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## SWIT KIA PROSPECT UPPER ZONE DRILLING AND REGIONAL EXPLORATION INFORMATION

Frontier Resources Ltd is pleased to release information related to the diamond core drilling completed early November on the very high grade gold Upper Zone of the Swit Kia Prospect, EL 1595 – Bulago in Papua New Guinea. Assay results are pending.

Drill Pad 1 was located in the central sector of the Swit Kia Prospect near the top end of Trench 1. One 'section fan' of five holes was completed from drill pad 1 and the sixth hole started a new 'horizontal fan'.

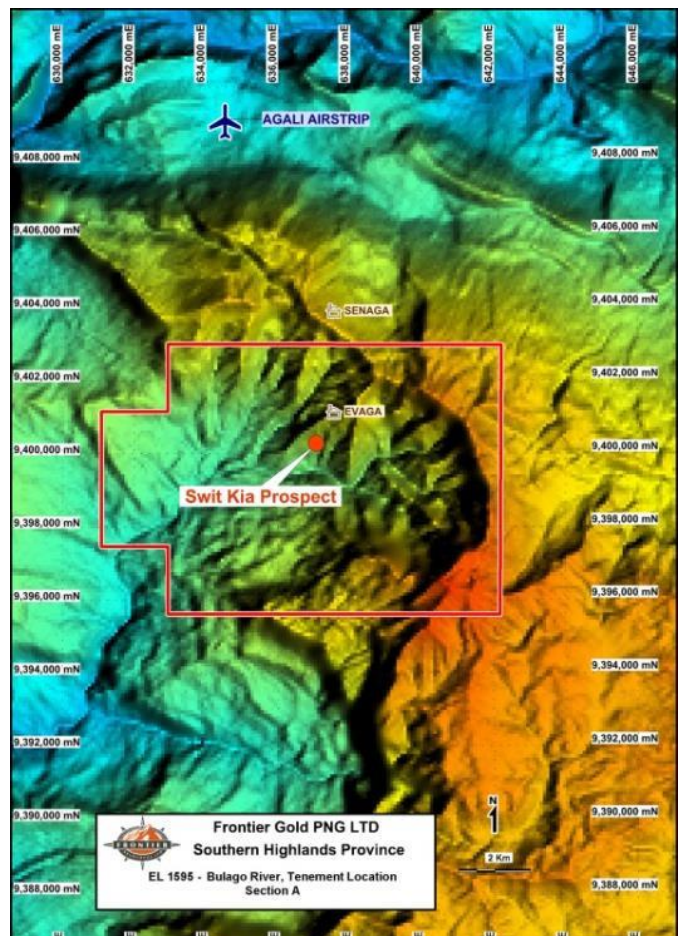
The drilling targeted the high grade gold mineralisation related to the 45° dip slope, an associated 70° north dipping strongly silicified intrusive with hydrothermal breccias/sulphides and the flat lying host sediments (for conformable mineralisation as at the Lower Zone).

Drill holes tested down/across the surficial high grade gold zone and also across the intrusive for proximal sub-parallel repeats of the high grade gold and for possible lower grade bulk gold mineralisation. The intrusive was strongly silicified and fractured but lacked significant hydrothermal breccias/sulphides.

The very high grade gold mineralisation at the Upper Zone appears to be a relatively thin layer associated intrusives and concentrating at the dip slope. The lack of breccias in the core holes implies that the high grade mineralisation was not intersected.

No significant width breccia repeats were noted downhole in the drilling, however SKD005 had a semi massive pyrite, pyrrhotite, magnetite, galena and sphalerite vein from 39.3m to 39.6m.

The Supervisory Geologists' Report is attached as Appendix 1; it includes Section 5 on Jackhammer trenching and Section 6 on regional exploration completed in the Bulago Valley (to the east of Swit Kia Prospect).



Swit Kia Hole ID	Co-ordinates (AMG 66)		Azimuth (mag)	Inclination (degrees)	End of Hole Depth (m)
	Northing	Easting			
SKD 001	9400278	637070	220°	-45	37.3
SKD 002	9400278	637070	220°	-80	63.9
SKD 003	9400278	637070	220°	-65	48.3
SKD 004	9400278	637070	220°	-42	37.7
SKD 005	9400278	637070	040°	-80	53.1
SKD 006	9400278	637070	240°	-40	35.0
<b>Total Meters of Drilling</b>					<b>275.3</b>



The current observations on rock exposures along a 600m stretch of the main Bulago River between BUL002 and BUL004 showed a distinct potassic alteration as mapped by Ok Tedi. The anomalous gold and base metals in soil geochemistry occurs within this potassic alteration. Frontier's work has confirmed the existence of this alteration zone that is controlled by a dominant NNE (030 degrees) structural trend. The NE alignment of a soil gold and base metals anomaly reflects this control. The mapped alteration zone is 600m wide and open-ended on both NE & SW directions parallel to the main NNE structural trend.

Creek geological observations indicated the existence of Porphyry to Quartz Monzonite Porphyry (Qtz Diorite Porphyry) and the Leucocratic Hornblende Diorite Stock. The field relationships show that Leucocratic hornblende diorite stock is intruded by late stage heavily mineralised dark/black hornblende-rich Quartz Diorite. The dark, blackish mafic 'rich Qtz diorite is strongly mineralised with up to 10-15% volume of disseminated and veined sulphides predominantly pyrite and chalcopyrite. This mafic – rich rock (dyke?) is interpreted to be the late stage mineralised intrusive that is feeding the other older intrusive and country rocks as the sulphide mineralisation is also strongly disseminated, veined and fracture-fills as compare to the other intrusive.

The hydrothermal alteration demonstrates an envelope of propylitic alteration (chlorite-epidote-?albite-carbonate-pyrite) downstream and away from BUL002, this alteration grades into an argillic-phyllic or the sericitic alteration as shown by strong jarositic orange-yellow, clay altered rock upstream from BUL002, which is typified by an assemblage of jarositic clay-sericite-pyrite-quartz. This alteration is superimposed on to a central potassic core associated with strong silicification with pinkish coloration of rocks characterised by k-feldspar- 2<sup>nd</sup> biotite – quartz-albite ± magnetite forming centrally located untested area.

Frontier's anomalous soil Au-Cu-Pb-Zn geochemical anomaly is superimposed directly on this potassic alteration. As noted, the pervasive K-spar alteration is obvious in the rock exposures recognised and effects of later hydrothermal and supergene alteration would have also obscured some parts of the exposures.

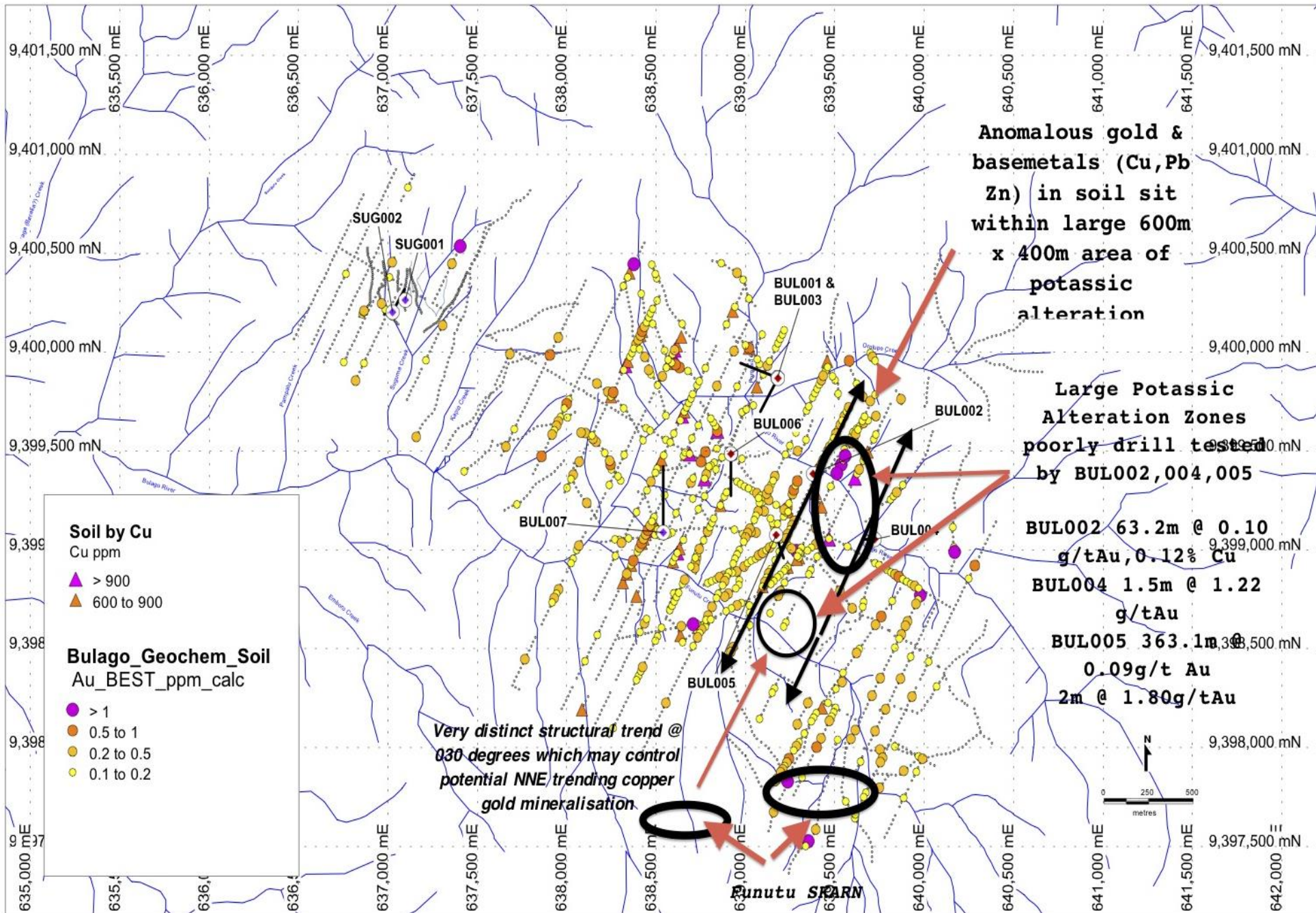
The porphyry copper-gold footprint is well supported by the surface soil geochemical zonation of which strong showings of lead (+ 80 ppm contour) and zinc (+300 ppm contour) occur at the margins of the porphyry. The significant part of the large soil gold anomaly (>0.1g/t Au) is about 2km long in the NE trend and 1km wide almost occupying the inferred central portion of the porphyry system. The inferred circular features shown by the drainages in the area may represent a buried intrusive signature.

The fracturing is intense and as shown by a distinct 030 degrees structural trend, which was interpreted to have controlled over the alignment of NNE trending Frontier Gold soil Au-Cu-Pb-Zn geochemical anomaly. Frontier soil geochemical signature is part of and sits comfortably within the potassic alteration, which certainly will require more work to ascertain this interpretation and therefore likely area for drill testing. As seen on the rock exposures, the fracture-controlled sulphide mineralisation (pyrite-cpy-bn-mt-py) is associated with the strong silicification within the potassic core and also controlled by strong NNE fracturing. These structures would have aligned the mineralised zone NNE to SSW direction and was poorly drill tested during the previous drilling by Ok Tedi.

The soil geochemistry figures shows the location of the potassic zone controlled by dominant north easterly fracturing indicated by two black arrows. Holes BUL002, BUL004 and BUL005 are interpreted to have drilled at the periphery of the potassic zone. Note: Funutu skarn occurrence is directly positioned along the NNE structural trend.

Recommendations were:

1. Detailed creek mapping and geochemical sampling at Upper Bulago Porphyry Copper –gold prospect is strongly recommended. The work should involve cutting and brushing off all small tributaries within the area of interest. The mapping at 1:1000 scale is adequate to cover the whole prospect area.
2. Drilling should take place after the assay results of the surface geochemical sampling are received with indications of anomalous gold-copper geochemistry.
3. Traversing and tracking to assess skarn mineralization at the periphery to porphyry and sediment contact is also recommended and should take place at the same time as the mapping program.



**Soil by Cu**  
Cu ppm

- ▲ > 900
- ▲ 600 to 900

**Bulago\_Geochem\_Soil**  
Au BEST\_ppm\_calc

- > 1
- 0.5 to 1
- 0.2 to 0.5
- 0.1 to 0.2

**Anomalous gold & basemetals (Cu, Pb, Zn) in soil sit within large 600m x 400m area of potassic alteration**

**Large Potassic Alteration Zones poorly drill tested by BUL002, 004, 005**

**BUL002 63.2m @ 0.10 g/tAu, 0.12% Cu**  
**BUL004 1.5m @ 1.22 g/tAu**  
**BUL005 363.1m @ 0.09g/t Au**  
**2m @ 1.80g/tAu**

*Very distinct structural trend @ 030 degrees which may control potential NNE trending copper gold mineralisation.*

**Bunutu SPARN**

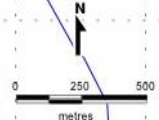


Photo 1. The CSD500 drill rig being set up on pad 1.



