

Cairns and Mining Conference
"CAN MINING HELP THE BUSINESSES OF CAIRNS & REGION PROSPER?"
7 October 2011

Exploration and Mining Now, and in the Future

FNO = Cairns to Kidston to the Gulf and Cape York

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Information is from public sources

An Outline of Activity at February & July 2011
Revised to 7 October 2011

Aims of this presentation

- An overview of exploration and mining activities in FNO only - Only companies (private and public) and individuals with mining tenements in FNO are included
- None of this is a promotion of any of the Companies mentioned.
- There is no pretence that this includes all – some may have been accidentally missed
- Originally prepared for February 2011, with updates for July and October 2011 Conferences
- It is aimed that none of the concurrent presentations are duplicated, or is there repetition of the well known operations

Targets and Companies

Targets

- Tin
- Gold
- Base metals
- Tungsten
- Bauxite
- Kaolin
- Marble
- Rare earths
- Diatomite
- Silica - sand & for solar
- Beach Sands
- Tantalum
- Perlite
- Construction materials
- Coal
- Coal seam gas
- Uranium
- Geothermal Energy
- Petroleum
- Iron ore

Included are local companies, national companies & international companies.

Majors are essentially not represented – mainly because of their lack of exploration interests

37 Public Companies in FNQ

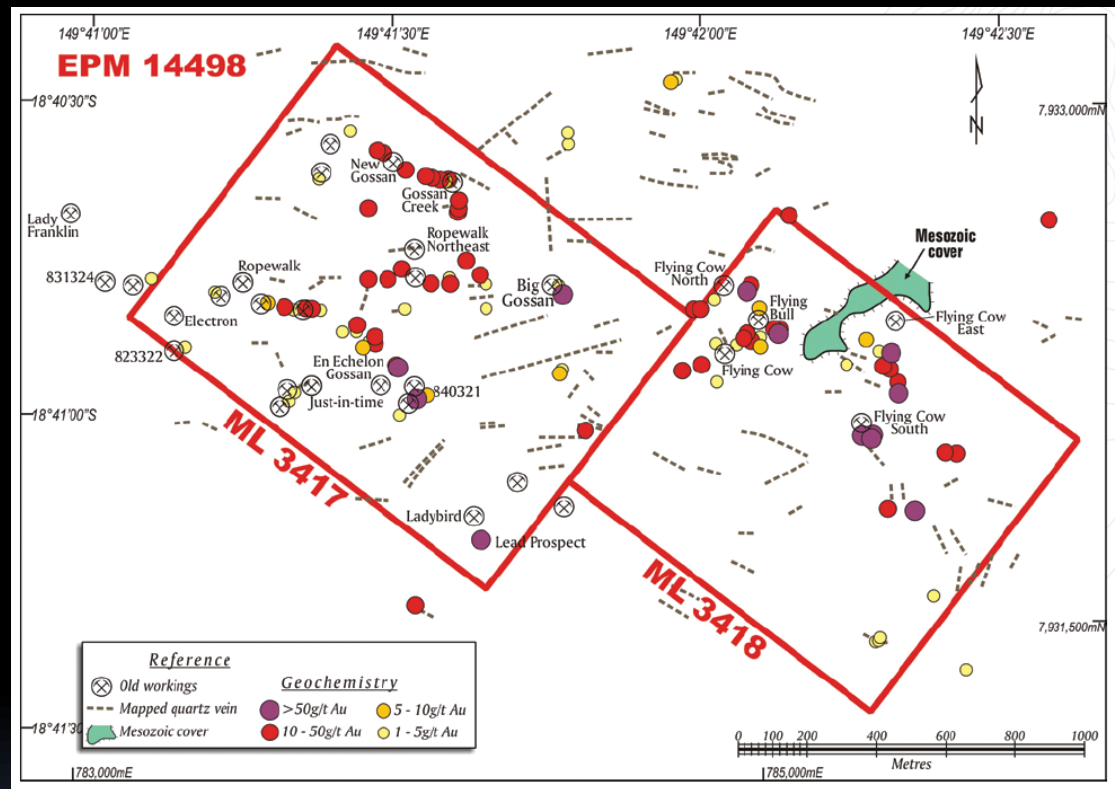
Company	FNQ Location	Commodity	Activity
Altius	Forsayth	Au	Exploring, developing
Auzex Resources	Khartoum	W, Au	quiescent FNQ, drilling in WA
Axiom	Cardross, OK, Mt Molloy	Cu, Au	Exploring
BHP Billiton			In JV
Callabonna Uranium	Georgetown District	Uranium	
Centaurus Metals	Georgetown		dominantly Fe in Brazil
China West International Holdings	Featherbeds	U	Quiescent
Comalco - Rio	Weipa	Bauxite	Mining
Consolidated Tin Mines	Mt Garnet,	Sn	Exploring
Copper Strike	Einasliegh	Cu, Au	Exploring
Diatreme Resources	Cape Bedford/Cape Flattery	Beach sands	Quiescent
Deutsche Rohstoff AG	Georgetown, Wolfram Camp	Au, W	Mining, developing
Genesis Resources	Laura	Au, PGMs	Quiescent
Gulf Alumina	Cape York	Bauxite	Exploring
Gulf Gold	Cape York	Au,	acquiring tenements
Gulf Mines	Ebagoola	Au,	restructuring, exploring WA
Hot Rock	Walsh R	Geothermal	exploring 2011
Icon Resources	Mt Carbine	W	developing
Kagara	Mt Garnet, Surveyor, Mungana	Au+base metals	Actively exploring, mining
Kangaroo Resources	Herberton, Ewan, Mt Carbine	Sn, Fe,	concentrating on coal in Indonesia

37 Public Companies in FNQ

Company	FNQ Location	Commodity	Activity
Lodestone Energy	Limestone Creek	Cu	Exploring
Mega Uranium	Maureen, Ben Lomond	Uranium	Exploring
MGT Resources	Mt Garnet	Sn	Exploring
Monax Mining	Pretender Ck, 165 SE Arukun	Bauxite	Quiescent
Monto Minerals	Herberton	Sn	JVd tin from NQM, JVd Cu to Kagara
North Queensland Metals	Pajingo, Herberton	Au, Sn, Cu	JV'dFNQ to Monto, mining Pajingo
Orion Metals	Fulford Creek	W, Ta	quiescent
Pepininni Minerals	Percyville, Forsayth, Gerorgetown	U, Au, base metals, P	drilling
Planet Metals	Wolfram Camp	W, Bi, Mo	Sold out
Platina Resources	Coen	Au, U, PGMs	Quiescent
Plentex Mining	Georgetown	Au,	concentrating on non mining activities
Queensland Epithermals	Georgetown, Sybil Graben	Au	exploring
Red Metal	Mandalee	Base metals	exploring in rest of Aus
Regalpoint Resources	Georgetown	U	exploring
Renison Consolidated Mines	Agate Creek	Au	Drilling, resources
Republic Gold	Hodgkinson basin	Au, Sb	tenements on the market/sold
Volcan Australia Corporation	South Johnstone , Mt Garnet	Bauxite	exploring

An Arbitrary Selection of Companies and their Activities

Gold: Altius Mining @ Forsayth



- A recent IPO
- Prospects include: Ropewalk, Flying Cow, North Arm, Queenslander, Nil Desperandum, Big Gossan
- Historically grades mined were in excess of 1 oz Au/t
- Orebodies are narrow vein

