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SUBSTITUTE EXPLORATION LICENCE 9061

FINNISS RANGE, NORTHERN TERRITORY

FINAL ANNUAL REPORT

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1: SUMMARY

This report is the final report on the Substitute Exploration Licence 9061.

This is to recap the exploration work carried out on the above tenement over the period from 4th January 1996 to 3rd January, 2004.

2: INTRODUCTION

The area of SEL 9061 contains an extensive suite of mineralised pegmatites containing various levels of tantalite, tin and rare earth elements.

Exploration has been carried out over a number of years by various companies to determine likely grade and tonnage of the mineral resources in the area with the aim of proving up enough resources to commence a mining operation using the tantalite process plant owned by Corporate.

3: TENURE

Substitute Exploration Licence 9061 was granted to Corporate Developments Pty Ltd on the 4th January, 1996. The title replaced EL's 6805 and 8015 and covers an area of eleven blocks.

In November 1998, the area was relinquished to 6 blocks.

In November 1999, the application for SEL 9061 was renewed for a period of five years until the 3rd January, 2004.

This report is the final report for SEL 9061.

4: LOCATION

SEL 9061 is located about 65 kilometres South West of Darwin in the Finnis/Dundee area, on land owned by Corporate Developments Pty Ltd. The area comprises topography of low relief, interspersed by minor drainage channels connected to Leviathan Creek. The Fog Bay road bisects the Licence.

5: GEOLOGY

The project covers the majority of the Bynoe Tin/Tantalite Field within the most north western extent of the Pine Creek Geosyncline. The tin/tantalite mineralisation is associated with Mid to Late Proterozoic pegmatite intrusions related to the Twin Sisters Granite of similar age which occurs immediately to the west and south-west.

The pegmatites have intruded Early Proterozoic metasediments consisting of interbedded shale, sandstone and conglomerates of the Burrell Creek Formation. These sedimentary units are variably metamorphosed to form quartz + mica schists ± tourmaline and chlorite.

The pegmatites are extremely varied in their geometry however the majority form lenticular bodies that have intruded along foliations and bedding planes. These occur as narrow veins or dykes of up to 60 metres across and a kilometre in strike length. Sill like geometries and blind complex intrusions have also frequently been encountered in recent Julia exploration as well as previously documented work.

The pegmatites show fractional zoning during emplacement which effects the distribution of mineralisation. Generally but not always, the wall rocks are more mica rich with cores consisting of kaolinite rich zones (weathered feldspar) and sometimes barren milky quartz. Best grades, generally appear to be associated with the kaolinite rich zones and not the micaceous pegmatitic material.

Mineralisation consists of fine to very coarse grained tantalite, cassiterite and columbite. Specimens of up to 39kg have been recovered from previous exploration and mining in the area. These minerals are present in varied proportions from one body to the next and are also unevenly distributed throughout most of the pegmatites themselves. This erratic distribution of mineralisation is typical of pegmatite and poses some problems in delineation of ore as well as mining and processing.

Figure 3. is a map showing the bedrock geology and the location of known pegmatite occurrences at Bynoe. The brown unit marked as Pf is the Burrell Creek meta-sediments and the pink Pg unit represents the Two Sisters Granite.

