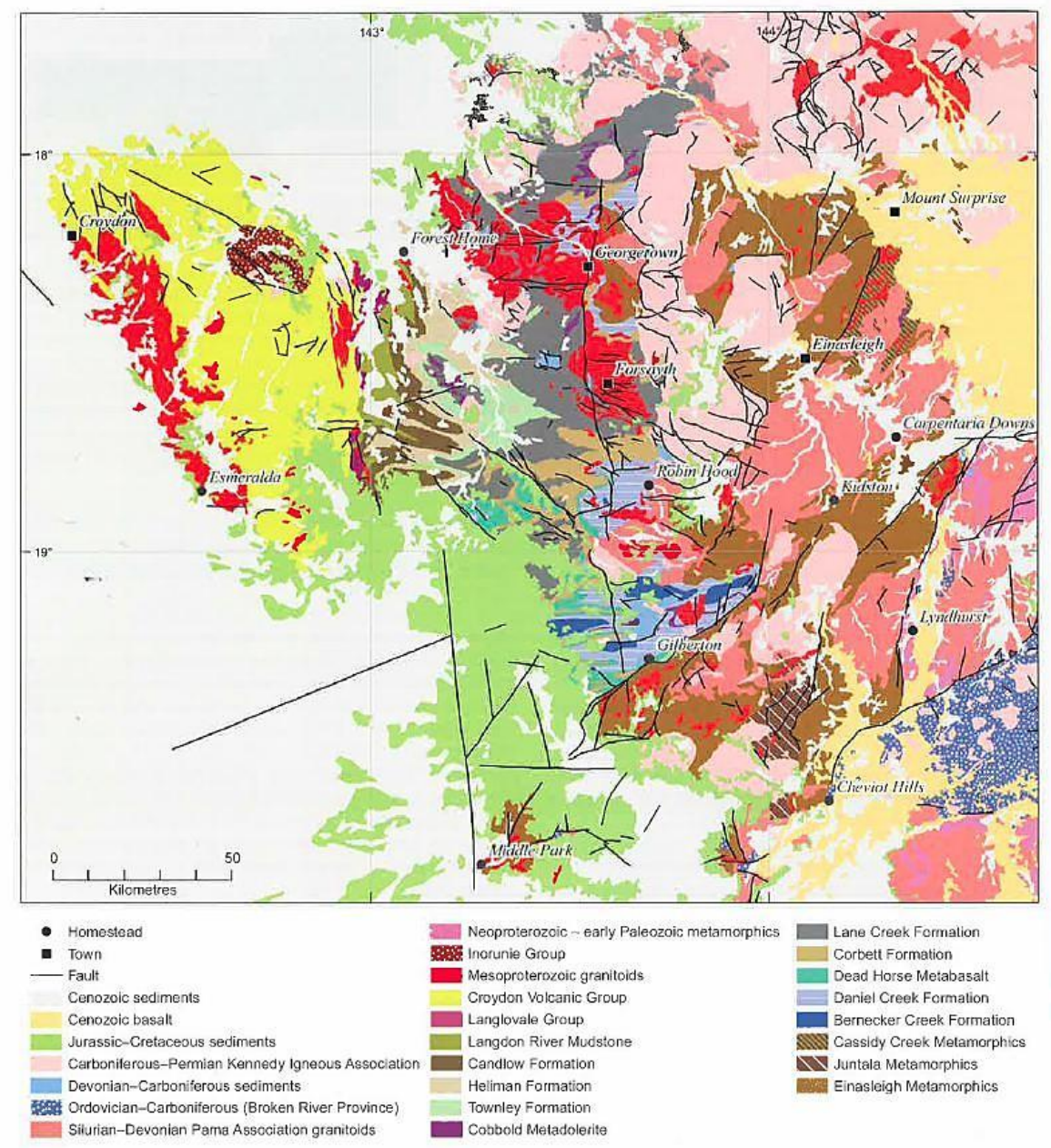


Figure 4 - Geological map showing the main Proterozoic units of the Georgetown inlier (Jell, 2013).

Local geology over the Cattle Creek Project can be seen below in Figure 5.