Silica

Sands: Cape Flattery

- The Company describes itself as the Worlds biggest silica sand manufacturer. It reports an average grade of 99.9% SiO₂
- It employs over 90 people, and ships direct from its own loading facility, offices in Cairns
- <http://www.cfsm.com.au/contact.htm>

Hard Rock: Koolgara

- Lighthouse ML at Einasleigh
- Planning to ship high grade silica ore to China for solar cells

<http://www.koolgarra.com/>

Uranium Companies

- No mining leases will be granted for uranium in Qld under current rules .
- A number of Companies exploring for uranium including:
 - Callabonna
 - AFMECO
 - China West
 - Mega Uranium
 - Pepinnini
 - Regalpoint
- Known resources include:
 - Maureen (Georgetown)
 - Ben Lomond (Townsville)
 - Westmoreland (Qld-NT border)

Gold & Base Metals: Axiom Mining



- Restructured now reactivating

Timeline

May / June '11
IP surveys

June / July '11
Drilling OK Mines

August / September '11
Drilling Cardross

October / November '11
Drilling Mountain Maid, Split Rock
and Porphyry

October / November / December '11
Reporting & feasibility

Queensland Program

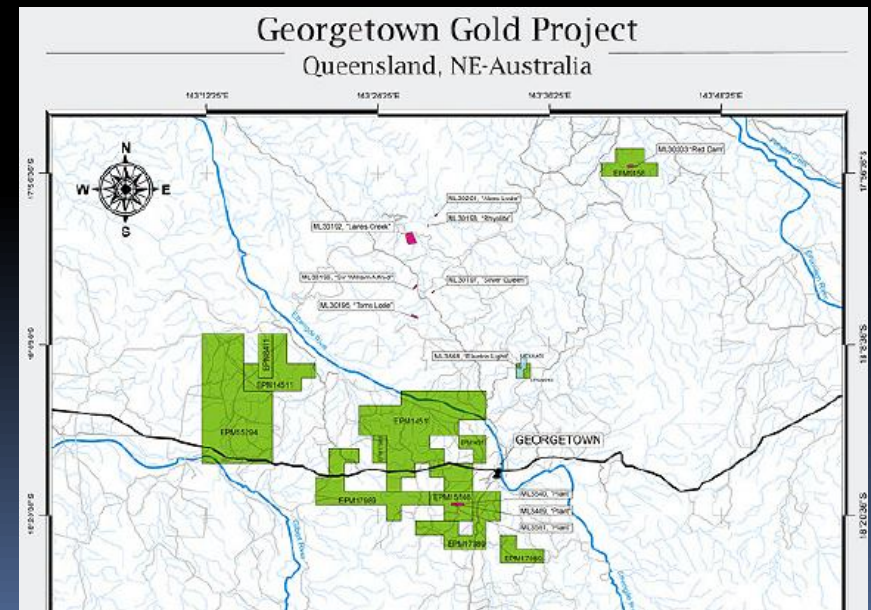
- IP geophysics to produce 3D drill target models for Cardross (Cu - Au - Ag), Porphyry (Au) and Split Rock (porphyry Cu)
- Drilling at OK Mines and Cardross to define initial JORC resource
- Drilling high Sulphide concentration at Porphyry for Au
- Drilling at Split Rock to establish Cu content of porphyry intrusive
- Drilling at Mountain Maid to determine the high grade gold potential of the feldspar porphyry gold source intrusive

Gold + Tungsten: Deutsch Rohstoff

A Frankfurt listed company with offices in Brisbane

- DR have commenced mining Electric Light & Red Dam prospects at Georgetown
- Production of 8,000t/m anticipated.
- March was the first full months production with 8,000t at 8.04gm/t Au at 88.8% recovery

- Purchased Wolfram Camp off Planet Metals
- PM owned 85% of Wolfram Camp



Geothermal Companies

Hot Rock Ltd (1 x EPG - Walsh)

<http://www.hotrockltd.com/irm/Content/home.html>

- Exploration due 2011

Kuth Exploration (1 x EPG – Weipa)

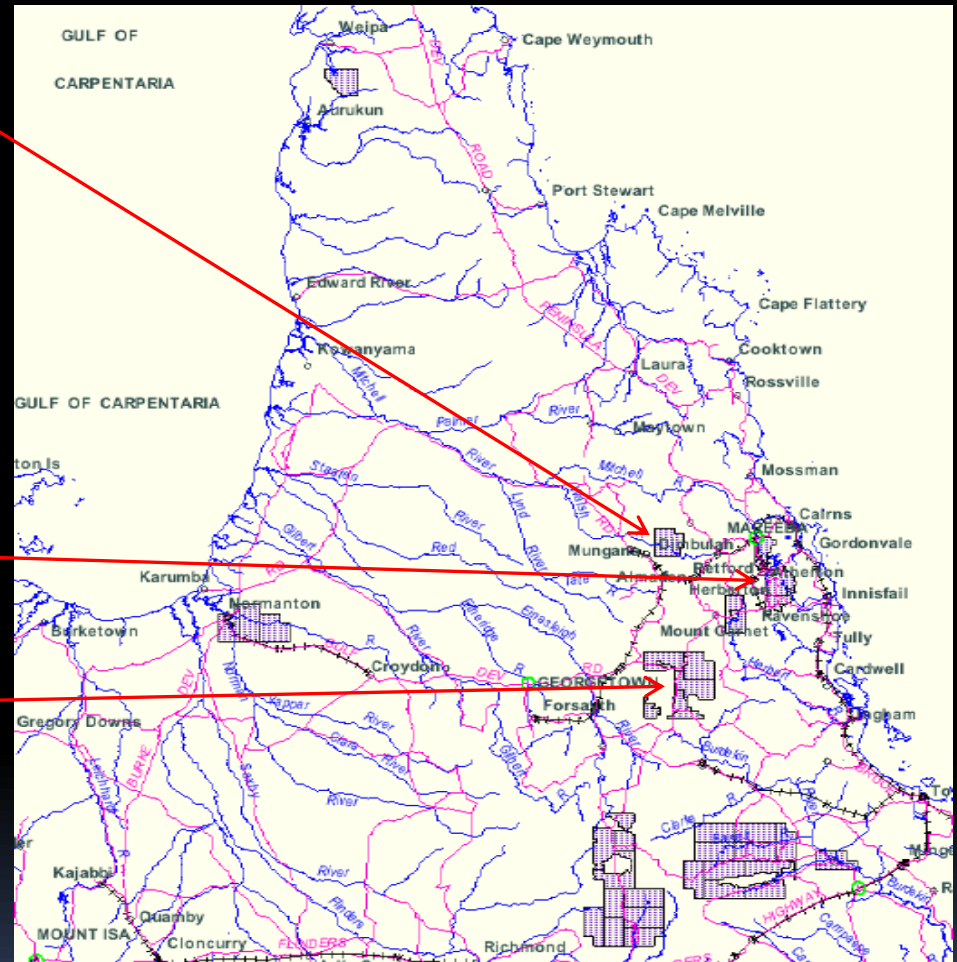
<http://www.kuthenergy.com>

Terra Estus Resources (3 x EPG
Normanton)