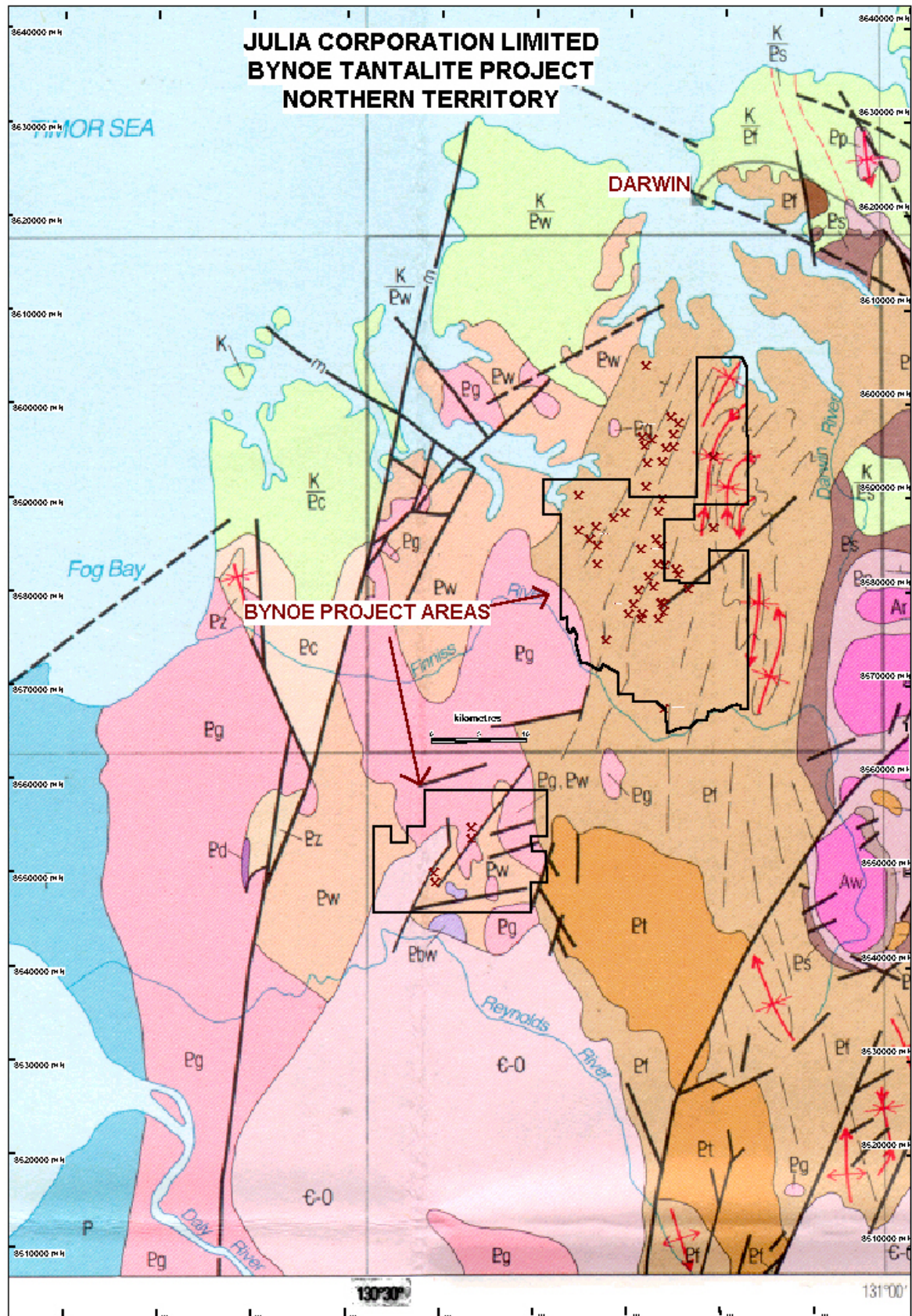


Figure 2. Map showing the basement geology and pegmatite swarms at Bynoe.

6: PREVIOUS EXPLORATION

The pegmatite's in the area have been explored in some detail by Greenbushes Ltd and the Bynoe Joint Venture (Greenbushes and Baya A.G.). This work has been followed up under the previous and existing tenure by further sampling by Corporate Developments.

Mr C Robinson, an independent consultant with expertise in Tin/Tantalite mineralisation, was commissioned to review and report on the accumulated data. None of the pegmatites in the area has material which can be classified as a reserve; the Greenbushes work is adequate to quote "measures resources", while the work of Corporate Developments has outlined "indicated" and "inferred" resources (Australian Code for Reporting of Identified Minerals Resources and Ore Reserves.)