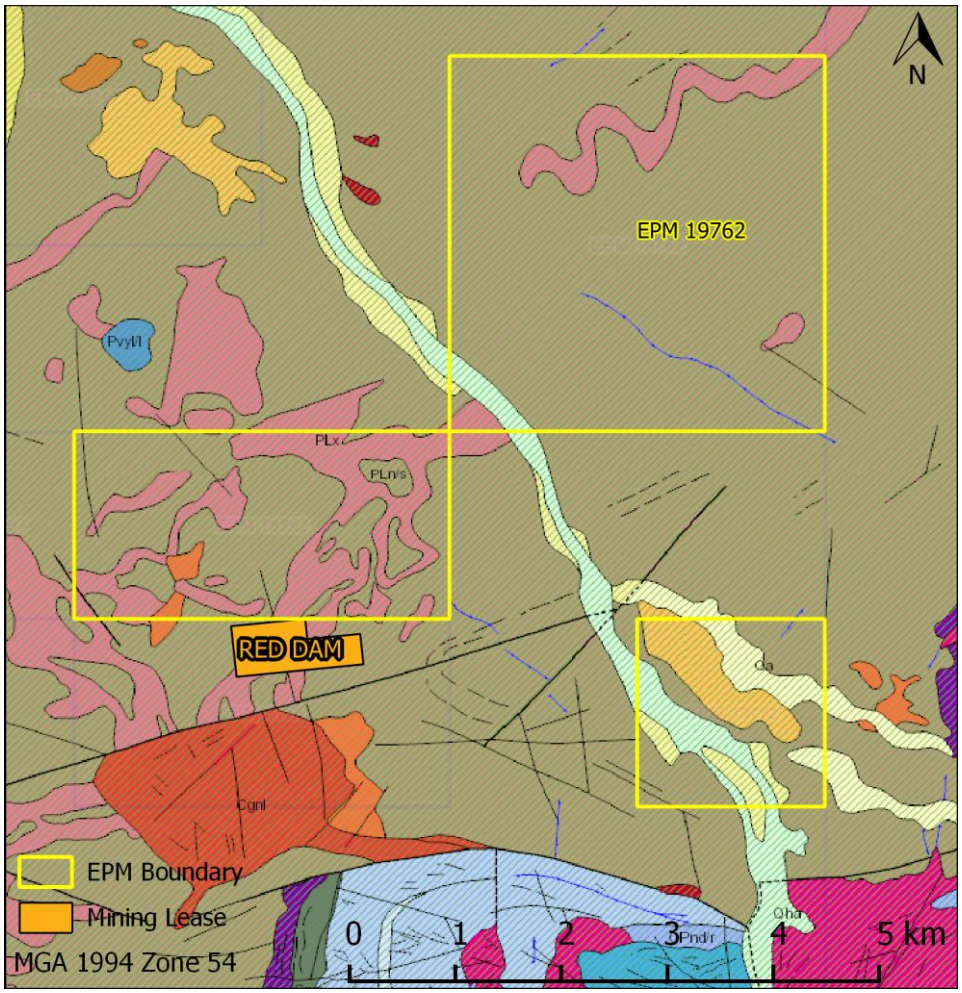


Figure 5 - Local geology over EPM 19762

5 PREVIOUS EXPLORATION

Details of historical tenure which has overlapped ground which now makes up EPM 19762 can be seen in Table 3 below.