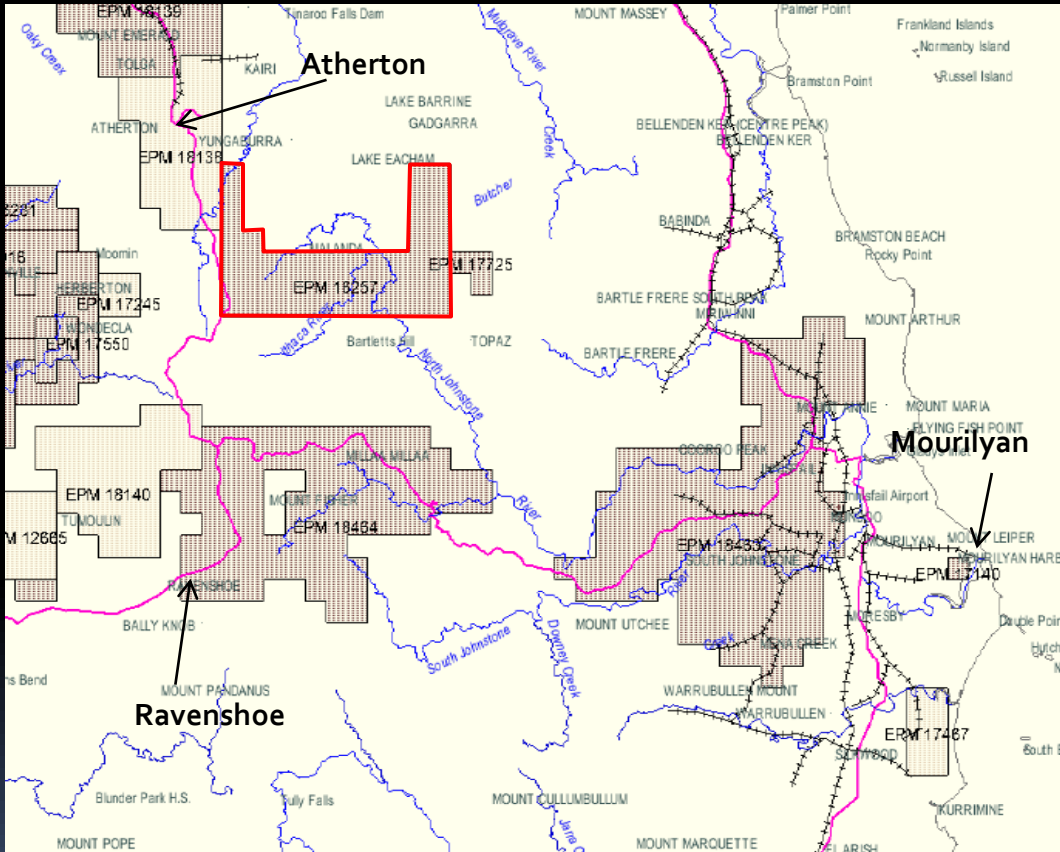
Geogen Victoria (3 x Atherton-
Ravenshoe)

<http://www.agk.com.au>

Geogen Victoria (5 x Mt Surprise)

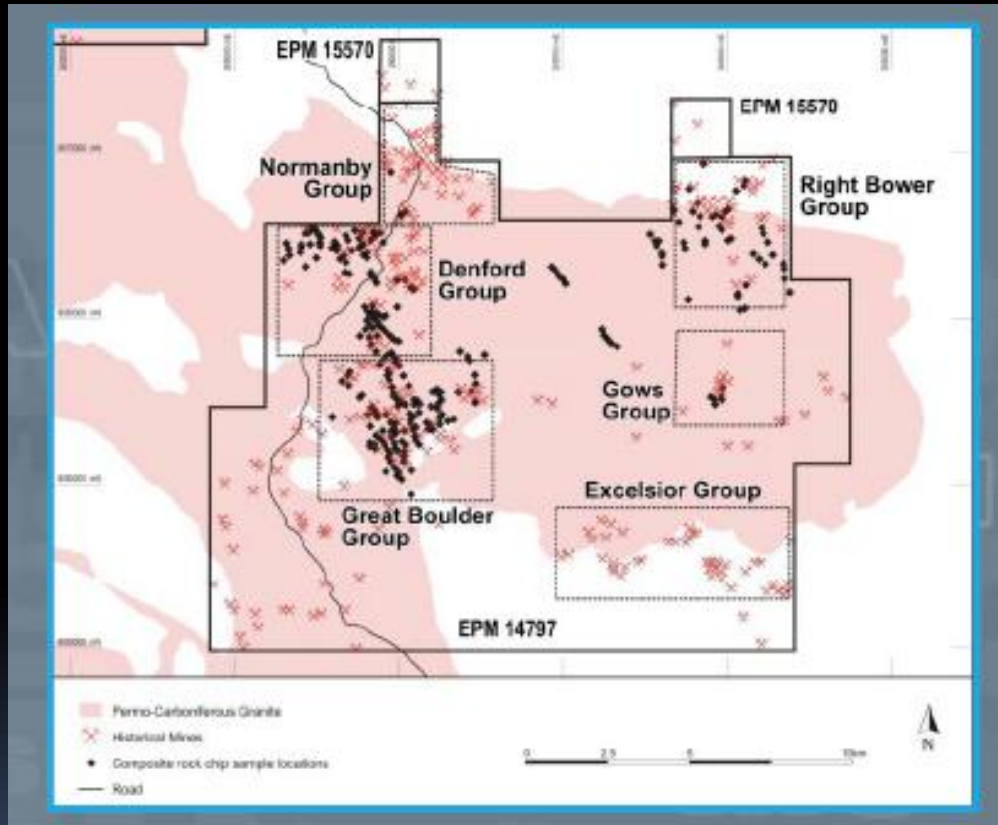


Diamonds: Jacaranda Minerals



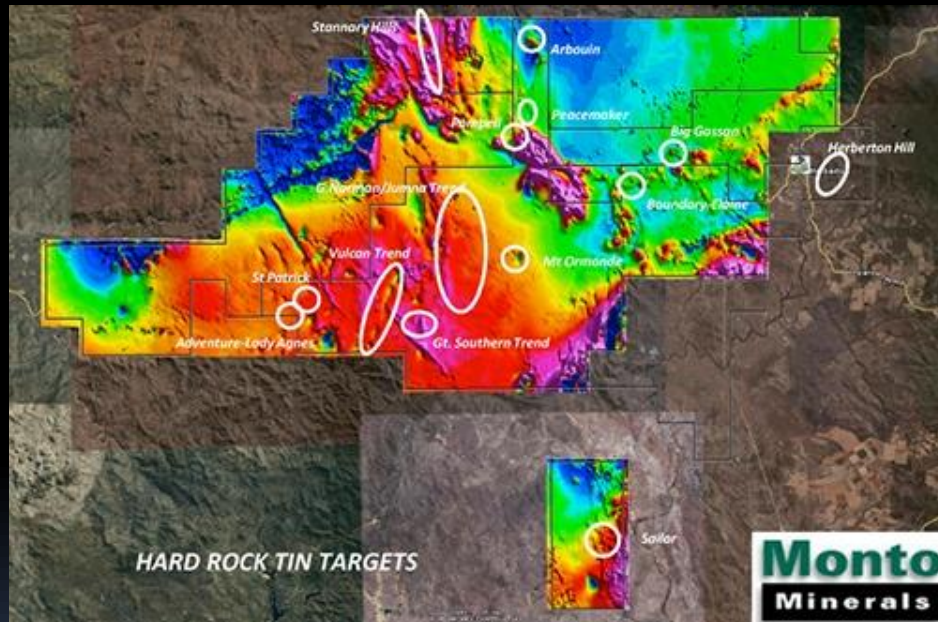
- Target – diamonds associated with Tertiary basalts
- In JV with Hancock Prospecting