Work done in the area of the licence was aimed at progressing the project to a position where a mining operation could commence on the pegmatites and associated eluvium. Although quite an amount of previous work has been done, no resource has been confirmed at depth.

Previous exploration by Corporate Developments and previous workers in the areas has established a resource base of about 200,000 LCM³. It is expected that exploration of barren or weak pegmatites at depth will expand the resource base.

Work in 1998 consisted of an intensive ground search away from known ore bodies.

Field work included surface prospecting of the high terrace along Leviathan and Rocky Creek and grid sampling of a prospective zone in the laterite-capping south of Leviathan Creek near the bear and wolf pegmatite.

Weak mineralisation can be panned from the terrace gravels between Leviathan Creek south and the Bear and Wolf pegmatite.

The Bear and Wolf pegmatite was sampled as it was not located by the Bynoe Joint Venture. Results were very low – in the range of 0.05 kg M³ SnO₂ and 0.005 kg Ta₂O₅/M³. It was noted in scout sampling each of the Bear and Wolf that the odd large Tantalite crystal was panned.

A flagged grid was laid out over quartz-bearing decomposed laterite of 300m x 200m dimensions and samples of 3 litres volumes collected from upstream.

Samples were collected from Old Bucks, Northern Reward and Pandanus and put over the concentrate jigs at the Annie mine to ascertain suitability of the process plant for treating the resources in the Leviathan Creek.

It was evident the minerals at Leviathan Creek is essentially the same as at the Annie and can be upgraded to a saleable product using the same simple jigging plant. Two RAB holes were drilled at Northern Reward in 1997 to establish the dip of the 45° to the east and indicated the water table to be at 18-22m. It was also noted the pegmatite is

completely weathered and the Tantalite coarse grained. It was concluded the Northern Reward has very favourable mining and treatment characteristics compared to other Bynoe-area pegmatites.

Julia Corporation

In 2001, Julia Corporation carried out a programme of expenditure on Corporate's tenements, spending over \$500,000- on exploration.

Julia began collecting all readily available and useful data sets for the Bynoe area upon signing of the HOA letter by both parties. As the northern wet season had already commenced for 2000, no field work was practical until March 2001. The technical data sets and reports kept by Corporate Developments were copied and transferred to Julia's Perth Office. Extra copies were made for a project office to be established in Darwin.

Julia acquired various open file reports and other data sets for the Bynoe Project in late 2000.

TM Landsat

Landsat data over the whole project area was purchased and processed in Perth by International Earthscan Pty Ltd. A total of 6 images were produced which include the 7,5,3 bands (shown in Figure 4.) and other ratio images to enhance geology. This data will help in determining regolith types, outcrop geology, structural information, the location of some pegmatite and also helpful topographic information. The resolution of this data is 15 metres.

Aerial Photography

A total of 136 colour 1 : 25 000 aerial photographs were purchased covering all tenements north of the Finnis River. These are part of aerial survey work in 1997 and consequently they show current tracks, roads and other access. The quality is good enough to recognise pegmatite geology that has not had any surface disturbance carried out to date.

Digital Topography

The Department of Lands, Planning and Environment produced a subset of the digital topography for the Bynoe area produced in-house from the aerial photography. This includes 5 metre contours, roads, tracks and drainage as shown in Figure 5.

Open File Data

Two sets of all the reports held by Corporate Developments in Adelaide were copied for the Perth and Darwin offices.

Julia's draftsman, David Maxwell, has compiled a detailed 1:25 000 geological mosaic map from draft NT Geological Survey maps and includes the location of known pegmatite. Every effort was made throughout the year to keep with existing naming however there are several inconsistencies apparent in the company reports on file.