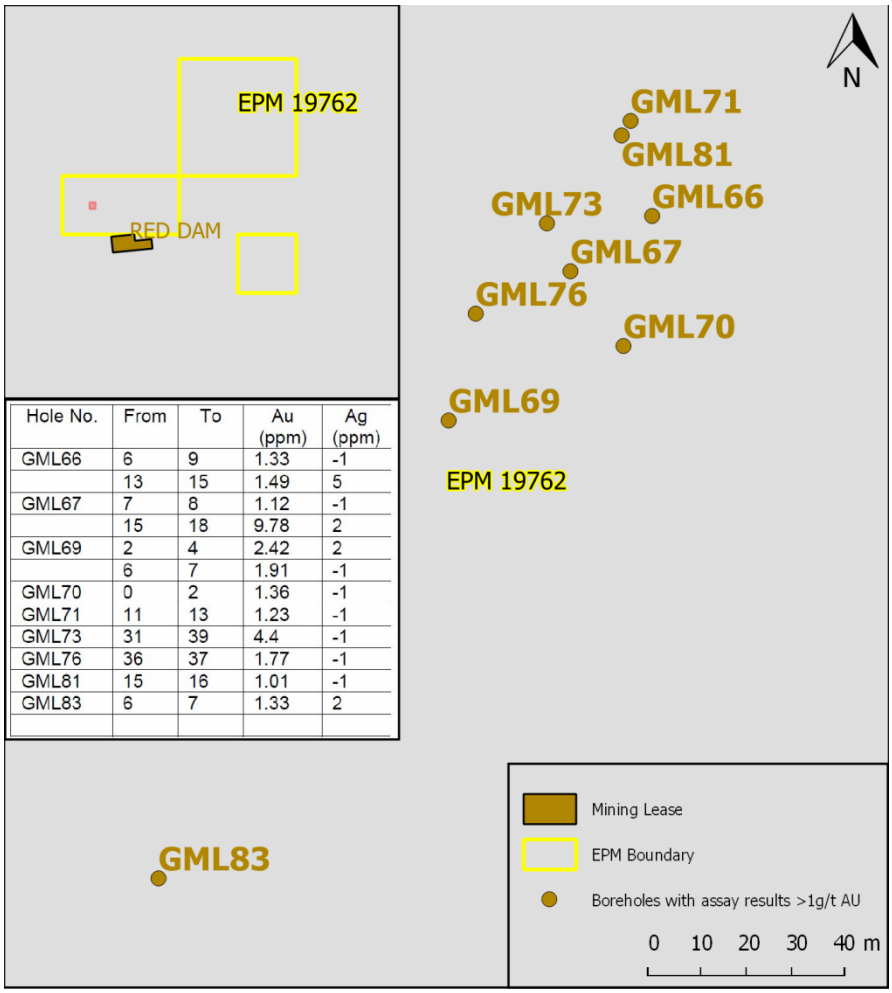
Table 3 - Historical tenure

Tenure	Tenure Term	Holder
EPM 1032	1972 – 1972	UNION CORP (AUST) PTY LTD
EPM 1332	1973 – 1977	PECHINEY (AUST) EXPLORATION PTY LTD
EPM 3198	1982 – 1982	-
EPM 3973	1985 – 1986	CRA EXPLORATION PTY LTD
EPM 5895	1989 – 1990	CENTRAL ELECTRICITY GENERATING BOARD EXPLORATION (AUST) PTY LTD
EPM 4479	1986 – 1992	CRA EXPLORATION PTY LTD
EPM 7860	1991 - 1992	NORTHPAC RESOURCES NL
EPM 8393	1991 – 1992	BHP MINERALS LIMITED
EPM 9058	1992 - 1992	-
EPM 14924	2005 – 2008	GEORGETOWN MINING LIMITED
EPM 9158	1992-	CENTRAL GOLD MINES PTY LTD
EPM 14828	2005 – 2011	MINERAL DEVELOPMENT AUSTRALIA PTY LTD

EPM 17168	2009 - 2014	KS MINING PTY LTD
EPM 17964	2010 – 2012	KS MINING PTY LTD

A large amount of work has been carried out in the region. Table 3 details historical tenure which has overlapped the project area. Reports from these historical tenements are being assessed for exploration data.

Drill holes with gold intercepts >1g/t Au within the project area are shown below in Figure 6.



Hole No.	From	To	Au (ppm)	Ag (ppm)
GML66	6	9	1.33	-1
	13	15	1.49	5
GML67	7	8	1.12	-1
	15	18	9.78	2
GML69	2	4	2.42	2
	6	7	1.91	-1
GML70	0	2	1.36	-1
GML71	11	13	1.23	-1
GML73	31	39	4.4	-1
GML76	36	37	1.77	-1
GML81	15	16	1.01	-1
GML83	6	7	1.33	2

Figure 6 - Historical drill hole locations with intercepts >1g/t Au.

6 YEAR 2 EXPLORATION

During the second year of tenure work undertaken for EPM 19762 continued to develop the geological understanding of the project area through research of publically available data. Available geophysical datasets have been downloaded and analysed to assist in exploration planning. Target areas for follow-up stream and soil sampling have been generated from the review of available geophysical datasets as well as historical data. Targets for further geophysical analysis and eventual drilling will be generated following the results of the initial sampling.

The state- wide gravity, magnetic and radiometric images over the project area can be seen below in Figure 7, Figure 8 and Figure 9.