Tin + Tungsten + Bismuth + Gold + Silver – Auzex Resources



- Herberton – Mt Garnet area
- World Class size
- 80-100mt at 0.2% - 0.3% Sn
- Potentially \$4b in the ground?
- With W+Ag+Au+Bi

Tin + Base Metals + Gold: Monto Minerals



Airmags over EPMs, 14 “compelling targets”

- Herberton historic Tinfield – underexplored
- Over 2,400 old mines
- Production of over 109,000t of tin concentrates
- 4 EPMs, 11 ML's, 9 MLA's
- Targets include
 - Arbouin drilled: 26.4m @2.78%Sn (unmined)
 - Sailor, Elaine-Boundary

Monto – Kagara – Baal Gammon

Category	Tonnes (000t)	Cu (%)	Sn (%)	Ag (g/t)	In (g/t)
Ore	2,676,282	1.07	0.23	38.1	33.5
Low Grade Ore	430,725	0.26	0.13	9.6	5.3
Total Ore Reserve	3,107,007	0.96	0.22	34.2	29.6
Table: Summary of Probable Ore Reserves					

Based on the resource model generated by AMC and the Whittle modeling completed by Snowden, NQM generated the following Probable Ore Reserves in 2007:

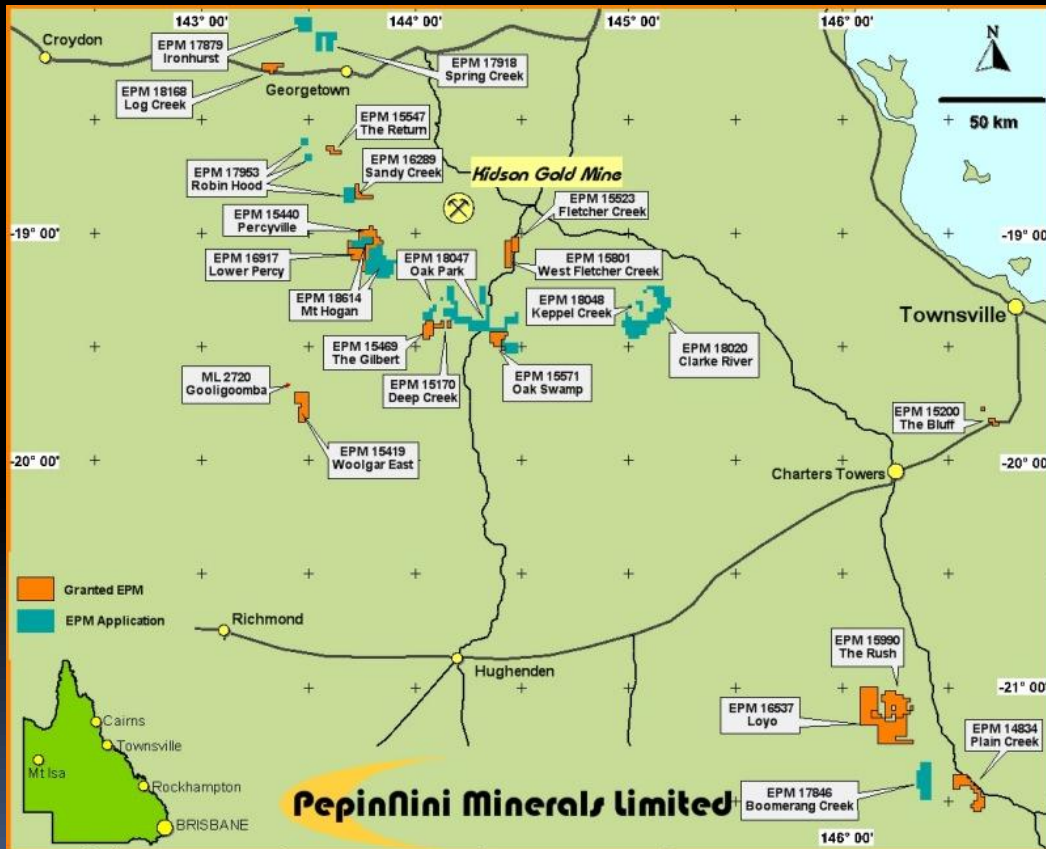
Table: Total Indicated +Inferred Resource :

Ore Type	Category	Tonnes (000t)	Cu (%)	Sn (%)	Ag (g/t)	In (g/t)	CuEQ (%)*	Cu Metal (000t)+
Total Oxide + Sulphide	Ind + Inf	5,482	0.8	0.2	29	29	1.8	41.6

- Cu - Sn - Ag - In
- Production to commence October 2011
- Sediment roof pendant intruded by UNA porphyry sill
- Cu is chalcopyrite + stannite
- 70% of Sn is cassiterite, rest is stannite
- It is anticipated that mine development will commence immediately with ore production scheduled for October 2011

<http://www.kagara.com.au/>

Gold + uranium + strontium: Pepinnini Minerals



- Targets U, Au, Sr, base metals
- Originally a Percyville - Ind+Inf Resources Report: 12.8mt at 2.5 g/t Au No longer current
- Latest activity: heli mag + drilling late 2010,
- 25 holes for 3,256m, for 1-2m intersections of high grade – Forsayth & Percyville

<http://www.pepinnini.com.au/>

Gold + uranium + PGMs: Platina Resources

- Mainly in WA and Greenland
- Gold and uranium exploration in Qld
- Tadpole Creek area – west of Coen
- Planning soil programs in 2011



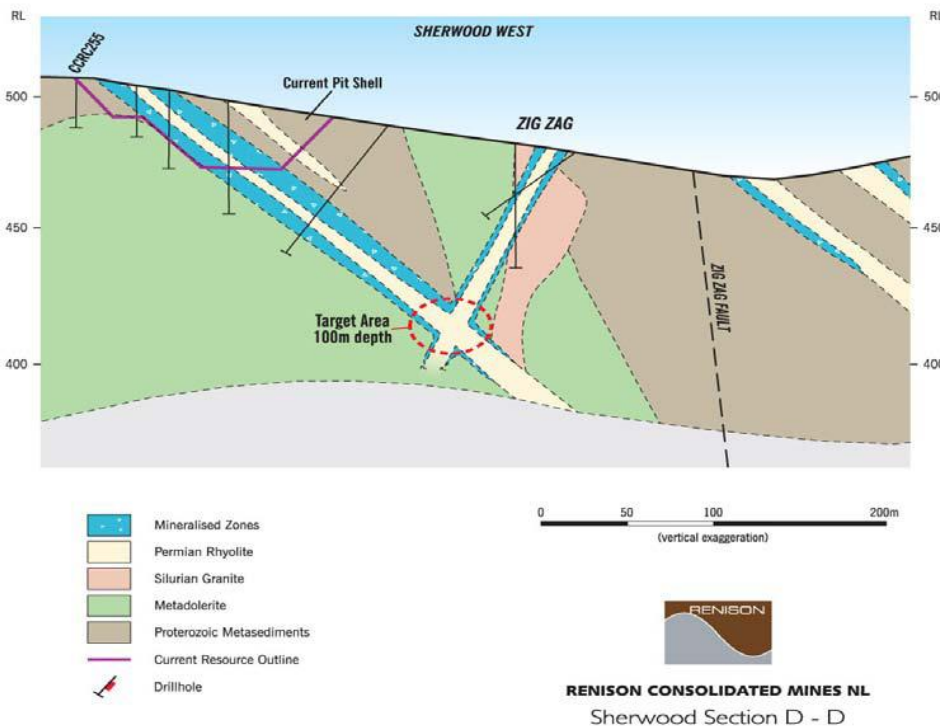
<http://www.platinaresources.com.au/>

Gold: Renison Consolidated

The current resource estimates are set out in the tables below at a 0.3 g/t gold cut-off grade.