Photo 2. The initial rough camp after walking from Agali airstrip to Swit Kia (19 kilometres with 1,900m vertically up and 1,000m down) while waiting for helicopter.



Photo 3. Frontier's field crew and local assistants in front of an improved camp.



For additional information relating to Frontier please visit our website at [www.frontierresources.com.au](http://www.frontierresources.com.au)

**FRONTIER RESOURCES LTD**



P.A. McNeil, M.Sc., MAIG  
 Chairman and Managing Director

**Competent Person Statement:**

The information in this report that relates to Exploration Results is based on information compiled by, or compiled under the supervision of Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Managing Director of Frontier Resources, who consults to the Company. Peter McNeil has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter McNeil consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

<b>Frontier Resources Ltd Exploration Licence Information</b>						
	<b>Licence No.</b>	<b>Date From</b>	<b>Date To</b>	<b>Ownership</b>	<b>Area (SQ KM)</b>	<b>Latitudinal Sub Blocks</b>
<b>Bulago River</b>	EL 1595	7/07/2012	6/7/2014	100% Frontier Gold PNG Ltd -- <b>Under Renewal</b>	100	30
<b>Mt Andewa</b>	ELA 2348	New Application		100% Frontier Copper PNG Ltd	140	42
<b>East New Britain</b>	EL 1592	21/03/2013	20/3/2015	100% Frontier Copper PNG Ltd	493	148
<b>Central New Britain</b>	EL 1598	21/03/2013	20/3/2015	100% Frontier Copper PNG Ltd	347	104
<b>Cethana</b>	EL 29/2009	13/09/2010	12/09/2015	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	109	NA
<b>River Lea</b>	EL 42/2010	3/04/2011	2/04/2016	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	9	NA
<b>Narrawa Creek</b>	RL 3/2005	12/05/2013	12/05/2015	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	2.8	NA
<b>Stormont Mine</b>	ML 1/2013	3/11/2013	13/08/2018	5% Nett Profits Interest Frontier -Torque/BCD Mining	0.13	NA
<b>Elliott Bay</b>	EL 20/1996	12/06/2014	11/06/2015	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	11	NA
<b>Wanderer River</b>	EL 33/2010	29/03/2011	28/03/2016	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	41	NA
<b>Total PNG Area =</b>					<b>1,080 SQ KM</b>	<b>1,253 SQ KM</b>
NB: 1. The Papua New Guinea Mining Act of 1992 stipulates that ELs are granted for renewable 2 year Terms (subject to Work and Financial Commitments) 2. The PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted. 3. BFS = Completion of a positive and hence "Bankable" Feasibility Study into the viability of any proposed mining operation						

## Appendix 1

### DIAMOND DRILLING PROGRAM AT UPPER ZONE OF THE SWIT KIA PROSPECT AND OTHER REGIONAL EXPLORATION ACTIVITIES WITHIN - EL 1595 BULAGO

19<sup>TH</sup> SEPTEMBER TO 03<sup>RD</sup> OF NOVEMBER 2014

JOHN K. KIRAKAR - NOVEMBER 2014

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### **1.0 SUMMARY**

The objective of the drill program was to drill significant high-grade gold intercepts at Swit Kia Prospect within EL 1595 –Bulago. A total of 6 diamond drill holes with a total of 275.3 meters were accomplished at Swit Kia prospect (comprising 1 x pad with 6 holes in fans of both azimuth and inclination).

Drilling commenced 19<sup>th</sup> of September and completed 03<sup>rd</sup> of November 2014.

Three drill holes SKD001, 004 and 006 intersected narrow quartz-sulphide vein breccia mineralization near the surface, which are comparable with those encountered in surface trenches. These were interpreted to part of the high-grade vein that assayed 499g/t Au in Trench # 1. The main breccia zone as the main target for the drilling campaign was not intersected. The reassessment of the trench geology indicated an “onion skin” appearance of possible remnant of a mineralized breccia zone superimposed on the south dipping major fault on the footwall of predominantly massive Feldspar porphyry and sediments.

Surface geochemical sampling using Jackhammer and mapping along the strike of the Upper Zone has confirmed excellent strike extension to the mineralized breccia to the west of West Creek. Five newly dug out trenches were cleaned and sampled simultaneously when the diamond-drilling program was being carried out. The trenches were designed to track the encouragingly high gold grades in rock chips taken from high sulphide content breccia outcrop within Upper Zone of Swit Kia prospect towards West Creek and East Creeks collected during the previous program.

All former and current Swit Kia trenches were surveyed using tape and compass. These trenches were plotted at 1:500 meter scale map showing trench outline, Jackhammer channel sample numbers and location of drillholes.

The Upper Bulago River was also targeted as high priority during this program due to interestingly anomalous gold, copper, lead and zinc in grid-soil geochemistry. (Ken will be submitting his report on his findings). This work has highlighted occurrence of potential porphyry copper –gold mineralization within a large potassic alteration zone. The area was interpreted, to be poorly drill tested by previous companies. The preliminary creek mapping has indicated a northeast trending large open-ended 600m long x 400m wide potassic alteration zone.

A total of 313 samples were collected of which 74 rock chip samples from regional program, 138 were drill core samples and 101 jackhammer channel samples were collected varying from 1m-channel in breccia zones to 2m-channel in altered feldspar porphyry and sediments. All drilled core, trench Jackhammer samples and regional samples were submitted to SGS in Lae for chemical analyses.

### **2.0 INTRODUCTION**

Exploration Licence (EL) 1595 – Bulago is situated approximately 32 km west of Lake Kopiago Station and 56 km due west of the Provincial capital Tari, in the Heli Province (Figure 1). The project area is located within the “Window of Limestone” as part of the central spine of the mainland PNG, is it characterized by moderate to rugged karst topography covered by heavy tropical rain forest. The Strickland and Bulago Rivers represent major drainages in the region.



All necessary supplies and drilling equipment, such as drill rig and its support equipment are readily available in Frontier Resources Limited's regional Hagen Office. Frontier use helicopters and fixed wing planes as their primary method of access to the project area to mobilise technical personnel, equipment and supplies from. The main Highlands Highway road connects Hagen to Mendi than to Tari, which is located some 56 km east of the project area. Driving time from Hagen to Mendi is 2 hours in the normal vehicle (Hilux) and approximately 4-5 hours by truck; equipment, such as drill rigs and supplies can then be airlifted by fixed wing aircraft from Mendi to a nearby Agali Airstrip where they are than airlifted to the project site by chopper.

Access to Frontiers Swit Kia camp, located within EL 1595, from Agali is by a 10-minute helicopter flight. The area is uninhabited with the traditional landowners living about a day or two walk to the project site. The indigenous landowners, who are employed as unskilled labour, can walk to the area within 1-2 days.

Prevailing climate across much of western PNG is a hot tropical climate and, while rain falls throughout the year, there is a defined wet season (northwest winds) from December to April and a dry season (southeast winds) from September to November. However, the project's location within a window of limestone makes it venerable to heavy rains and complete cloud cover most of the days.

### **3.0 GENERALISED GEOLOGY OF BULAGO AREA**

The Project area essentially covers Tabe, Idawe and Tumbudu Stocks that belong to a suite of small and isolated upper Miocene to Pliocene mineralized diorite to monzonite intrusive within the Australian Plate sediments south of the a major arc-parallel regional structure of Laigap Fault Zone. These intrusive stocks formed a geological terrain that stretches from Porgera in the east to Ok Tedi in the west and the Fault Zone is considered to be a major structural boundary between the Australian and the Melanesian Plates. The later stage northeast trending transfer structures intersect this major Fault Zone and have significant controlled on mineralization. Tertiary sediments underlie a substantial proportion of EL 1595, with Bulago River and Swit Kia prospects restricted to Idawe Stock and the surrounding sediments within a large topographic impression. The high-grade skarn occurrences in Ok Tedi are very much confined in the interface between Ieru / Darai Limestone and the monzonitic intrusive. These skarns formed around the intrusive/sediment contact and are ore grade and economically mined.

The review of the previous data from Bulago River systems shows potential for skarn development at the margins of the variety of the late stage Monzonitic/Qtz Diorite intrusive stocks that warrants follow up traversing at the upper reaches of both Bulago River and Funutu Creeks. Steady Joseph (as Camp caretaker) was given a small program with GPS and map to track down possible occurrences of the skarn-mineralized areas, which he will try to locate over the Christmas/New Year period.

## **4.0 FRONTIER RESOURCES LIMITED EXPLORATION ACTIVITIES – SWIT KIA PROSPECT**

### **4.10 Introduction**

Frontier's main exploration effort is currently focused on diamond drilling at the Swit Kia prospect, where exploration to date has defined significantly high-grade gold mineralization associated with an outcropping breccia of possible diapiric origin; potentially indicative of a deeper mineralized porphyry intrusive.

The main objective of the drill program is to drill significant high-grade gold intercepts at Swit Kia Prospect. A total of 6 diamond drill holes with a total of 272 meters were accomplished at Swit Kia prospect during the period 19<sup>th</sup> October 2014 to 03<sup>rd</sup> November 2014 (Table 1). An originally planned 720m program in mostly 2x pads with multiple fans of holes in both azimuth and inclination was later reduced to only one pad with 6 fans of holes was accomplished.

Work to date includes diamond drilling, trenching & sampling with detailed geological mapping to ascertain West Creek and East Creek continuity of the high-grade gold mineralization in the Upper Zone. Jackhammer rock chip geochemical sampling and the manual excavation of 5 costeans to depths of up to 2m over areas of possible continuity of high-grade breccia zone were undertaken. Detailed continuous channel sampling and mapping of the exposed weathered bedrock in the costeans in this program has obviously defined continuity of high-grade breccia zone in the West Creek within the weathered bedrock.

This reports summaries all work activities conducted by Frontier Resources Limited during the period 19<sup>th</sup>

October 2014 to 03<sup>rd</sup> November 2014 which includes drill core logging and sampling, trenching, including tape & compass survey work, geological mapping, and soil geochemical anomaly follow up.

#### 4.20: Swit Kia Prospect Geology

During March –April 2014 Frontier Resources Limited surface exploration delineated very high-grade gold mineralization (>100g/t Au) at the Upper Zone. This Zone was tracked and mapped both east and west to establish its strike length and this work subsequently discovered the Low Zone. The over length of the upper zone is 215m. The mineralized Upper Zone is hosted in silicified and altered intrusive confined to strongly brecciated zones near contact with intrusive and/or near contact with host siltstone contact.

The mapping and trenching work has extended the strike length of high-grade gold related breccia zone mineralization westward further 7m west of the west Creek.

The most significant observation on the surface geology is that siltstone and altered Feldspar porphyry on both side of the Upper Zone are seen to gently plunging away from each other. This factual observation on surface geology implies that there is a possible fold structure with distinct anticlinal feature. The axis of the fold is almost E-W parallel to the strike of the Upper Zone. The high grade gold mineralized Upper Zone is perched near the E-W fold axis but more so on the south dipping limb of the fold. The position of the Upper Zone high-grade gold zone near the fold axis is important as it would developed from the regional compressional environment where gold-rich fluids can be squished out from the country rocks and taped upward from the up flow structure within the fold axis.

#### 4.30: Diamond Drilling

A total of 6 diamond drill holes with a total of 275.3 meters were accomplished at Swit Kia prospect during Frontier Resources Limited Exploration program during the period 19<sup>th</sup> October 2014 to 03<sup>rd</sup> November 2014 (Table 2). An originally planned 720m program in mostly 2x pads with multiple fans of holes in both azimuth and inclination was later reduced to only one pad with 6 fans of holes was accomplished.

The objective of the current drill program is to drill significant high-grade gold intercepts within the Upper Zone at Swit Kia Prospect.

The down hole geological logging on 6 diamond drill holes (SKD001, 002, 003, 004, 005 and SKD006) shows that rock types encountered in all 6 fanned holes are geologically similarities in chemical composition. As shown on the N-S drill section (Figure 1) the main rock types are predominantly Feldspar Porphyry and Siltstone/Mudstone host. Feldspar Porphyry is moderate to strong propylitic altered and massive, but often-strong phyllic alteration overprinting near the contact with sediments.