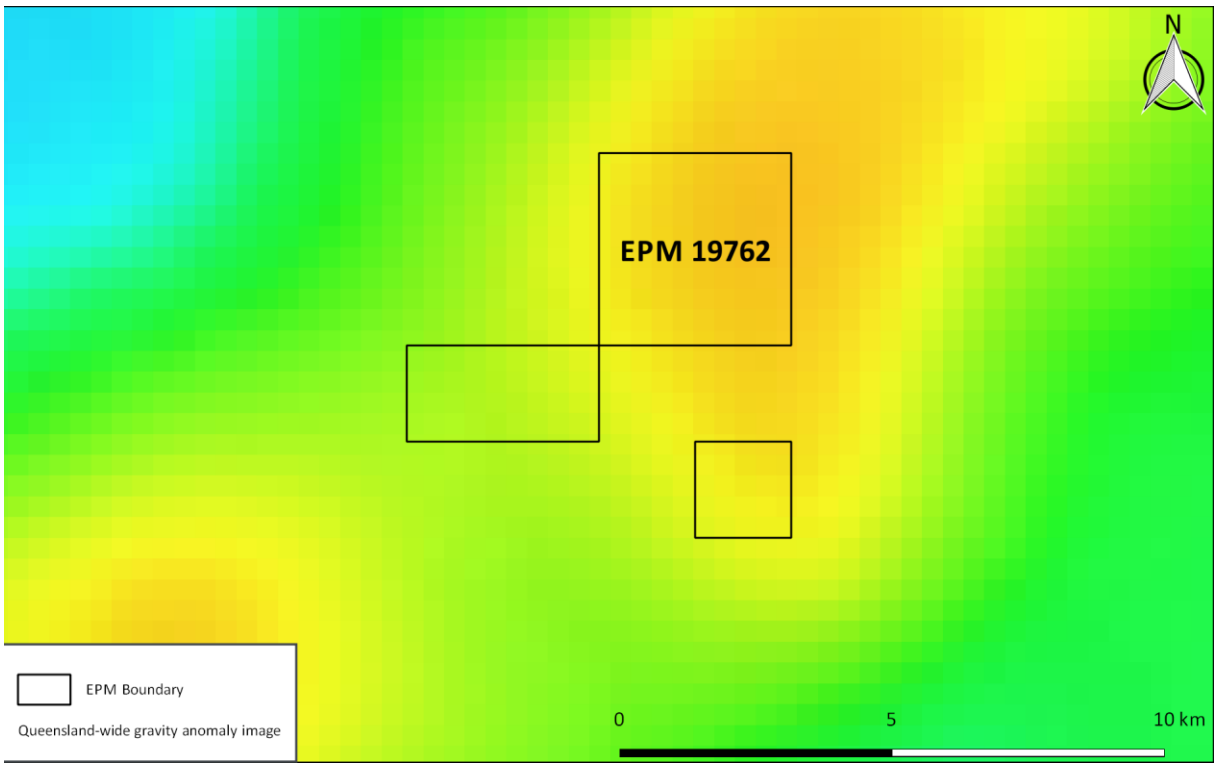


Figure 7 - State- wide gravity anomaly image over EPM 19762 (Geological Survey of Queensland, 2012).

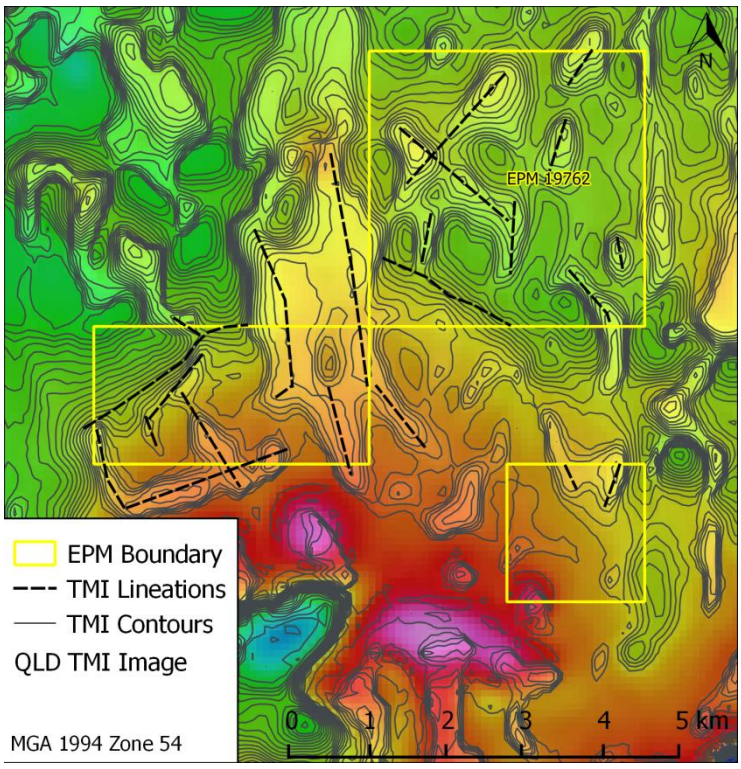


Figure 8 - State-wide magnetic anomaly image over EPM 19762 with lineaments shown. (Geological Survey of Queensland, 2012).