0.3 G/T CUT-OFF	TOTAL			SHERWOOD			SHERWOOD SOUTH			SHERWOOD WEST		
Resource Classification	Mt	Gold g/t	Gold '000 oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000Oz
Indicated	10.65	0.98	336	5.42	1.04	181	0		0	5.23	0.92	155
Inferred	6.36	0.88	180	2.61	0.91	76	0.43	1.05	15	3.32	0.83	89
Total	17.01	0.94	514	8.03	1.00	258	0.43	1.05	15	8.55	0.89	245

Mar Qtr 11



- Agate Creek area – south of Forsayth
- Epithermal, qtz+Au, in narrow structures
- Prot meta seds, dolerite, Permian granites, rhyolites, agglomerates in subsidence cauldron
- Now 480 holes, latest in 2010
- Additional targets deeper and adjacent anomalies
- Barrick diluting out

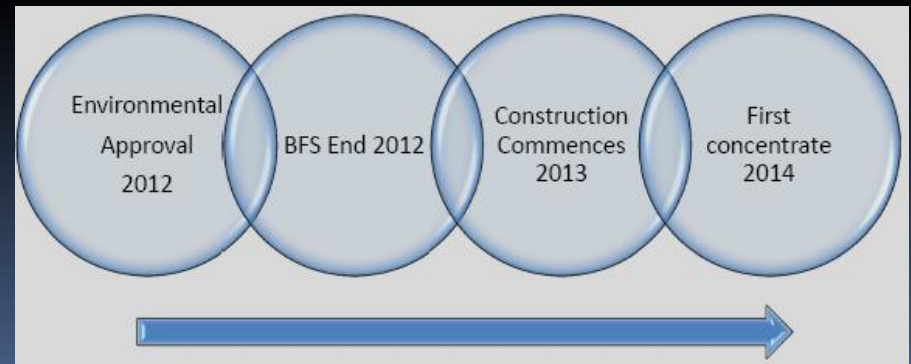
Sectional View of Sherwood West Zig-Zag Intersection Target Area

<http://www.rcm.com.au>

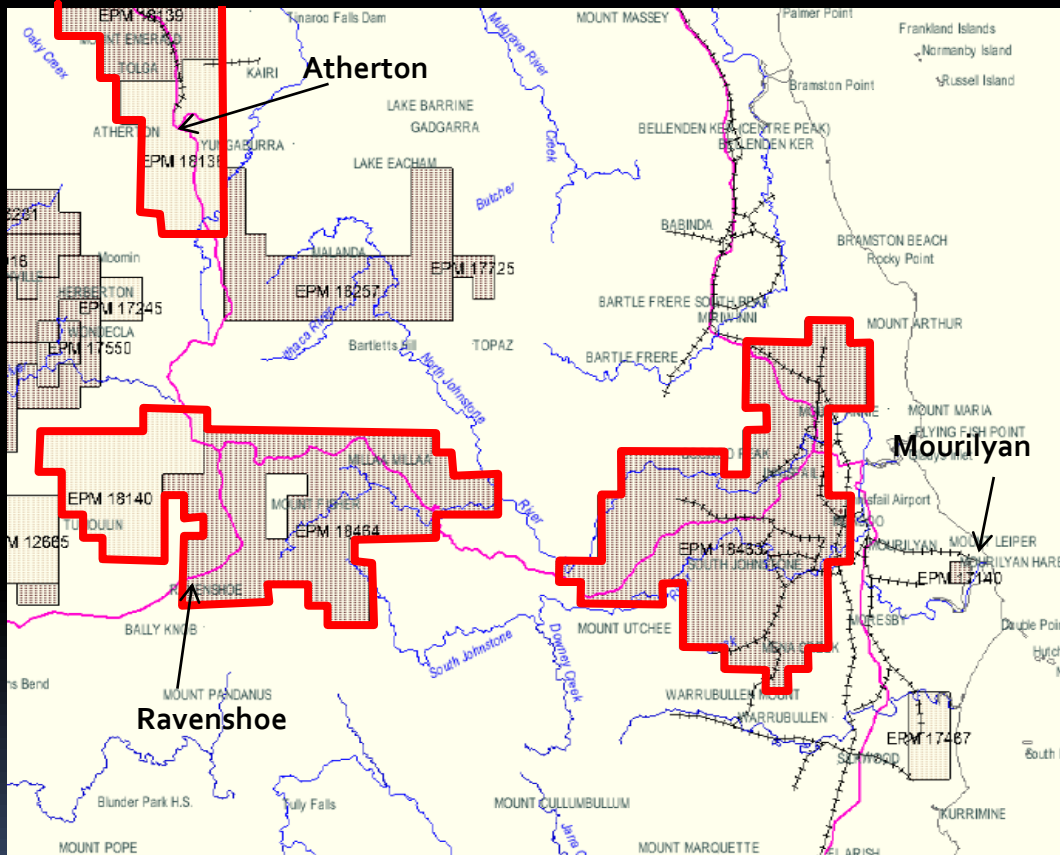
Tungsten: Vital Metals, Watershed

Advanced Tungsten Project, funded to BFS:

- ◆ World class, JORC compliant Resource - 15.1mt @ 0.46% WO₃ (0.1% WO₃ cut-off undiluted)
- ◆ Extensive landholding, and mineralised structure largely unexplored - exploration and resource growth potential
- ◆ Feasibility Studies largely complete, outlining a 610,000 tpa operation with a cash margin of ~\$57 per ton at conservative price assumptions
- ◆ \$5.4 million Earn In Agreement reached with credible partner, Japan Oil, Gas and Metals National Corporation (JOGMEC)
 - JOGMEC first instalment of \$800,000 by end September 2011
 - JOGMEC to complete a BFS to earn a 30% interest in the Project
- ◆ Work on BFS has started
 - Project manager appointed
 - Final metallurgical test-work commencing
 - Environmental approvals well advanced
 - Discussions underway with EPCM contractors