There are unequivocal evidences of micro folding in sediments with finely laminated siltstone bands alternating in dip direction to core axis. The drill holes plot on the section shows feldspar porphyry sills are conformable to the siltstone host and both rock types are seemed to repeated themselves or alternate down hole in all 6 diamond drill holes. The drill hole section shows there is gently dipping of both Feldspar Porphyry and siltstone on the northerly direction. This is repeated south of the Upper Zone where by these same rock types are dipping gently towards south. This implies a possible fold structure with distinct anticlinal feature. The axis of the fold is almost E-W parallel to the strike of the Upper Zone. The main high grade gold mineralized Upper Zone breccia is perched near the E-W fold axis but more so on the south-dipping limb of the fold.

There are dominant later stage high angle NE fractures that cut through the early E-W structures. This NE fracturing is thought to be the main mineralizing structure.

**Table 1: Swit Kia Gold Prospect Drill Hole Information**

DDH ID	GPS Co-ordinates	RL (m)	START	FINISH	AZ° mag	INCL	HOLE DEPTH	TARGET
SKD001	0637070E/ 9400278N	1676	19/10	23/10	220	-45	37.3m	To test sub surface potential of the high-grade gold mineralization at the Upper Zone of the Swit Kia Prospect.
SKD002	0637070E/ 9400278N	1676	23/10	25/10	220	-80	63.9m	To test regional structural repetition potential possible up flow feeder zone of the high- grade gold

								mineralization & to firm up down hole geology.
SKD003	0637070E/ 9400278N	1676	25/10	26/10	220	-65	48.3m	To test sub surface potential of the high-grade gold mineralization at the Upper Zone of the Swit Kia Prospect
SKD004	0637070E/ 9400278N	1676	26/10	27/10	220	-42	37.7m	Readjusted angle to -42 degrees to test high-grade gold mineralization close to the surface to possible punch-out or daylight.
SKD005	0637070E/ 9400278N	1676	30/10	01/11	44	-80	53.1m	Turned Rig to 180 degrees towards North @ (40°) to target possible high-grade gold mineralization and downhole geology
SKD006	0637070E/ 9400278N	1676	02/11	3/11	240	-40	35.0m	To test sub surface potential of the high-grade gold mineralization at the Upper Zone of the Swit Kia Prospect with readjusted inclination.

#### 4.40: Intersection of Quartz-Sulphide Vein Breccia Mineralization in Drill holes

Three drill holes SKD001, 004 and 006 (Table #2) intersected narrow brecciated quartz-sulphide vein mineralization near the surface. This vein intersection is part of the high-grade vein that assayed 499g/t Au in Trench # 1. This observation is comparable with that encountered in surface trench (1). The main breccia zone as the main target for this drilling campaign was not intersected as the reassessment of the trench geology indicated an “onion skin” appearance of possible remnant of a mineralized breccia zone superimposed on the south dipping major fault on the footwall of predominantly massive Feldspar porphyry and sediments. Table 2 shows quartz-sulphide vein intercepts delineated in three drill holes. It is expected these vein intercepts would carry higher-grade gold assays similar to sample J005 in Trench # 1. Bulk of the high-grade breccia material would have eroded down slope on the dipping fault plane as shown by the existence of slicken slides on the footwall of massive partly altered Feldspar Porphyry.

**Table 2. Quartz-Sulphide Vein Breccia Intercepts in drill holes SKD001, 004 and 006)**

HOLE ID	QTZ-SULPHIDE VEIN INTERCEPT	INTERCEPT LENGTH	DESCRIPTION
SKD001	0.0 – 0.80m	80 cm	Brecciated Qtz-Sulph Vn frags mixed with Feldspar porphyry.; with grey sulph (py- po- aspy-gal +/- sph), Noted poor recovery
SKD004	1.20 – 1.70m	50cm	Brecciated Qtz-Sulph Vn hosted in Feldspar porphyry.; with grey sulph (py- po- aspy-gal +/- sph). @ 45° to core axis
SKD006	7.40 - 9.30m	1.90m	Brecciated Qtz-Sulph Vein hosted in Feldspar porphyry.; with grey sulph (py- po- aspy-gal +/- sph). @ 45° to core axis

**Table 3. Diamond Drill holes (SKD001-006) & Sample Information & Summary Logs**

HOLE ID	SAMPLE NUMBER	FROM	TO	SAMPLED LENGTH	DOWNHOLE SUMMARY
SKD 001	SK (D) - 700	0	0.8m	0.8	Qtz vn frags + Feld Porph.
SKD 001	SK (D) - 701	0.8	2.0m	1.2	@ 0.8-10.60m: Feld. Porph
SKD 001	SK (D) - 702	2.0	3.7	1.7	Mnr clay py altered
SKD 001	SK (D) - 703	3.7	4.4	0.7	Narrow crackled zone at
SKD 001	SK (D) - 704	4.4	6.0	1.6	3.70m mnr qtz-sulph
SKD 001	SK (D) - 705	6	7.3	1.3	Vng.
SKD 001	SK (D) - 706	7.3	8.1	0.8	
SKD 001	SK (D) - 707	8.1	10.6	2.5	
SKD 001	SK (D) - 708	10.6	12	1.4	10.6-14.70m Black
SKD 001	SK (D) - 709	12	14	2	mudstone, indurated

SKD 001	SK (D) - 710	14	14.8	0.8	finely laminated, cut
SKD 001	SK (D) - 711	14.8	16	1.2	by late stage carb-qtz
SKD 001	SK (D) - 712	16	18	2	-py vng
SKD 001	SK (D) - 713	18	20	2	
SKD 001	SK (D) - 714	20	21.6	1.6	14.70-33.60m: Felds
SKD 001	SK (D) - 715	21.6	23	1.4	Porphyry, propylitic
SKD 001	SK (D) - 716	23	24	1	altered, mnr vns/vnlts
SKD 001	SK (D) - 717	24	25	1	+ py+/- aspy+/- gal
SKD 001	SK (D) - 718	25	26	1	+/- sph vn at 27m
SKD 001	SK (D) - 719	26	27	1	py -3-5%
SKD 001	SK (D) - 720	27	29	2	
SKD 001	SK (D) - 721	29	31	2	
SKD 001	SK (D) - 722	31	32	1	
SKD 001	SK (D) - 723	32	33.6	1.6	33.60-37.30m
SKD 001	SK (D) - 724	33.6	35	1.4	Mudst/Siltst; fract-fill
SKD 001	SK (D) - 725	35	37.3	2.3	py/vns to 3% (EOH)
SKD002	SK (D) - 726	0	2	2	0-7.80m–Felds Porph
SKD002	SK (D) - 727	2	4	2	Propyl. alt'd perv mt.
SKD002	SK (D) - 728	4	6	2	fract-filled & vns/vnlts
SKD002	SK (D) - 729	6	7.8	1.8	to 1%.
SKD002	SK (D) - 730	7.8	9	1.2	
SKD002	SK (D) - 731	9	11	2	7.8- 15.60m: Mudst
SKD002	SK (D) - 732	11	13	2	/Siltst, frct-contr /vn
SKD002	SK (D) - 733	13	15.6	2.6	Py+/- to 1%
SKD002	SK (D) - 734	15.6	17	1.4	
SKD002	SK (D) - 735	17	19	2	15.6 -38.20m: Felds
SKD002	SK (D) - 736	19	21	2	Porph, propyl. altd,
SKD002	SK (D) - 737	21	23	2	occas xenoliths of cg
SKD002	SK (D) - 738	23	24	1	mafic-rich Hb qtz dior,
SKD002	SK (D) - 739	24	25	1	<1cm qtz-carb-py+/-
SKD002	SK (D) - 740	25	26	1	gal+/-sph at 21.60m
SKD002	SK (D) - 741	26	28	2	
SKD002	SK (D) - 742	28	30	2	
SKD002	SK (D) - 743	30	32	2	
SKD002	SK (D) - 744	32	34	2	
SKD002	SK (D) - 745	34	36	2	
SKD002	SK (D) - 746	36	38.2	2.2	38.20-48.20m: Blk
SKD002	SK (D) - 747	38.2	40	1.8	Mudst/Siltst; cut by
SKD002	SK (D) - 748	40	43	3	Late stage carb-py-
SKD002	SK (D) - 749	43	46.65	3.65	aspy vns/ fract-fill py,
SKD002	SK (D) - 750	46.65	49.65	3	py to 2-5%.
SKD002	SK (D) - 751	49.65	50.6	0.95	
SKD002	SK (D) - 752	50.6	53	2.4	48.20-50.60m: Felds
SKD002	SK (D) - 753	53	56	3	Porph; str propyl alt'd
SKD002	SK (D) - 754	56	58.45	2.45	
SKD002	SK (D) - 755	58.45	60.4	1.95	50.60-60.40m: Mudst
SKD002	SK (D) - 756	60.4	62	1.6	60.40-63.9m Felds
SKD002	SK (D) - 757	62	63.9	1.9	Porph. (EOH)
SKD003	SK (D) - 758	0	2	2	0 –9.0m: Felds Porph
SKD003	SK (D) - 759	2	4	2	base of ox 5m, str propyl alt'd, py to 2%
SKD003	SK (D) - 760	4	6	2	

SKD003	SK (D) - 761	6	8	2	
SKD003	SK (D) - 762	8	9	1	
SKD003	SK (D) - 763	9	12	3	9- 15.70m: Blk Mudst
SKD003	SK (D) - 764	12	15.7	3.7	well-indurated, finely
SKD003	SK (D) - 765	15.7	17	1.3	laminated, mod
SKD003	SK (D) - 766	17	19	2	fract-oxid, late stage
SKD003	SK (D)- 767	19	21	2	carb-qtz –py cut/or
SKD003	SK (D) - 768	21	23	2	parallel to CA
SKD003	SK (D) - 769	23	25	2	15.70-31.20m: Feld
SKD003	SK (D) - 770	25	27	2	Porph; mass, str propyl
SKD003	SK (D) - 771	27	29	2	alt'd, mnr qtz-carb-py
SKD003	SK (D) - 772	29	31.2	2.2	-aspy vn at 17.50m.
SKD003	SK (D) - 773	31.2	34	2.8	31.20-48.30m Mudst:
SKD003	SK (D) - 774	34	37	3	blk, well-indurated,
SKD003	SK (D) - 775	37	40	3	finely laminated,
SKD003	SK (D) - 776	40	43	3	Evidence mnr folding
SKD003	SK (D) - 777	43	46	3	
SKD003	SK (D) - 778	46	48.3	2.3	EOH
SKD004		0	1.2	No Sample	Note 0.0- 1.2 fill material
SKD004	SK (D) - 779	1.2	1.7	0.5	
SKD004		1.7	8.7	No Sample	Note 2.7-8.7 fill material
SKD004	SK (D) - 780	8.7	11	2.3	(1.20-2.70m: Weath.
SKD004	SK (D) - 781	11	12	1	Felds Porph. <50cm
SKD004	SK (D) - 782	12	13.35	1.35	Qtz-sulph vn @1.20m
SKD004	SK (D) - 783	13.35	15	1.65	
SKD004	SK (D) - 784	15	16.9	1.9	8.70-13.35m: Felds
SKD004	SK (D) - 785	16.9	18	1.1	Porph; 3-5% py, fract-
SKD004	SK (D) - 786	18	19	1	fill lim,
SKD004	SK (D) - 787	19	20	1	
SKD004	SK (D) - 788	20	21	1	13.35- 16.90m: Muds
SKD004	SK (D) - 789	21	22	1	Str frct-contr py &
SKD004	SK (D) - 790	22	23	1	aspy ? qtz-carb vns
SKD004	SK (D) - 791	23	24	1	
SKD004	SK (D) - 792	24	25	1	16.90-27.70m: Felds
SKD004	SK (D) - 793	25	26	1	Porph; wk perv silic.
SKD004	SK (D) - 794	26	27	1	o/p propylitic altn.
SKD004	SK (D) - 795	27	28	1	27.70-35.80m Felds
SKD004	SK (D)- 796	28	30	2	Porph diss & fract fill
SKD004	SK (D) - 797	30	32	2	Py-3%
SKD004	SK (D) - 798	32	34.2	2.2	35.80-37.70m:
SKD004	SK (D) - 799	34.2	35.4	1.2	Blk Mudst
SKD004	SK (D) - 800	35.4	37.7	2.3	EOH
SKD005	SK (D) - 801	0	2	2	0-8.90m: Feld Porph:
SKD005	SK (D)- 802	2	4	2	Mod to str fract oxid.
SKD005	SK (D) - 803	4	6	2	Str propyl alt'd, perv
SKD005	SK (D) - 804	6	8.9	2.9	mt, diss/vn & fract-
SKD005	SK (D) - 805	8.9	11	2.1	contr py-2%
SKD005	SK (D) - 806	11	14	3	
SKD005	SK (D) - 807	14	17	3	8.90- 25.10m: Mudst
SKD005	SK (D) - 808	17	20	3	Bik, /Siltst; finely
SKD005	SK (D) - 809	20	23	3	Laminated, cut by late