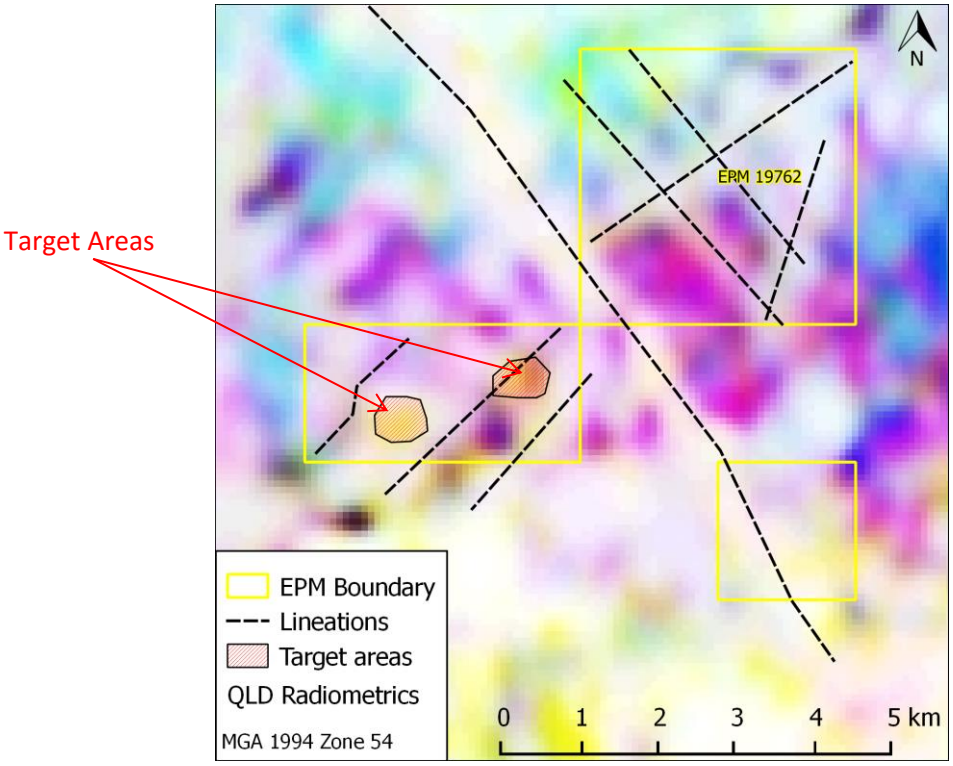


Figure 9 - State-wide ternary radiometric image over EPM 19762 with lineaments shown (Geological Survey of Queensland, 2012).

7 EXPLORATION PLANNED FOR YEAR 3 (2016-2017)

Work over the next year would focus on compiling a database of all research and interpretative studies in the area. Target areas for follow-up stream and soil samples are being generated, the results of which will define targets for detailed geophysical studies. Targets for drill testing will be generated from these results.

8 References

Denaro, T. J., Withnail, I. W., Bain, J. H., & Mackenzie, D. E. (1997). *Mineral Resource Assessment Georgetown - Croydon area.* Queensland Minerals and Energy Review Series, Queensland Department of Mines and Energy.

Geological Survey of Queensland. (2012). *QDEX - Queensland Digital Exploration Reports* . Retrieved March 7, 2012, from Geological Survey of Queensland : http://qdexguest.deedi.qld.gov.au

Jell, P. A. (Ed.). (2013). *Geology of Queensland.* © State of Queensland 2013.

Lew, J. H., & Mackee, G. L. (1996). *EPM 9158, MOUNT CAMPBELL, RELINQUISHMENT REPORT AFTER THE THIRD YEAR OF TENURE ENDING 21/12/95 CR#27823.*

Mutton, A. (1989). *Etheridge A to P 5071M Exploration Report for Second Year of Tenure 18/11/88 to 17/11/89 and final report.* CRAE open file report to the queensland government, CR 21994.

Porton. (2003). *EPM 9064 & 10295 Georgetown Project, Combined Annual & Final Report for the Period Ended 31 December 2002.*

Schroeter, T., & Poulsen, H. (1996). *Carbonate-hosted disseminated Au-Ag.* Selected British Columbia Mineral Deposit Profiles, Volume 2.

Von Gnielinski, F. (2011). *Queensland Minerals: A Summary of Major Resources, Mines and Projects.* Queensland Department of Employment, Economic Development and Innovation.