Volcan Queensland Bauxite PL-



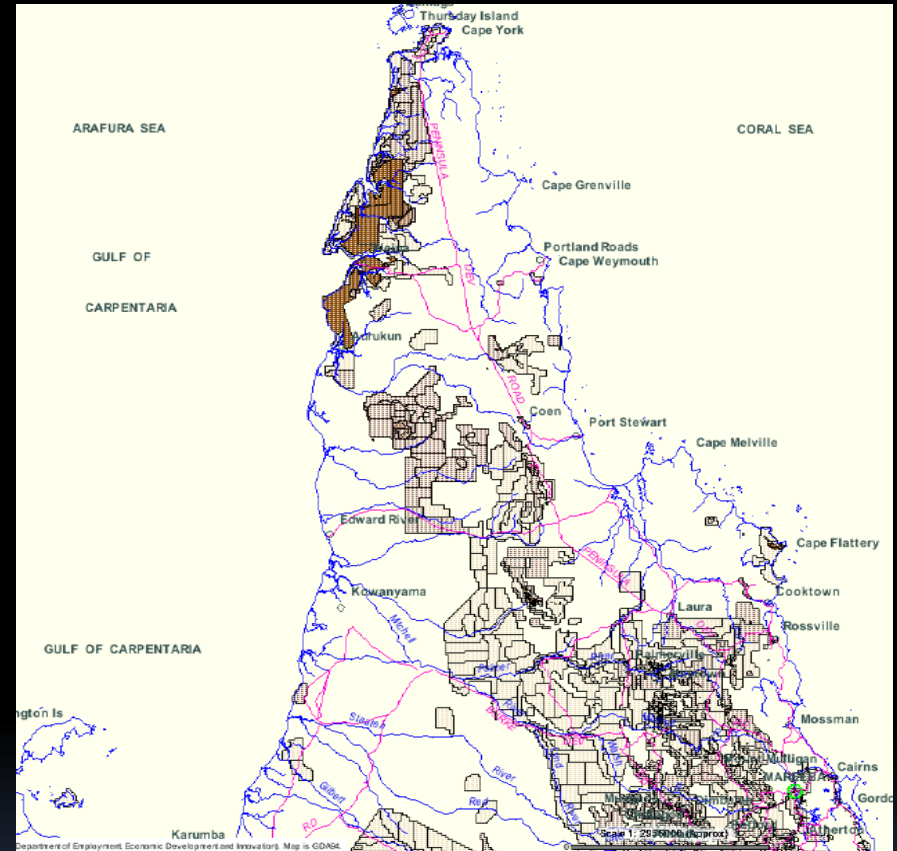
- Target – bauxite associated with Tertiary basalts
- Prelim estimates by CEC (1961) suggest >43mt at >35% Al₂O₃ (CR648)
- Also:
Volcan Australia Corporation PL, Volcan Holdings Inc who transferred the EPMs to Australia Gold Investments Limited and renamed to Queensland Bauxite Ltd