SKD005	SK (D) - 810	23	25.1	2.1	Stage carb-qtz-py vn
SKD005	SK (D) - 811	25.1	27	1.9	py-1%. At 21.2 and
SKD005	SK (D) - 812	27	29	2	22m <3cm Vn of qtz
SKD005	SK (D) - 813	29	31	2	-carb-py-aspery-po @
SKD005	SK (D) - 814	31	33	2	5 & 90 degr CA
SKD005	SK (D) - 815	33	35	2	25.1-39.6m: Felds
SKD005	SK (D) - 816	35	37	2	Porph; str propyl alt'd
SKD005	SK (D) - 817	37	39.3	2.3	Perv mt, diss/vn/frac-
SKD005	SK (D) - 818	39.3	39.9	0.60	cont py -2%.
SKD005	SK (D) - 819	39.9	40.7	0.80	Mass qtz-carb-po-mt
SKD005	SK (D) - 820	40.7	43	2.3	Vn < 60cm @ 39.3m
SKD005	SK (D) - 821	43	46	3	40.70-53.10m: Mudst
SKD005	SK (D) - 822	46	49	3	with evidence of mnr
SKD005	SK (D) - 823	49	53.1	4.1	folding. (EOH)
SKD006	No Sample	0	7.4	Fill Material	
SKD006	SK (D) - 824	7.4	9.3	1.9	7.4- 9.30m: Qtz-Sulph
SKD006	SK (D) - 825	9.3	11	1.7	Vn: Qtz-py-aspery-gal-
SKD006	SK (D) - 826	11	13.8	2.8	sph, Tot sulph= 10%
SKD006	SK (D) - 827	13.8	16	2.2	9.30-13.8m: Felds.
SKD006	SK (D) - 828	16	17.8	1.8	Porph; str fract'd &
SKD006	SK (D) - 829	17.8	19	1.2	crackled zone + sulph
SKD006	SK (D) - 830	19	21	2	to 5% py.
SKD006	SK (D) - 831	21	23	2	
SKD006	SK (D) - 832	23	25	2	13.8-17.80m: Mudst/
SKD006	SK (D) - 833	25	27	2	Siltst: strongly fract'd
SKD006	SK (D) - 834	27	29	2	bxted, late qtz-carb-
SKD006	SK (D) - 835	29	31	2	Vng,
SKD006	SK (D) - 836	31	33	2	17.80-35m-Feld. Porph
SKD006	SK (D) - 837	33	35	2	wk propyl alt'd (EOH).

#### 4.50: Drill holes Interpretation and Conclusion

All 6-diamond drill holes (SKD001, 002, 003, 004, 005 and SKD006) show repetitive rock sequence and the rocks are geologically similarities in chemical composition. As shown on the N-S drill section, the main rock types are predominantly Feldspar Porphyry and Siltstone/Mudstone host. Feldspar Porphyry is moderate to strong propylitic altered and massive, but moderate phyllic alteration overprinting near the contact with sediments. Siltstone is finely laminated and becomes weakly hornfelsed near contact with intrusive. The geological contacts are often sharp with not much alteration between Feldspar porphyry and the siltstone. Weak quartz-carbonate –pyrite –arsenopyrite veining and minor breccia zones do occur at contact margins. Late stage quartz-pyrite-pyrrhotite

Three drill holes SKD001, 004 and 006 (Table #2) intersected narrow brecciated quartz-sulphide vein mineralization near the surface. This vein intersection is part of the high-grade vein that assayed 499g/t Au in Trench # 1. This observation is comparable with that encountered in surface trench (1). The main Upper Zone high-grade breccia as the main target for this drilling campaign was not intersected as the reassessment of the trench geology indicated an “onion skin” appearance of possible remnant of a mineralized breccia zone superimposed on the south dipping major fault on the footwall of predominantly massive Feldspar porphyry and sediments. Bulk of the high-grade breccia material would have eroded down slope on the south-dipping fault plane as shown by the existence of strong slicken slides on the footwall of massive partly altered Feldspar Porphyry.

There are unequivocal evidences of micro folding in sediments (both in drill holes & outcrop) with finely laminated siltstone bands alternating in dip direction to core axis. The drill holes plot on the section shows

feldspar porphyry sills are conformable to the siltstone host and both rock types are seemed to repeated themselves down hole in all 6 diamond drill holes.



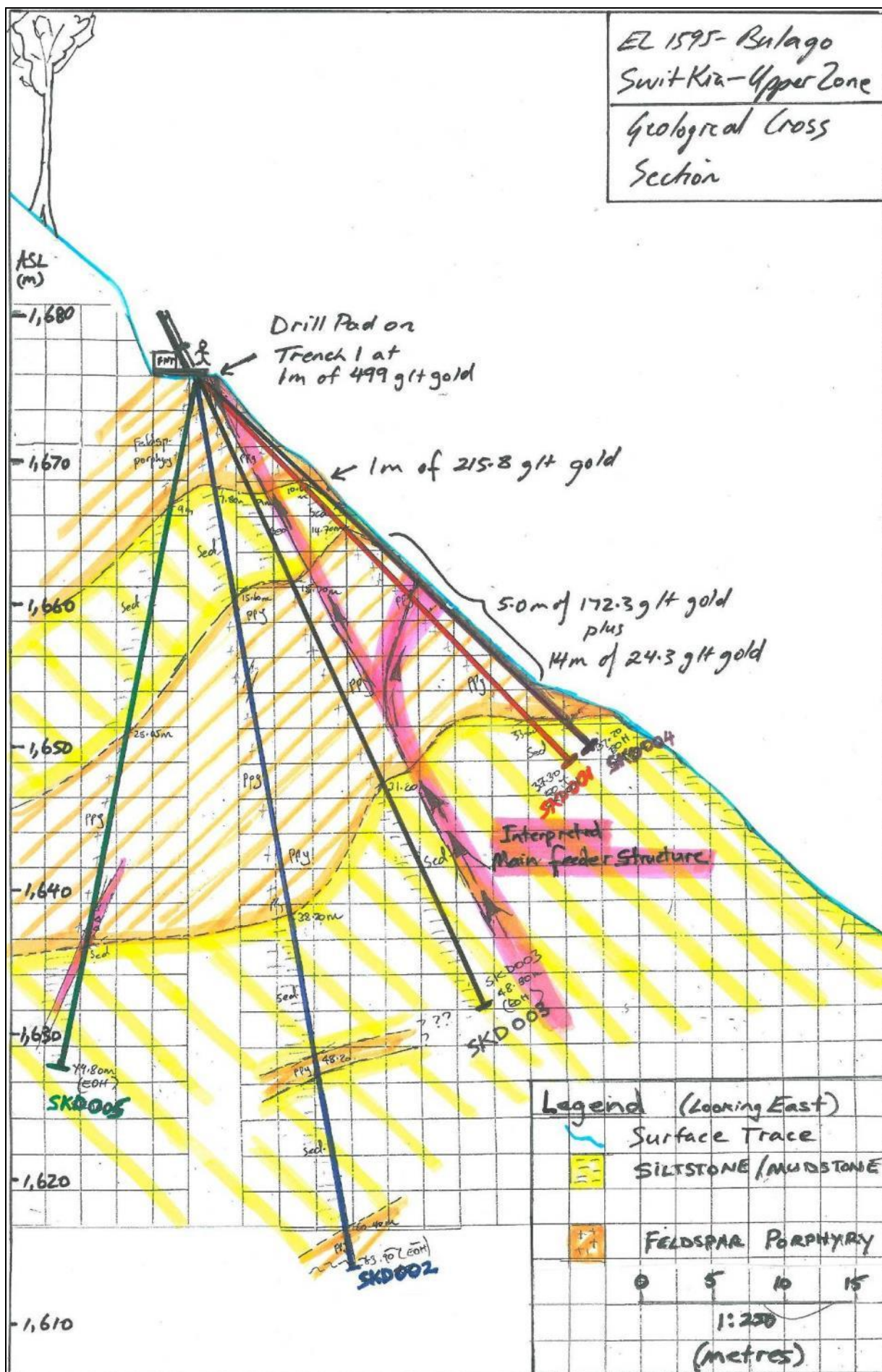


Figure 1. Swit Kia Gold Prospect -Drill Section Looking East

The drill hole section shows there is gently dipping of both Feldspar Porphyry and siltstone on the northerly direction. This is repeated south of the Upper Zone where by these same rock types are dipping gently towards south. This implies a possible fold structure with distinct anticlinal feature. The axis of the fold is almost E-W parallel to the strike of the Upper Zone. The main high grade gold mineralized Upper Zone breccia is perched near the E-W fold axis but more so on the south-dipping limb of the fold.

There are dominant later stage high angle NE fractures that cut through the early E-W structures. This NE fracturing is thought to be the main mineralizing structure.

The most significant geological observation is that siltstone and altered Feldspar porphyry on both side of the Upper Zone is seen to be gently plunging away from each other. This implies that there is a possible fold structure with distinct anticlinal feature. The axis of the fold is almost E-W parallel or runs inline to the strike of the Upper Zone. The high grade gold mineralized Upper Zone is perched near the E-W fold axis but more so on the south dipping limb of the fold. The position of the Upper Zone high-grade gold zone near the fold axis is important as it would reflect a centre of the feeder structure developed from the regional N-S compressional environment where gold –rich fluids can be squished out from the country rocks and taped upward from the upflow structure within the fold axis.

## **5.0 REGIONAL EXPLORATION ACTIVITIES**

### **5.10: Trenching and Jackhammer Sampling Upper Zone- Swit Kia Prospect**

Work to date includes tracking further west and east along strike to the Upper Zone structure to evaluate mineralized outcrops to established east-west strike length. A total of 5 trenching & sampling with detailed geological mapping was undertaken in the West Creek and East Creek to track continuity of the high-grade gold mineralization in the Upper Zone. Jackhammer rock chip geochemical sampling and the manual excavation of 5 costeans to depths of up to 2m over areas of possible continuity of high-grade breccia zone were undertaken. Detailed continuous channel sampling and mapping of the exposed weathered bedrock in the costeans in this program has obviously defined excellent continuity of high-grade breccia zone in the West Creek and work is still continuing on the east towards East Creek to fully determined the strike extent.

The mapping at Tr # 8, Tr # 9 and Tr # 10 near and further west of West Creek showed that breccia zone in much wider on surface extent but maintains its ‘thin Skin’ characteristics. The mapping at Tr # 10 showed large sub angular to angular, un-sorted rock fragments to 1m, matrix-supported and consisted of altered sediments and dioritic intrusive. The matrix is composed of clay-sericite-quartz with sulphides, predominantly pyrite, arsenopyrite, pyrrhotite, galena, sphalerite +/- chalcopyrite. The Feldspar Porphyry in upper section of Tr # 10 is strongly argillised. The occurrence of wider zones of argillic alteration with superimposed over phyllic alteration associated with hydrothermal breccias and quartz veining is encouraging. The large rock fragments in the breccia in Tr # 10 and the strongly argillised nature of the Feldspar Porphyry may imply closer to a potential source, an indicative of a deeper-near-surface mineralized porphyry copper-gold related intrusive, but at this stage remains at a very early stage of evaluation.

The potential for wider zone of high-grade breccia mineralization in the Upper Zone towards West Creek should be drill tested with a short drill hole to determine its widths and to justify its potential source. The large area of argillic alteration above Swit Kia camp associated with the Suguma intrusive stock might be the source area of the high-grade gold mineralization in the Upper Zone structure.