<http://www.queenslandbauxite.com.au/>

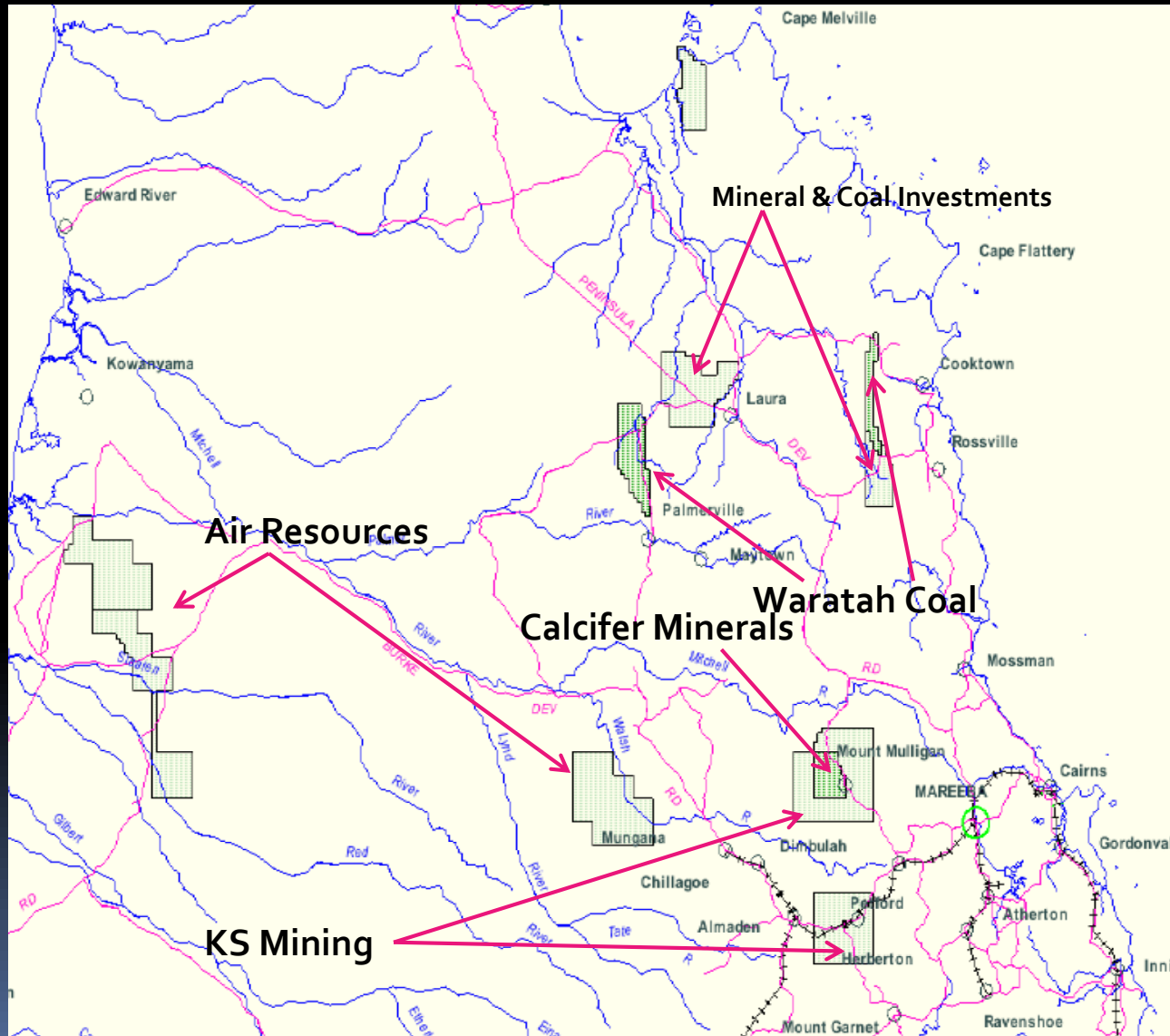
<http://www.volcan.com.au/>

Bauxite Companies

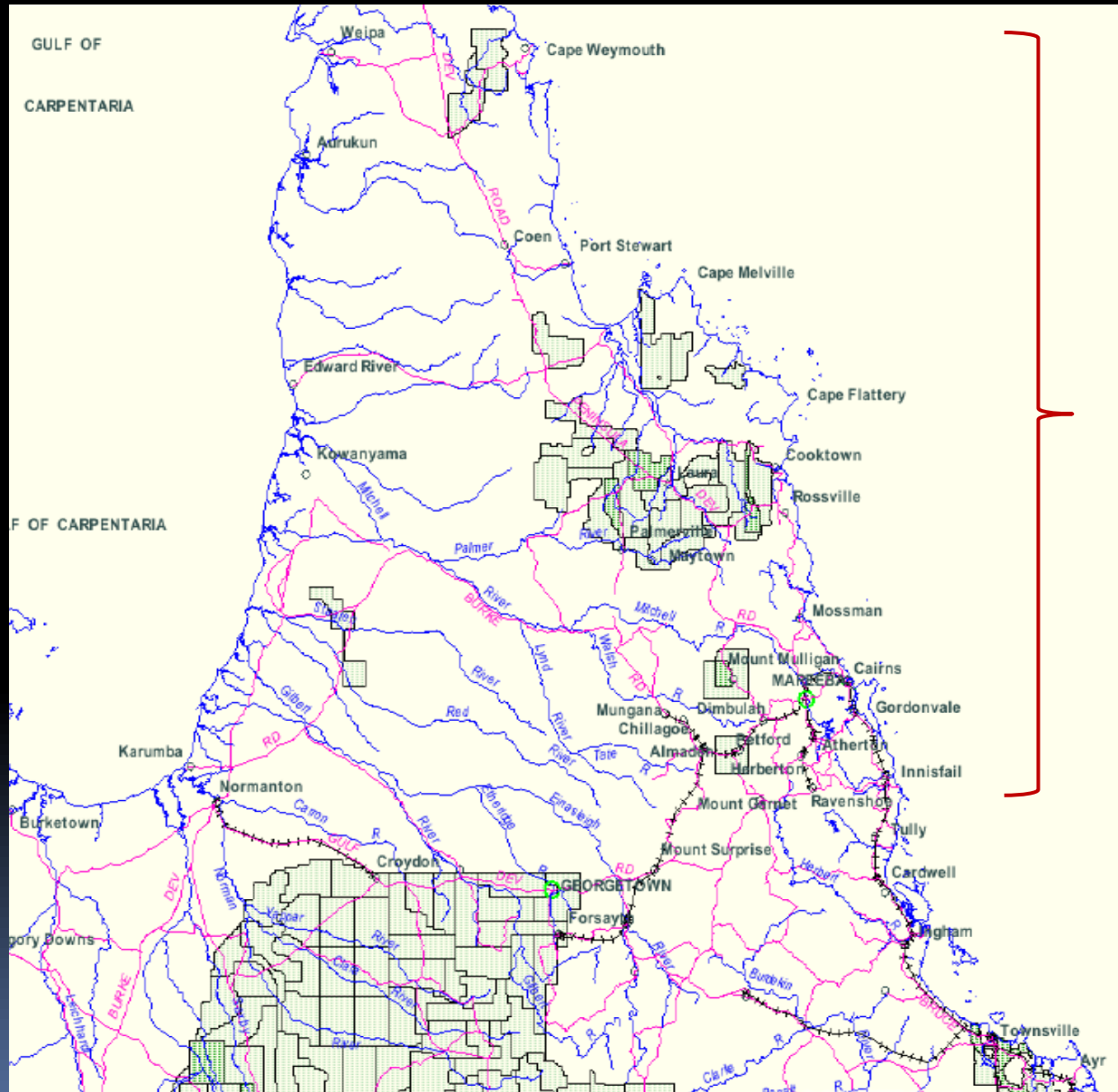
- Rio – Comalco
- Cape Alumina
- Queensland Bauxite
- ACC Minerals
- Ridge Exploration
- Sunrise Minerals
- Charlotte Australia



Coal Exploration – July 2011



Coal Exploration – October 2011



Private Companies - Significant Tenement Holders in FNQ

Significant Landholders	No of EPMs	No of EPCs	General Location	Suggested Targets
Tinpitch	>15		Alice R	Au
KS Mining	>16	2	Georgetown	Si, Coal gas
Charlotte Australia Holdings	>7		Central Cape York	Bauxite
Gulf Gold	>7		Central Cape York	Au
Patterson Mining	>9		Ebagoola	Sn
Solomon Mines			Chillagoe	Producing Copper
Phoenix Lime			Ootann	Producing Lime
Plus associated Companies			Data off DEEDI "Interactive Maps"	

Over 70 private companies and over 20 individuals hold tenements
(February 2011)

Comparison of Activity

2008

- Public Companies
 - Bauxite – Weipa
 - Cape Flattery – Silica Sand
 - Mt Garnet – base metals
 - Metals X - tin
 - Minerals Corporation - kaolin
- Private Companies
 - Solomons Mines – copper sulphate
 - Perlco – Perlite
 - Alluvial gold mines (5?)
- Wolfram Camp, Kangaroo Ck under construction
- Under feasibility – Watershed, Copperstrike, Baal Gammon, Chalco

2011

- Public Companies
 - Bauxite – Weipa
 - Cape Flattery – Silica Sand
 - Mt Garnet – base metals
 - Mungana – base metals, Au
 - Baal Gammon – Cu-Ag-Sn-In
 - Mt Carbine – W
- Private Companies
 - Deutsch Rohstoff - Au
 - Solomons Mines – copper sulphate
 - Phoenix Lime
 - Alluvial gold mines (?)
- Ropewalk, Mt Carbine, Baal Gammon
Wolfram Camp under construction
- Oresome – beach sands – Feasibility
- Cape Alumina, Chalco rejected by State
- Incr Coal + Geothermal exploration

New Projects/Companies

- Deutsch Roschtoff – Au
- Deutsch Roschtoff – W
- Icon - W
- Mungana – Au
- Altius – Ropewalk – Au
- Coal exploration
- Petroleum exploration
- Oresome - Beach Sands
- Baal Gammon – Cu-Sn-Ag-In
- Monto – Sn
- Vital – Developing Watershed

Where to FNQ?

Exploration vs Mining

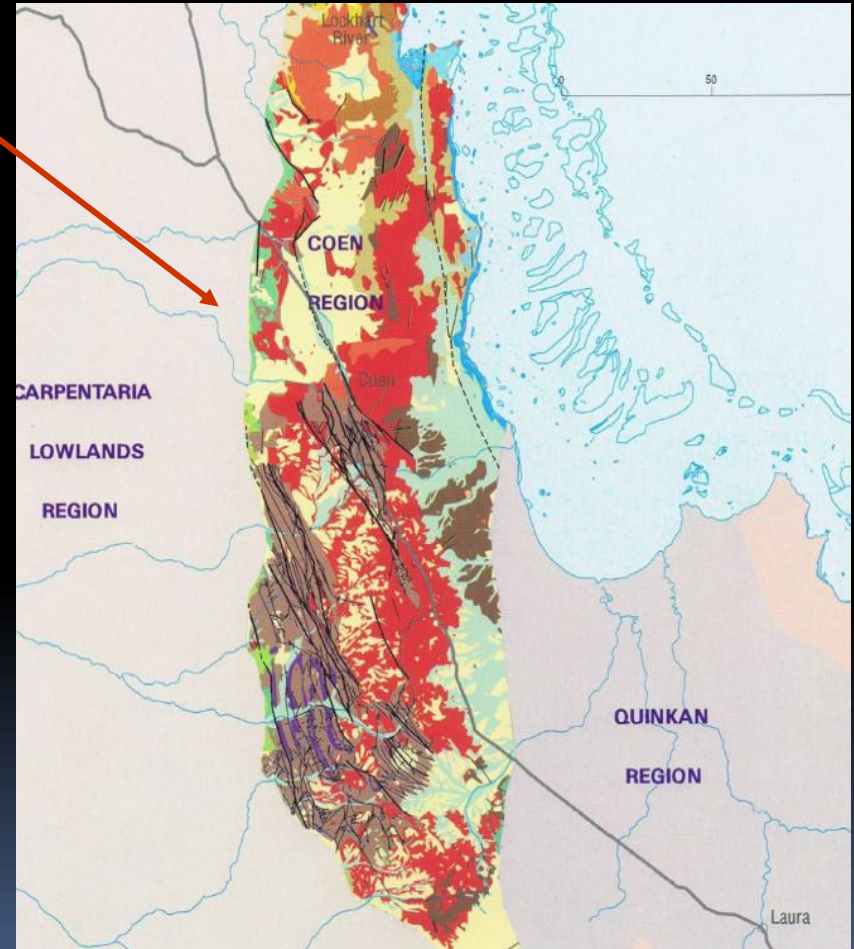
Two Separate Industries

- If there is no exploration then there can be no mining. Exploration is conducted by “small” companies – not the majors!
- Exploration is based on Exploration Permit and mining is based on a Mining Lease.
- The fundamental unit of exploration is the “sub block which is 1 minute of latitude x 1 minute of longitude. The commitment to the Government is to spend of the order of \$1,000 per year on each sub block
- There are an estimated 30,000 of these in FNQ under application or granted for minerals, another 7,000 in coal.
<http://mines.industry.qld.gov.au/geoscience/interactive-resource-tenure-maps.htm>
- Government is at best confused about actively discouraging and/or encouraging exploration

Cape York: Structures & Coen Inlier

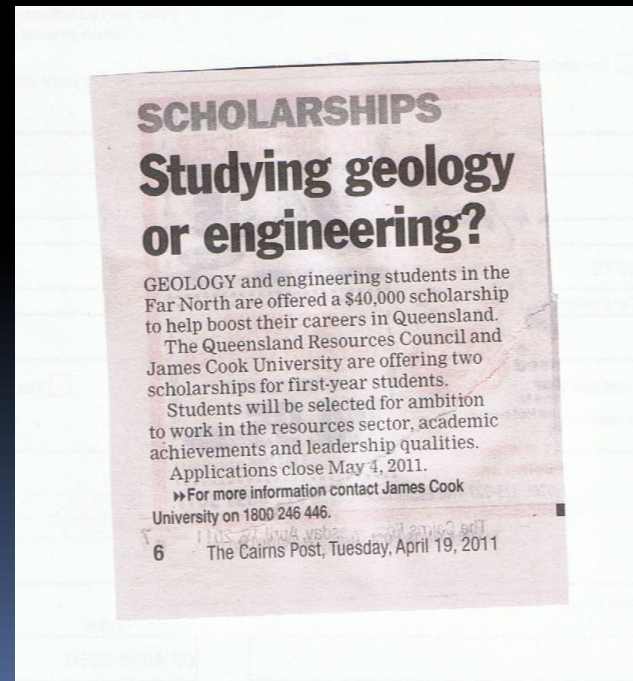
■ NNW Trending Structures:

- Total combined length 740km
- Dilational zones
- Many are known to carry gold
- Significant breccia pipes have been recognised
- Compare these with other Bx pipes (Mt Leyshon 3m oz Au, Mt Wright >1m oz Au)
- Where are the other pipes in Cape York?
- How many jobs and how much State income could be generated?



Development of FNQ

- Under explored targets in FNQ:
 - Large low grade Sn (200kt of Sn)
 - Potential in ground \$4b
 - Large Intrusive Related Gold deposits (2.5m oz Au)
 - Potential in ground \$4b
 - Breccia pipe Au deposits (2m oz Au)
 - Potential in ground \$3b
 - Khazakstan model uranium
 - Numerous Base metal targets
- Jobs and \$ could be generated in the local areas on exploration and development of these mines
- Cairns could be a focal point for major exploration & development
- If one of these targets could be developed it would mean in excess of 600 jobs
- AMEC is growing into Qld to support the industry
- Increasing activity by QRC, including public presentation



Target Example

The Welcome Breccia Pipe Denjim – Carpentaria JV -

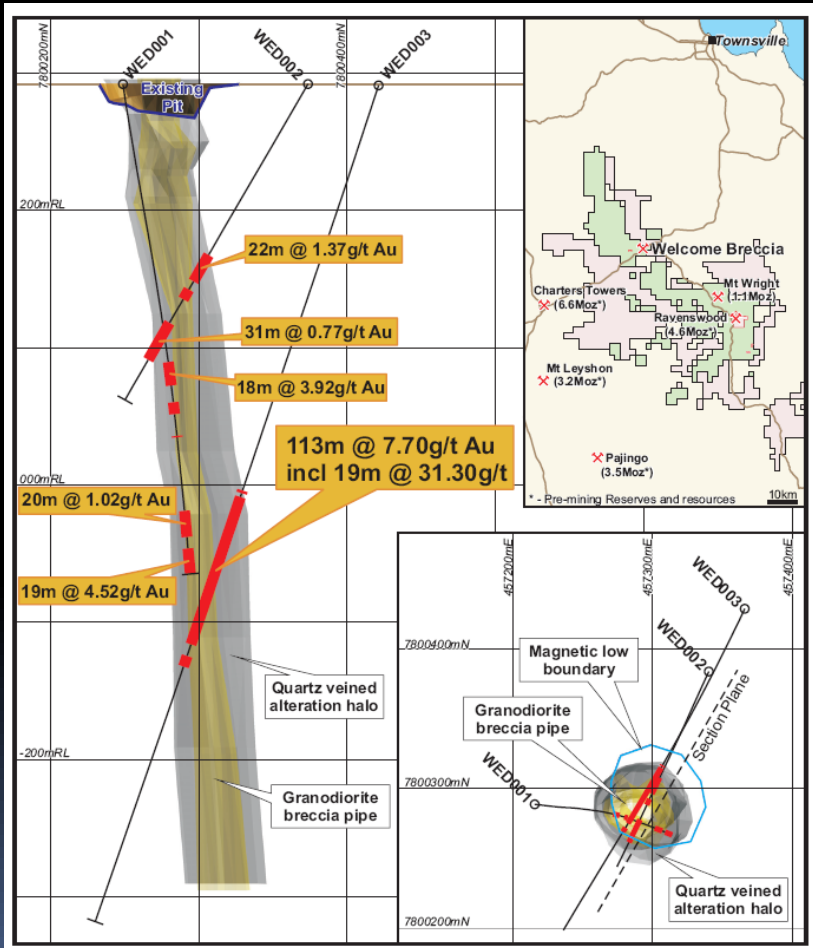
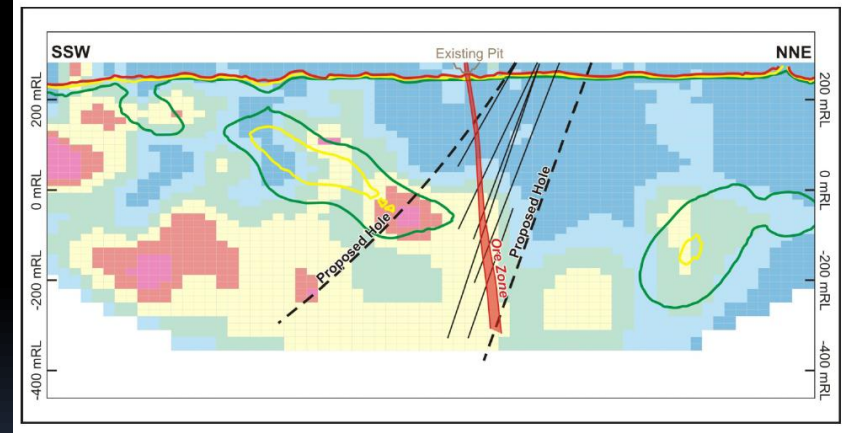


Figure 1: 3D MIMDAS block model coloured by chargeability (warm colours indicate more chargeable zones), with conductivity wireframe "contours" overlaying block model (warm colours indicate more conductive). **Welcome breccia pipe outline and previous drilling shown (coloured for Au).**



- Similar bodies have been located in Cape York



My Challenge to the Businesses of Cairns

- Consider the benefits of Geothermal energy for Cairns - JV the Companies and push them to explore and produce – we need the power
 - Any mining Company has geologists, miners, operators, accountants, trainers, lawyers, tradies – anything a town has, a mine needs – whatever you do, a mine needs.
 - Don't wait for the Companies to come to you – be proactive and go to the Companies
- 