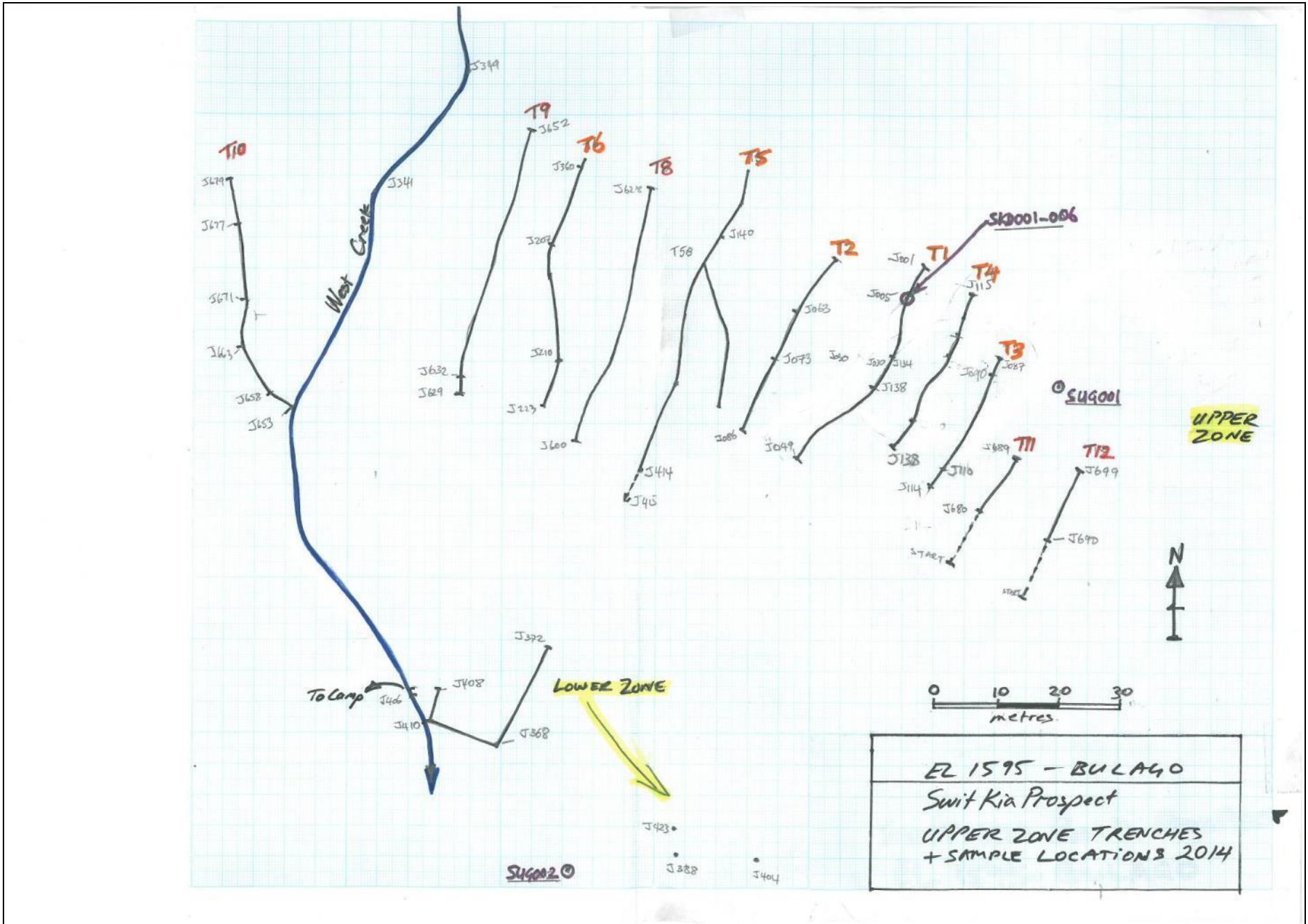


Figure 2: Swit Kia Gold Prospect Trenches

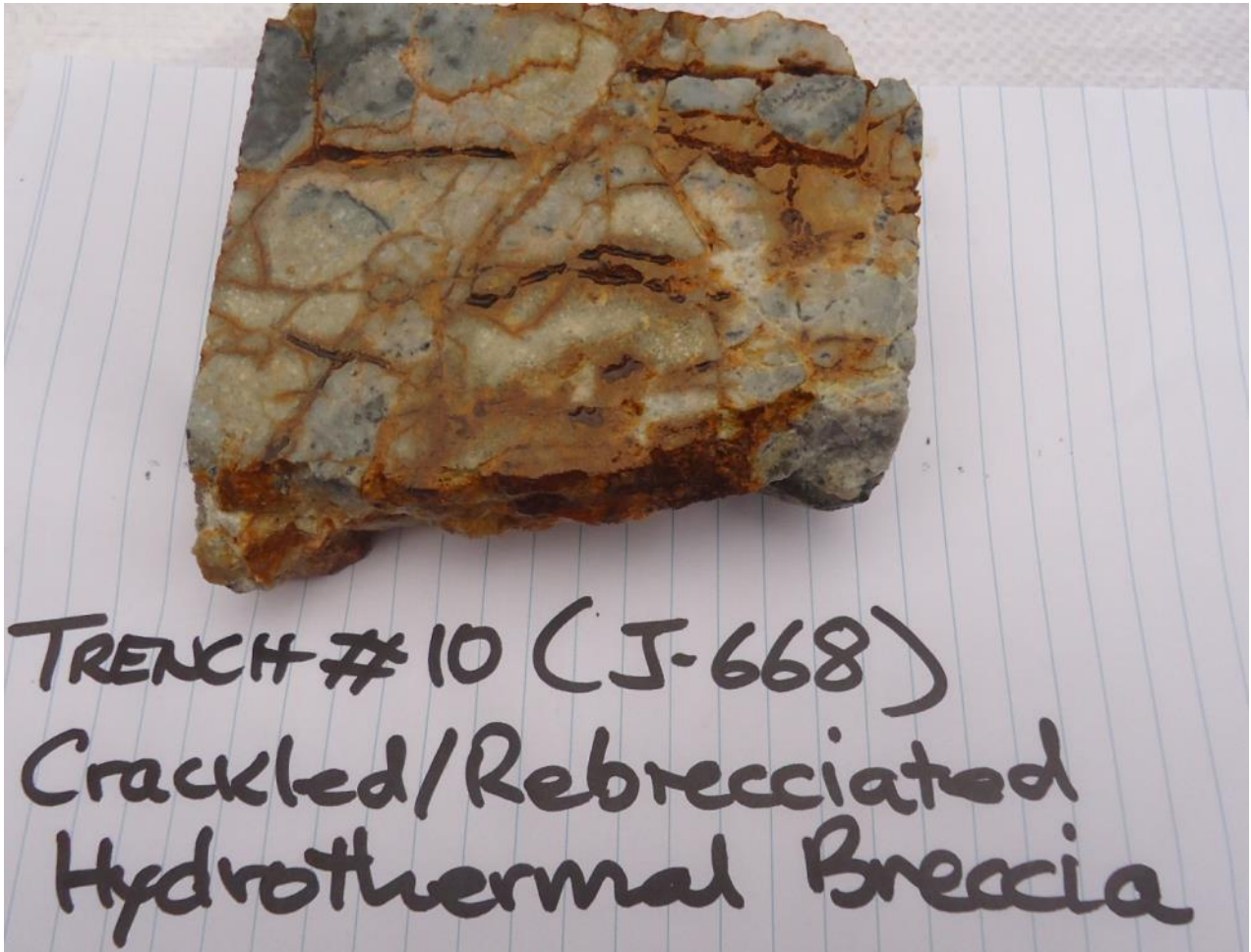
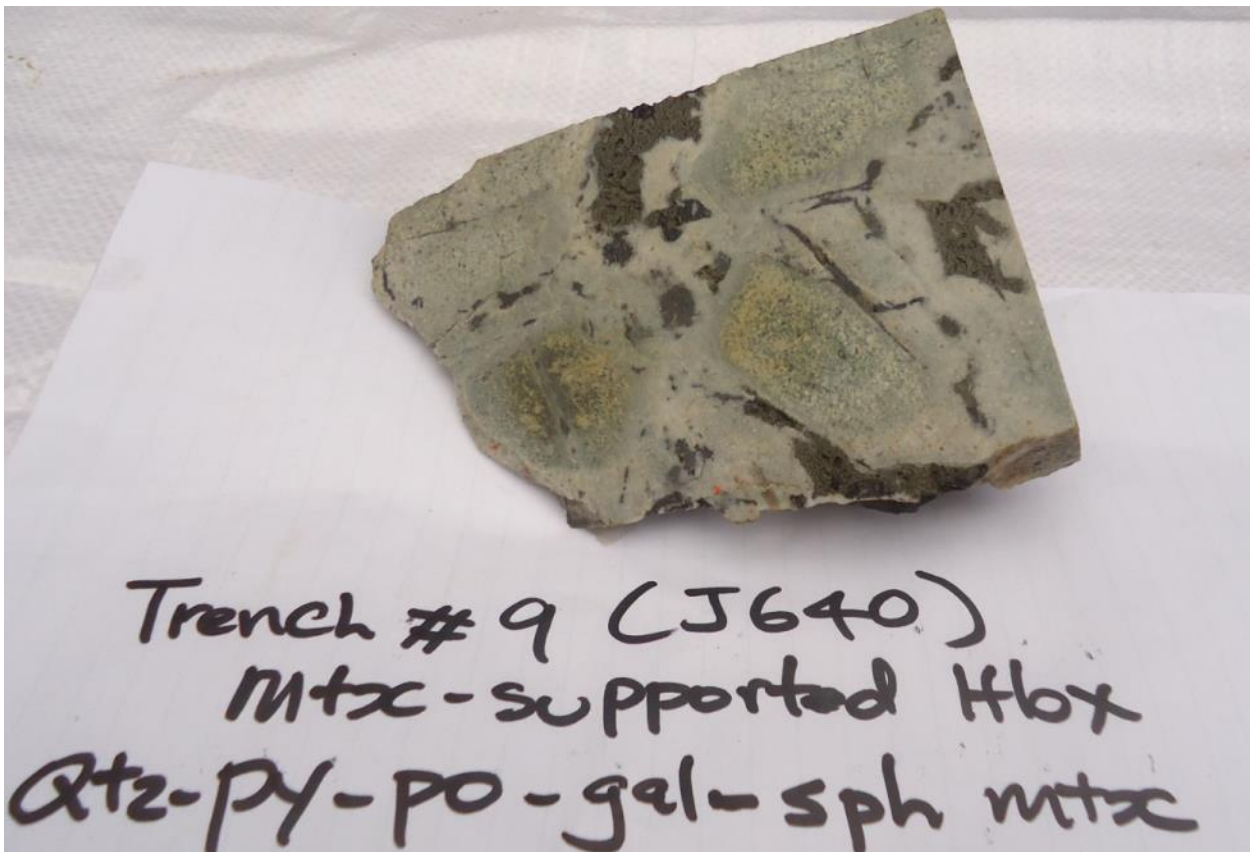


Figure 3: Shows Photo of Cracked /Rebrecciated Hydrothermal Breccia specimen collected from Trench # 10 part of western strike extension of Upper Zone collected 10m west of West Creek –Swit Kia Prospect.



**Figure 4: Shows Photo of Hydrothermal Breccia specimen collected from Trench #9 part of western strike extension of Upper Zone collected 20m east of West Creek –Swit Kia Prospect. (Note breccia matrix consisted of Qtz-py-pogal-sph)**

**Table 4: Swit Kia Gold prospect - Inventory of trenches.**

Trench No:	Location	Description	Length
Trench # 8	Upper Zone	Hand dug trench between Tr # 5 and Tr 6 –designed to track and sample westward continuity of high-grade mineralized breccia outcrops in north-south trench using Jackhammer sampling.	44m (J600-J628)
Trench # 9	Upper Zone	Hand dug trench between Tr # 6 and West Creek. – Designed to track and sample westward continuity of high-grade mineralized breccia outcrops in north-south trench using Jackhammer sampling.	43m (J629-J652)
Trench # 10	Upper Zone	Hand dug trench 7m west of West Creek – Designed to track and sample westward continuity of high-grade mineralized breccia outcrops in north-south trench using Jackhammer sampling.	40m (J653-J679)
Trench # 11	Upper Zone	Hand dug trench east of Trench # 3 – Designed to track and sample eastward continuity of high-grade mineralized breccia outcrops towards East Creek using Jackhammer sampling.	21m (J680-J689)
Trench # 12	Upper Zone	Hand dug trench east of Trench #3 – Designed to track and sample high-grade mineralized breccia outcrops towards the East Creek in north-south trench using Jackhammer sampling.	23m (J690-J699)

**Table 5: Trench # 8 - Swit Kia Prospect - Upper Zone Trench Jackhammer Samples**

Trench #	Sample #	Sampling Up Outcrop / Trench	Sampled Length	Estimated Width	True	Remarks
8	J600	0.0 - 2.0m	2			
8	J601	2.0 – 4.0m	2			
8	J602	4.0 - 6.0m	2			
8	J603	6.0 - 8.0m	2			
8	J604	8.0 – 9.0m	1			
8	J606	9.0 - 10.0m	1			
8	J607	10.0 – 11.0m	1			
8	J608	11.0 – 12.0m	1			
8	J609	12.0– 13.0m	1			
8	J610	13.0 – 14.0m	1			
8	J611	14.0 -15.0 m	1			
8	J612	15.0 - 16.0m	1			
8	J613	16.0 - 17.0m	1			
8	J614	17.0 – 18.0m	1			
8	J615	18.0 – 19.0m	1			
8	J616	19.0 – 20.0m	1			
8	J617	20.0 – 21.0m	1			
8	J618	21.0 – 22.0m	1			
8	J619	22.0 – 24.0m	2			
8	J620	24.0 - 26.0m	2			
8	J621	26.0 – 28.0m	2			
8	J622	28.0 - 30.0m	2			
8	J623	30.0 - 32.0m	2			
8	J624	32.0 – 34.0m	2			
8	J625	34.0 - 36.0m	2			
8	J626	36..0– 38.0m	2			
8	J627	38.0 - 40.0m	2			
8	J628	40.0 - 42.0m	2			

**Table 6 \_ Trench # 9- EL 1595-Bulago Swit Kia Prospect ----- Upper Zone Trench Jackhammer Samples**

Trench #	Sample #	Sampling Up Outcrop / Trench	Sampled Length	Estimated True Width	Remarks
9	J629	0.0 - 2.0m	2		
9	J630	2.0 – 4.0m	2		
9	J631	4.0 - 6.0m	2		
9	J632	6.0 - 8.0m	2		
9	J633	8.0 – 9.0m	1		
9	J634	9.0 - 10.0m	1		
9	J635	10.0 – 11.0m	1		
9	J636	11.0 – 12.0m	1		
9	J637	12.0 – 13.0m	1		
9	J638	13.0 – 14.0m	1		
9	J639	14.0 -15.0 m	1		
9	J640	15.0 - 16.0m	1		
9	J641	16.0 - 17.0m	1		
9	J642	17.0 – 18.0m	1		
9	J643	18.0 – 19.0m	1		
9	J644	19.0 – 20.0m	1		
9	J645	20.0 – 22.0m	2		
9	J646	22.0 – 24.0m	2		
9	J647	24.0 – 26.0m	2		
9	J648	26.0 - 28.0m	2		
9	J649	28.0 – 30.0m	2		
9	J650	30.0 - 32.0m	2		
9	J652	32.0 - 35.0m	3		

**Table 7\_ Trench # 10- EL 1595-Bulago Swit Kia Prospect ----Upper Zone Trench Jackhammer Samples**

Trench #	Sample #	Sampling Up Outcrop / Trench	Sampled Length	Estimated True Width	Remarks
10	J653	0.0 - 2.0m	2		
10	J654	2.0 – 4.0m	2		
10	J655	4.0 - 5.0m	1		
10	J656	5.0 - 6.0m	1		
10	J657	6.0 – 7.0m	1		
10	J658	7.0 - 8.0m	1		
10	J659	8.0 – 9.0m	1		
10	J660	9.0 – 10.0m	1		
10	J661	10.0 – 11..0m	1		
10	J662	11.0 – 12.0m	1		
10	J663	12.0 -13.0 m	1		
10	J664	13.0 - 14.0m	1		
10	J665	14.0 - 15.0m	1		
10	J666	15.0 – 16.0m	1		
10	J667	16.0 – 17.0m	1		
10	J668	17.0 – 18.0m	1		
10	J669	18.0 – 19.0m	1		
10	J670	19.0 – 20.0m	1		
10	J671	20.0 – 21.0m	1		
10	J672	21.0 - 23.0m	2		
10	J673	23.0 – 25.0m	2		
10	J674	25.0 - 27.0m	2		
10	J675	27.0 - 29.0m	2		
10	J676	29.0 - 31.0m	2		

10	J677	31.0 - 33.0m	2		
10	J678	33.0 - 35.0m	2		
10	J679	35.0 - 37.0m-	2		

**Table 8 \_ Trench # 11- EL 1595-Bulago Swit Kia Prospect --- Upper Zone Trench Jackhammer Samples**

Trench #	Sample #	Sampling Up Outcrop / Trench	Sampled Length	Estimated True Width	Remarks
11	J680	0.0 - 2.0m	2		
11	J681	2.0 - 4.0m	2		
11	J682	4.0 - 5.0m	1		
11	J683	5.0 - 6.0m	1		
11	J684	6.0 - 7.0m	1		
11	J685	7.0 - 8.0m	1		
11	J686	8.0 - 9.0m	1		
11	J687	9.0 - 10.0m	1		
11	J688	10.0 - 11.0m	1		
11	J689	11.0 - 12.0m	1		

**Table 9\_ Trench # 12- EL 1595-Bulago Swit Kia Prospect ----- Upper Zone Trench Jackhammer Samples**

Trench #	Sample #	Sampling Up Outcrop / Trench	Sampled Length	Estimated True Width	Remarks
12	J690	0.0 - 2.0m	2		
12	J691	2.0 - 4.0m	2		
12	J692	4.0 - 5.0m	1		
12	J693	5.0 - 6.0m	1		
12	J694	6.0 - 7.0m	1		
12	J695	7.0 - 8.0m	1		
12	J696	8.0 - 9.0m	1		
12	J697	9.0 - 10.0m	1		
12	J698	10.0 - 11.0m	1		
12	J699	11.0 - 12.0m	1		



Figure 5: Shows SKD004 (Box 1) of 50cm of Brecciated Quartz Sulphide Vein from 1.20- 1.70m. (Note in Trench # 1 Sample (J005)- had very similar brecciated texture of the Qtz-Sulph Vein that assayed 499g/tAu

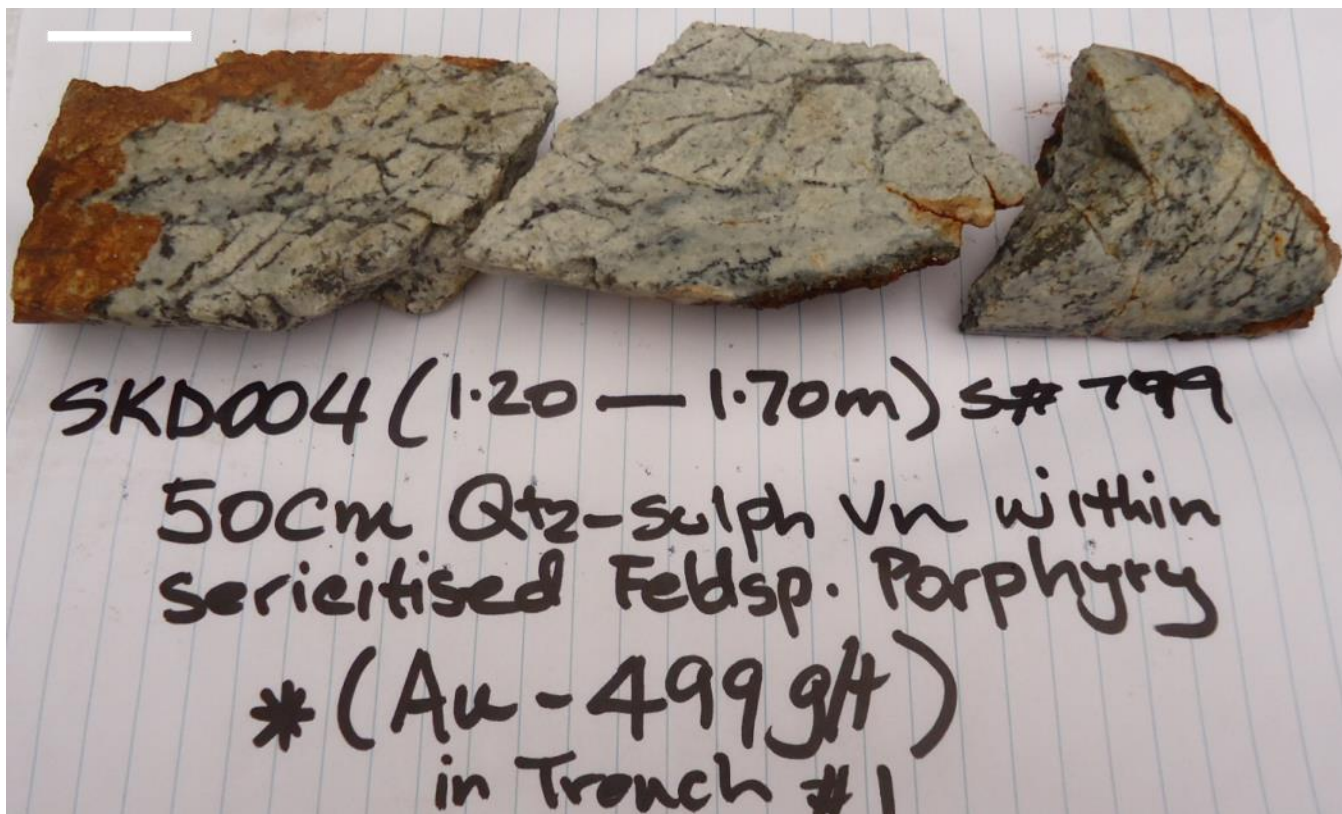


Figure 6: Shows a Photo of SKD 004 half core (1.20-1.70m) of the same 50cm brecciated Quartz-Sulphide Vein breccia/ or siliceous zone within strong Ser-qtz altered remnants of Feldspar porphyry fragments cemented by qtz-py-assy-gal-sph in breccia matrix. On Surface Trench #1 similar material (J005) assayed 499g/t Au.



Figure 7 : Shows SKD006 (Box 1) of 1.90m of Brecciated Quartz Sulphide Vein from 7.40-9.30m



**Table 10\_ Trench 8-12 Upper Zone Trench Jackhammer Samples**

**Trench # 8 Survey & Sample Information**

Stn From	To	GPS Co-ordinates	Bearing (mag)	Incl.	Dist. (m)	Sample From	Sample To	Remarks
0	1	0637150E/ 9400431N	12	+20	6	J600	J603	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn (1-2% py)
1	2		28	+42	9	J604	J611	Breccia - poorly developed, near footwall, predom Felds Porph, poorly sorted, sub-angular to sub-rounded bi-lithic , frags cemented by sulph. (py- aspy-gal+/_ sph (Sulph 3-5%)
2	3	0637147E / 9400441N	15	+26	8	J612	J618	Breccia; poorly sorted, bi-lithic frags cemented by sulph. (py- aspy-gal+/_ sph (Sulph-5-10%)
3	4		12	+05	3	J619	J621	Mudstone; Dark- blackish, fract, finely laminated, fract-fill lmn diss py-1%
4	5	0637150E/ 9400456N	10	+45	18	J622	J628	Feld. Porph: med grained, mass, str. propylitic altered. 1-3 % py

**Trench # 9 Survey & Sample Information**

Stn From	To	GPS Co-ordinates	Bearing (mag)	Incl.	Dist. (m)	Sample From	Sample To	Remarks
Start 0	1	0637119E/ 9400437N	08	+9	2	J629	J630	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn
1	2		05	+35	7	J631	J632	Felds Porph.; mass, str propylitic altered, fg diss py to 1-2%
2	3		20	+33	13	J633	J644	Breccia - Poorly developed, predom feldspar Porph, poorly sorted, sub-ang. to sub-rnd bi-lithic, frags cemented by sulph. (py- aspy-gal+/_ sph
3	4		05	+26	2		J645	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn
4	5	0637130E/ 9400448N	20	+56	4	J646	J647	Felds. Porph
5	6		16	+26	7	J648	J650	Feld. Porph - Massive weakly bleach, fine diss py to 1-2%
6	7	0637130E/ 9400458N	08	+33	5	J651	J652	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn, fine diss py 1%
7	8		15	+37	3	End		Feld. Porph; mass, str propylitic altered,, fg diss py to 1-2%

**Trench # 10 Survey & Sample Information**

Stn From	To	GPS Co-ordinates	Bearing (mag)	Incl.	Dist. (m)	Sample From	Sample To	Remarks
Start 0	1	0637110E/ 9400430N	302	+10	4	J653	J654	Mudstone blackish, fract, finely laminated, with fract-fill lmn , py -1%
1	2		325	+32	9	J655	J664	Feld. Porph/Breccia, mixed zone, mineralized . with bx as 10-20cm on footwall Felds. Porph. (Py – 5%)
2	3	0637106E/ 9400435N (Start of J668)	02	+28	8	J665	J670	Breccia developed, near footwall, predom feldspar Porph, poorly sorted, sub-angular to sub-rounded bi-lithic, frags cemented by sulph. (py- aspy-gal+/_ sph; (sulph-10%)
3	4		355	+28	12	J671	J677	Mudstone

								Dark- blackish, fract, finely laminated, fract-fill lmn
4	5	0637106E /9400458N J679 -End	20	+38	47	J678	J679	Feld. Porph: Str argillised clay-py altered with wk lim stockwork

#### Trench # 11 Survey & Sample Information

Stn From	To	GPS Co-ordinates	Bearing (mag)	Incl.	Dist. (m)	Sample From	Sample To	Remarks
Start 0	1	0637198E/ 9400402N	25	+37	9		J680	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn
1	2		32	+14	4	J-681	J-682	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn
2	3	(J685) 0637206E 9400406N (J689) 0637206E 9400409N	30	+26		J-683	J-689	Feldspar Porph. Bleached fract'd with fract-filled lim

#### Trench # 12 Survey & Sample Information

Stn From	To	GPS Co-ordinates	Bearing (mag)	Incl.	Dist. (m)	Sample From	Sample To	Remarks
Start 0	1	(J690) 0637210E/ 9400391N	20	+31	11		J-690	Mudstone - Dark- blackish, fract, finely laminated, fract-fill lmn
1	2		18	7	4	J-691	J-692	Mudstone Dark- blackish, fract, finely laminated, fract-fill lmn
2	3	(J696) 637213E / 9400430N (J699) 637216E 9400406N	25	+25	8	J-693	J699	Feldspar Porphyry Bleached Fract'd with fract-filled lim

**Table 11. Tape & Compass Survey From SKD001 Pad To Trench # 2, 5, 8, 9, West Creek and 10 (Upper Zone)**

Stn From	To	GPS Co-ordinates	Bearing (mag)	Incl.	Dist. (m)	Sample From
SKD 001 Pad	1	Trench # 2 (J-50)	294	0	9	Tape & compass survey from SKD001 collar to sample # J050 from Trench # 2
1	2		295	+9	7.5	
2	3	Trench # 5 (J-139)	297	-7	10	Tape & compass survey connected to Trench #5 (sample # J139)
3	4	Trench # 8 (J-628)	273	-7	10	Tape & compass survey connected to Trench # 8 (sample # J628)
4	5	Trench # 6 (J-358)	285	-6	13	Tape & compass survey connected to Trench #6 (sample # J358)
5	6	Trench # 9 (J-652)	290	0	10	Tape & compass survey connected to Trench #9 (sample # J652)
6	7		345	+25	9	
7	8	West Creek # (J357)	347	+18	16	Tape & compass survey connected to West Creek (sample # J357)
8	9		224	+6	5	
9	10		223	-32	12	
10	11		224	-33	17	
11	12	Trench # 10 (J-678)	243	-26	6	Tape & compass survey connected to Trench # 10 (sample # J678)

## **6.0 ANOMALOUS GOLD AND BASE METAL IN SOIL GEOCHEMISTRY ASSOCIATED WITH LARGE POTASSIC ALTERATION - UPPER BULAGO RIVER.**

### **6.10 Introduction**

The Upper Bulago River was targeted as high priority due to interestingly anomalous gold, copper, lead and zinc in soil geochemistry. Ken's work has confirmed that anomalous gold-copper-lead-zinc geochemistry is associated with a large potassic alteration, an indicative of a potential occurrence of Porphyry Copper-Gold Mineralization. His mapping confirms OK Tedi's assessment of the same area and their definition of the potassic alteration. He collected some strongly potassic altered and mineralized Qtz Monzonite/Quartz Diorite rocks which prompted a visit to the area and also to get myself acquainted with the general area. It took three hours to walk there.

### **6.20 Previous Exploration Work.**

Creek mapping and soil geochemistry by early workers showed that a centre of a large 600m long x 400m wide potassic alteration zone located in the upper Bulago river has been poorly drill tested. Frontier's significant soil Au-Cu-Pb-Zn geochemical anomaly represents surface geochemical signature directly superimposed on this potassic alteration. Three drilled holes BUL002, BUL004 and BUL005 have been interpreted to have drilled on the E-W periphery of this potassic zone and so would have tested the low-grade part of the potentially high-grade porphyry copper-gold mineralization. Drill holes BUL002 and BUL005 tested the anomalous surface trench gold and copper geochemistry collected from the N-S trench near BUL002 crossing north and south banks of the Bulago River. Drill results showed that both holes might have tested the low-grade western periphery of the main potassic core of the potential porphyry copper-gold mineralization. BUL004 is located upstream 500m from BUL002 and was drilled near vertical at the eastern margin of this large potassic alteration.

Ken's work has highlighted some exciting potassic altered rocks, which confirmed the occurrence of potassic alteration in the area that warrants detailed mapping to justify drill targets.

### **6.30 Observations/Discussions**

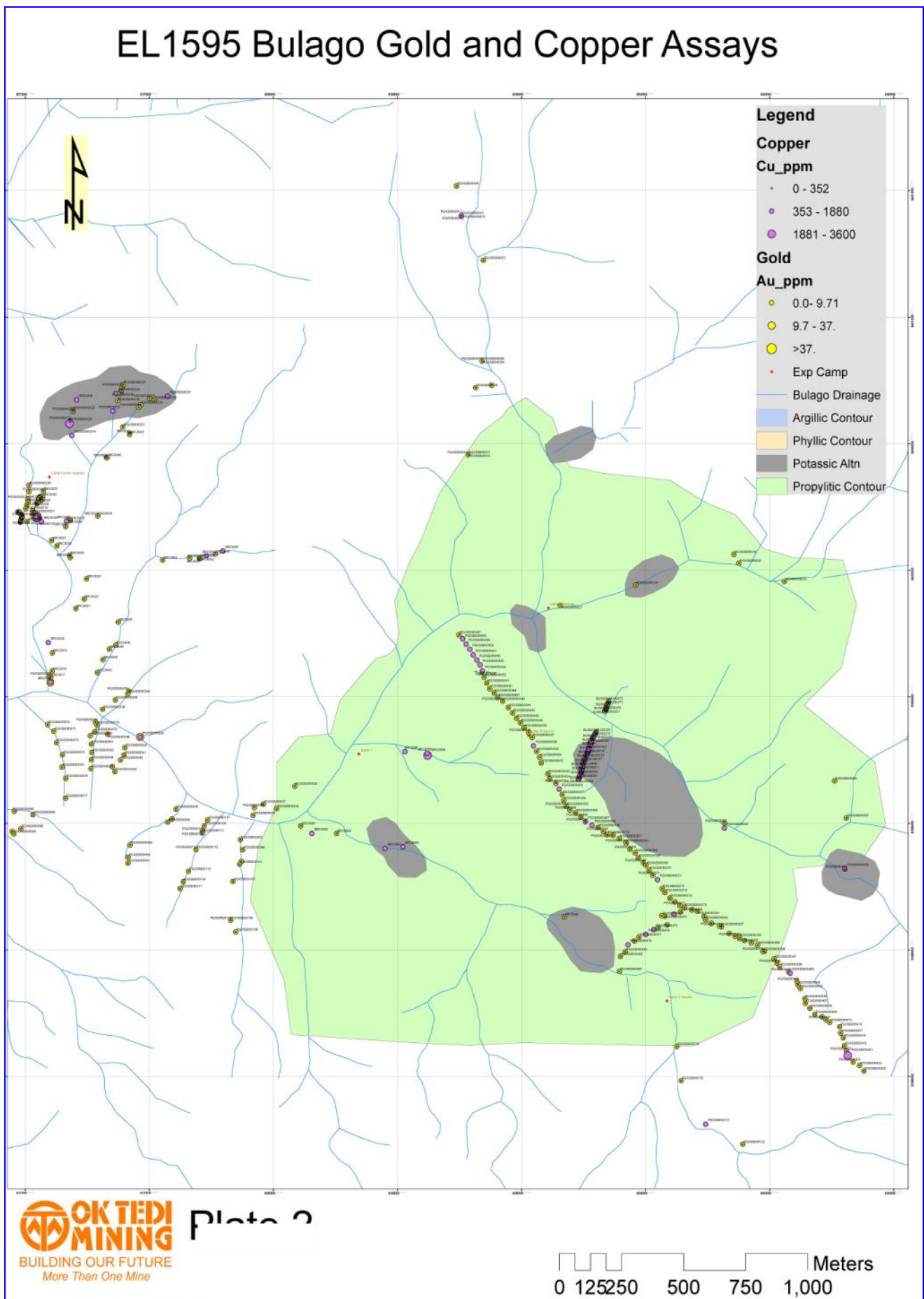
The current observations on rock exposures along 600m stretch of the main Bulago River between BUL002 and BUL004 showed a distinct potassic alteration as mapped by Ok Tedi (Figure 8). The anomalous gold and base metal anomaly in soil geochemistry occurs within this potassic alteration. Ken's work has confirmed existence of this alteration zone and currently he is finding altered Feldspar & Hornblende

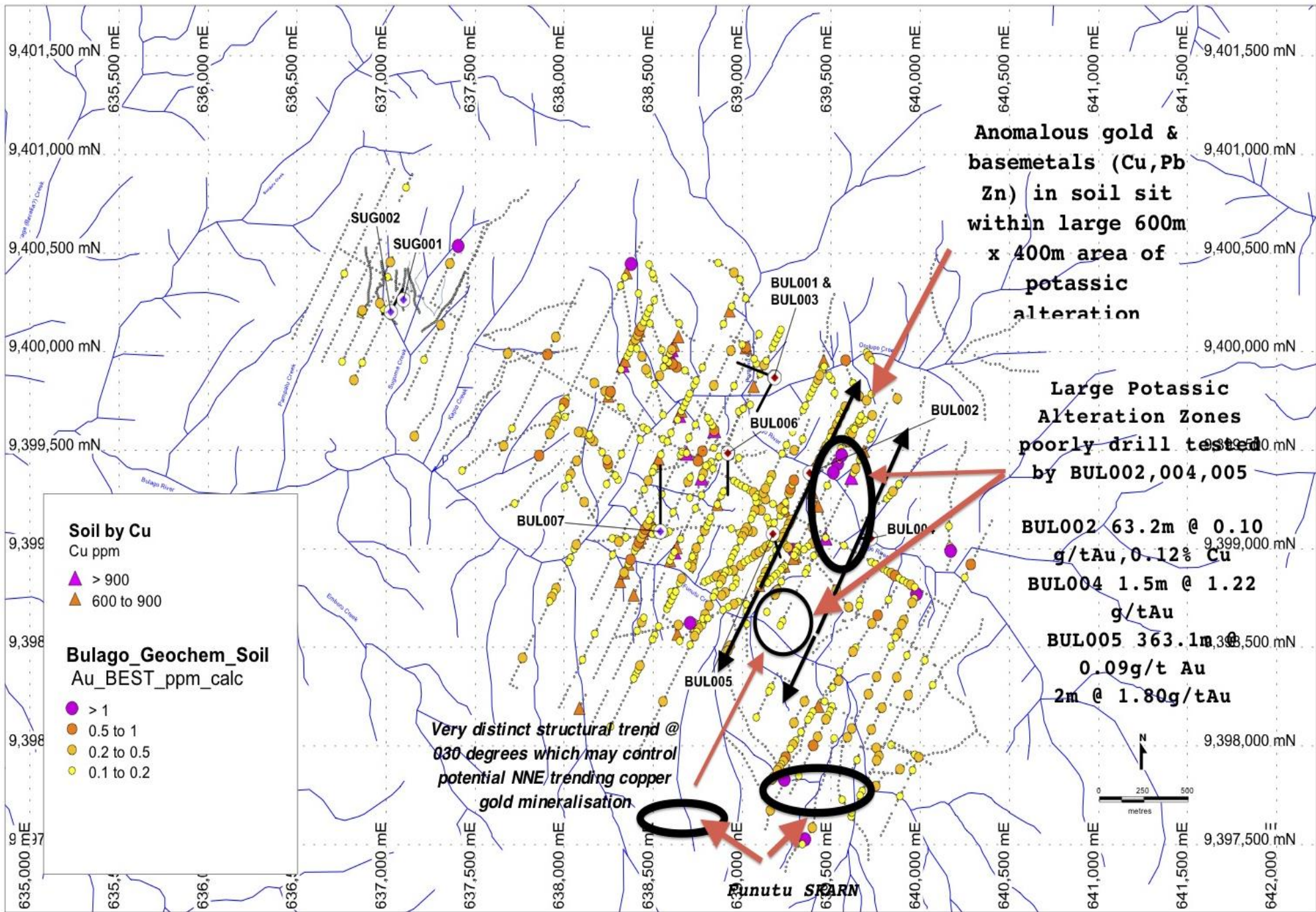
The alteration zone is controlled by dominant NNE (030 degrees) structural trend and the NE alignment of soil gold & base metals anomaly reflects this control. The mapped alteration zone is 600m wide and open-ended on both NE & SW direction parallel to the main structural trend (Figure 2).

Creek geological observation indicated existence of Porphyry to Quartz Monzonite Porphyry (Qtz Diorite Porphyry) and the Leucocratic Hornblende Diorite Stock. The field relationship shows that Leucocratic hornblende diorite stock is intruded by late stage heavily mineralized dark/black hornblende-rich Quartz Diorite. The dark, blackish mafic rich Qtz diorite is strongly mineralized with up to 10-15% volume percent of disseminated and veined sulphides predominantly pyrite and chalcopyrite. This mafic – rich rock (dyke?) is interpreted to be the late stage mineralized intrusive that is feeding the other older intrusive and country rocks as the sulphide mineralization is also strongly disseminated, veined and fracture-fills as compare to the other intrusive.

The hydrothermal alteration zonation demonstrates an envelope of propylitic alteration (chlorite-epidote-?albite-carbonate--pyrite) downstream and away from BUL002, this alteration grades in to an argillic-phyllitic or the sericitic alteration as shown by strong jarositic orange-yellow, clay altered rock upstream from BUL002, which is typified by an assemblage of jarositic clay-sericite-pyrite-quartz. This alteration is superimposed on to a central potassic core associated with strong silicification with pinkish coloration of rocks characterized by k-feldspar- 2<sup>nd</sup> biotite – quartz-albite ± magnetite forming centrally located untested area. Frontier's anomalous soil Au-Cu-Pb-Zn geochemical anomaly is superimposed directly on this potassic alteration. As noted, the pervasive K-spar alteration is obvious in the rock exposures recognized and effects of later hydrothermal and supergene alteration would have also obscured some parts of the exposures.

Figure 8: Shows a central location of the 500m x 400m wide Potassic alteration Zone (Pink) within a propylitic halo of Idawe Stock and the surrounding sediments.





**Figure 9: Shows the location of the potassic zone controlled by dominant north easterly fracturing indicated by two black arrows. Holes BUL002, BUL004 and BUL005 are interpreted to have drilled at the periphery of the potassic zone. Note Funutu skarn occurrence is directly positioned along the NNE structural trend.**

The porphyry copper-gold footprint is well supported by the surface soil geochemical zonation of which strong showings of lead (+ 80 ppm contour) and zinc (+300 ppm contour) occur at the margins of the porphyry. The significant part of the large soil gold anomaly (> 0.1g/t Au) is about 2km long in the NE trend and 1km wide almost occupying the inferred central portion of the porphyry system. The inferred circular features shown by the drainages in the area may represent buried intrusive signature.

The fracturing is intense and as shown by a distinct 030 degrees structural trend, which was interpreted to have controlled over the alignment of NNE trending Frontier Gold soil Au-Cu-Pb-Zn geochemical anomaly. Frontier soil geochemical signature is part of and sits comfortably within the potassic alteration, which certainly will require more work to ascertain this interpretation and therefore likely area for drill testing. As seen on the rock exposures, the fracture-controlled sulphide mineralization (pyrite -cpy-bn-mt-py) is associated with the strong silicification within the potassic core and also controlled by strong NNE fracturing. These structures would have aligned the mineralized zone NNE to SSW direction and was poorly drill tested during the previous drilling by Ok Tedi.

#### **6.40 Drill Hole Results of BUL002, BUL004 and BUL005**

Ok Tedi's diamond drilling in 2011 reported that BUL002 is highlighted as one of the best holes in terms of the down hole assay results compared to all (6) other diamond holes drilled at Bulago Project area.

Drill holes BUL002 and BUL005 tested the anomalous surface trench gold (0.01 – 37.0 g/t??) and copper (0.188-0.36%) geochemistry collected from the N-S trench near BUL002 crossing north and south banks of the Bulago River. Drill results showed that both holes might have tested the low-grade western periphery of the main potassic core of the potential porphyry copper-gold mineralization. BUL004 is located upstream 500m from BUL002 and was drilled near vertical at the eastern margin of this large potassic alteration and interpreted to have not tested the system (Figure 9).

The assay results of BUL002 showed an intersection of 63.2m of 0.1g/t Au and 0.12% Cu, including 0.9m @ 1.32 g/t Au. Drill hole BUL004 returned 1.5 m @ 1.22g/t Au with significantly low copper (350ppm). BUL005 located 250m SW of BUL002 assayed 363.1m @ 0.09g/tAu and weak copper, including 2m @ 1.80g/tAu. These drill assay results demonstrated that all three holes might have only drilled the low-grade mineralization at the periphery of the much well mineralized porphyry copper system. My field observation shows that the system is very much exposed and it just require detailed mapping and geochemical sampling to fully determine its dimensions both NE and SW along structural trend.

The follow-up work on the anomalous soil geochemistry in the area would certainly be interesting and may lead us to drill testing the project.

#### **6.6 Recommendations**

- a) Detailed creek mapping and geochemical sampling at Upper Bulago Porphyry Copper –gold prospect is strongly recommended. The work should involved cutting & brushing off all small tributaries within the interest area. The mapping at 1:1000 scale is adequate to cover the whole prospect area.
- b) Drilling should take place after the assay results of the surface geochemical sampling are received with indications of anomalous gold-copper geochemistry.
- c) Traversing and tracking to assess skarn mineralization at the periphery to porphyry and sediment contact is also recommended and should take place at the same time with the mapping program.

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of exploration trenching results for Exploration Licence 1595 in Papua New Guinea.

<b>JORC CODE 2012</b>			
<b>Section 1 -- Sampling Techniques and Data</b>			
<b>Criteria</b>	<b></b>	<b>Explanation</b>	<b>Commentary</b>
<b>Sampling techniques</b>	o	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Samples locations were surveyed (averaged) utilising a handheld GPS, with reference to topographic maps etc. Logging of outcrop and grab rock samples normally included mineralisation, lithology, weathering, alteration, structure, texture. Sampling protocols and QAQC are as per industry best practice procedures.
	o	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Standard industry practice sampling procedures were followed.
	o	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 11m samples from which 3 kg was pulverised to produce a 30g charge for fire assay') In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Swit Kia channel samples were collected in multiple metre, single metre and parts of metres relative to the intensity of mineralisation and alteration exhibited and time available.  The samples were driven to Lae Papua New Guinea for preparation by Laboratory SGS Australia Pty Ltd, then analysis in Townsville by fire assay (50g charge) for gold and ICP for copper, molybdenum, silver, lead, zinc, arsenic, antimony and other elements. Gravimetric gold analyses were subsequently undertaken for samples with high concentrations of arsenic that may have but apparently didn't interfere with the gold analysis process.  Samples were collected in calico bags for despatch to the laboratory. Sample preparation was in 3-5kg pulverising mills, followed by splitting to a 140g pulp which was analysed by 50 gram Fire Assay and Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry Multi-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids.
<b>Drilling techniques</b>	o	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	No drilling.
<b>Drill sample recovery</b>	o	Method of recording and assessing core and chip sample recoveries and results assessed	No drilling.
	o	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling.
	o	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling.

<b>Logging</b>	o	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	No drilling.
	o	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No drilling.
	o	The total length and percentage of the relevant intersections logged	No drilling.
<b>Sub-sampling techniques and sample preparation</b>	o	If core, whether cut or sawn and whether quarter, half or all core taken.	No drilling.
	o	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No drilling.
	o	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	No drilling.
	o	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No drilling.
	o	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate /second-half sampling.	No drilling.
	o	Whether sample sizes are appropriate to the grain size of the material being sampled.	No drilling.
<b>Quality of assay data and laboratory tests</b>	o	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Assaying techniques utilised can be considered to be appropriate. For the ICP analyses, the technique is considered to be 'total'. Over-range elements were run to determine their actual values.
	o	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Acceptable levels of accuracy and precision were established with duplicate and repeat analyses by the laboratory.
	o	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No such tools
<b>Verification of sampling and assaying</b>	o	The verification of significant intersections by either independent or alternative company personnel.	Verified by P.McNeil and mapped / verified by Consultant Geologist Ken Igara.
	o	The use of twinned holes.	No holes have been twinned
	o	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected manually then loaded into the database.
	o	Discuss any adjustments to assay data.	No adjustments or calibrations have been made to any assay data.
<b>Location of data points</b>	o	Accuracy + quality of surveys used to locate drill holes (collar + down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Not applicable. A hand held GPS (waypoint averaged) was used to determine historical drill collar locations.
	o	Specification of the grid system used.	Map datum is AGD 066.
	o	Quality and adequacy of topographic control.	40m contours from 1:100,000 plans, 10m from SRTM contours.
	o	Data spacing for reporting of Exploration Results.	Refer to the attached plans for details relating to the data spacing of exploration results.



<b>Data spacing and distribution</b>	o	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied	The current data spacing and distribution is insufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation
	o	Whether sample compositing has been applied.	No sample compositing has been applied, but J416 was collected in 2 bags - double the normal sample volume /weight.
<b>Orientation of data in relation to geological structure</b>	o	Whether the orientation of sampling achieves unbiased sampling of possible structures to the extent this is known, considering the deposit type.	The orientation of sampling achieves unbiased sampling of possible structures to the extent to which this is known, considering the deposit type and outcrop available to sample.
	o	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported.	The relationship between the drilling orientation and the orientation of key mineralised structures is NOT considered to have introduced any sampling bias, but it has constrained the possible high grade mineralised region by establishing where it is NOT.
<b>Sample security</b>	o	The measures taken to ensure sample security	Samples were retained by Company personnel until they were despatched at the Lae laboratory. There are no issues with sample security or chain of custody.
<b>Audits or reviews</b>	o	The results of any audits or reviews of sampling techniques and data.	No specific audits or reviews of sampling techniques and data have been undertaken, but a demolition jackhammer was utilised to create the channel for sampling in order to obtain 'more representative samples.

## Section 2 – Reporting of Exploration Results

Criteria		Explanation	Commentary
<b>Mineral tenement and land tenure status</b>	o	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Exploration Licence (EL) 1595 - Bulago is located in Papua New Guinea's Hella Province and ELs are regulated under the Mining Act of 1992 (currently under review).  There no agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and/or environmental issues associated with the EL.  The PNG National government under the Mining Act of 1992 currently has the right to acquire up to 30% of any project at the time of granting of a mining lease for the 'sunk cost'.
	o	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing and FNT will seek renewal in July 2014. No known impediments exist apart from the geographic isolation and the necessity for creating and maintaining good relationships with a amiable, strongly development minded local landowners.
<b>Exploration done by other parties</b>	o	Acknowledgment and appraisal of exploration by other parties.	Exploration in the region was initiated in the late 1960s as part of a PNG porphyry copper deposit search. It was explored for gold initially in the early/mid 1980's, with little work since 1988, except for FNT.
<b>Geology</b>	o	Deposit type, geological setting and style of mineralisation.	High grade gold intrusive -epithermal related targets, higher grade gold -silver-zinc-lead magnetite skarns and porphyry copper-gold - molybdenum targets.
<b>Drill hole information</b>	o	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	No drilling.
		Easting and northing of the drill hole collar	No drilling.
		Elevation or RL (Reduced Level- elevation above sea level in metres) of the drill hole collar	No drilling.
		Dip and azimuth of the hole	No drilling.

		Down hole length and interception depth	No drilling.
		Hole length	No drilling.
	o	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No drilling.
<b>Data aggregation methods</b>	o	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Tables of results included show data aggregation if applied in trench/channel samples etc. No top cuts have been applied. They are continuous samples and so are stated as continuous weighted assay results (length x grade summed for each sample / sum of total length).
		Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail	Is this occurs, it is stated in the text.
	o	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are reported.
<b>Relationship between mineralisation widths &amp; intercept lengths</b>	o	These relationships are particularly important in the reporting of Exploration Results.	Well understood
	o	If the geometry of the mineralisation with respect to drill hole angle is known, its nature should be reported.  o If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The 'down' outcrop or downhole sampled lengths have been reported because the geometry of the mineralisation with respect to the sampling orientation has not been properly constrained by drilling.
<b>Diagrams</b>	o	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps, sections and tabulations of intercepts are included.
<b>Balanced reporting</b>	o	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting of Exploration Results has been previously completed and released.
<b>Other substantive exploration data</b>	o	Other exploration data, if meaningful and material should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances	All meaningful exploration data has been included in this and previous releases.
<b>Further work</b>	O	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Drilling is dependent on a Share Purchase Plan capital raising to be undertaken post-haste.
	O	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Appropriate plans will be included, as possible in a later release documenting approved future work programs.