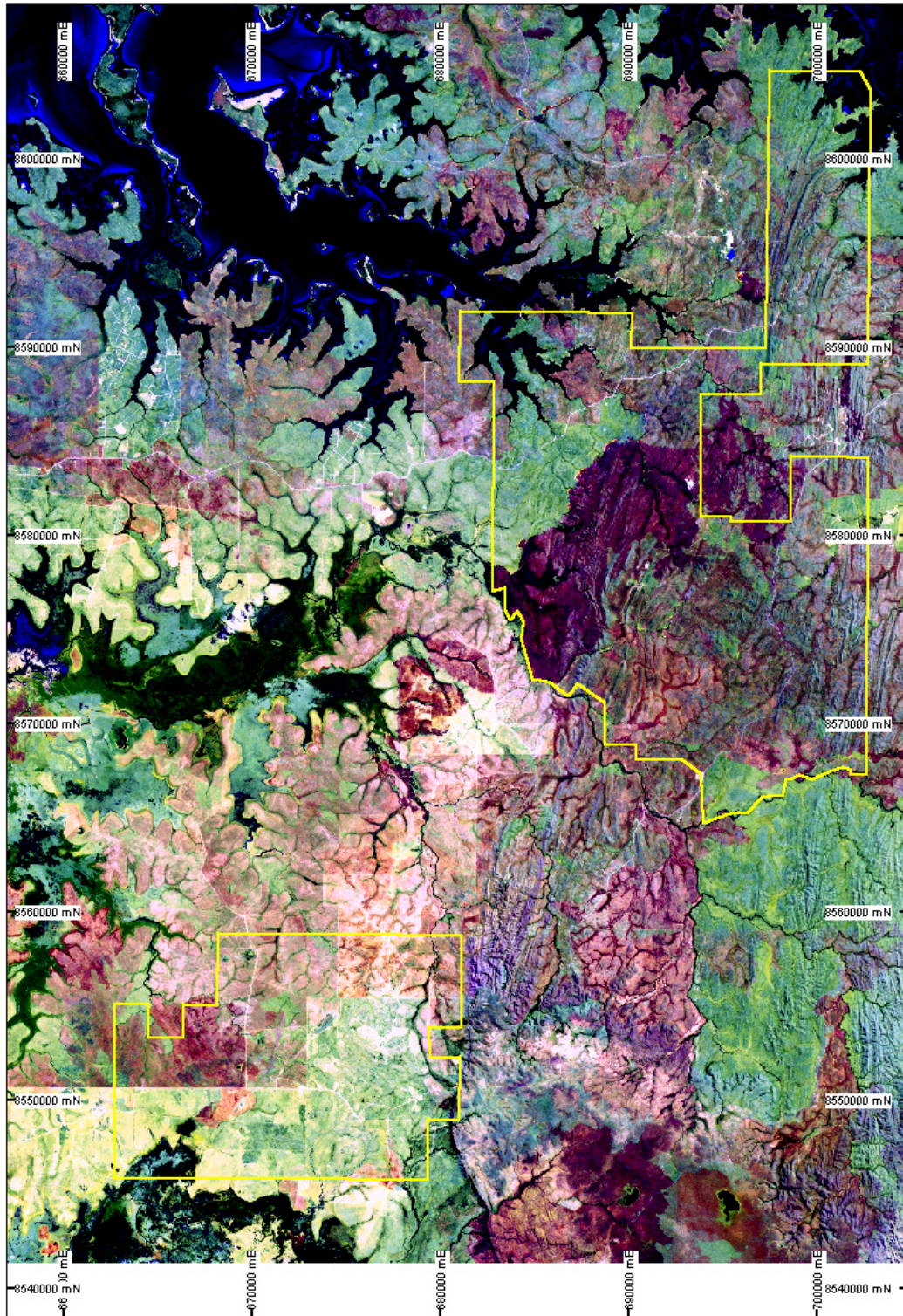


Figure 3. TM Landsat 753 Band Image with Bynoe Project Tenement Outline

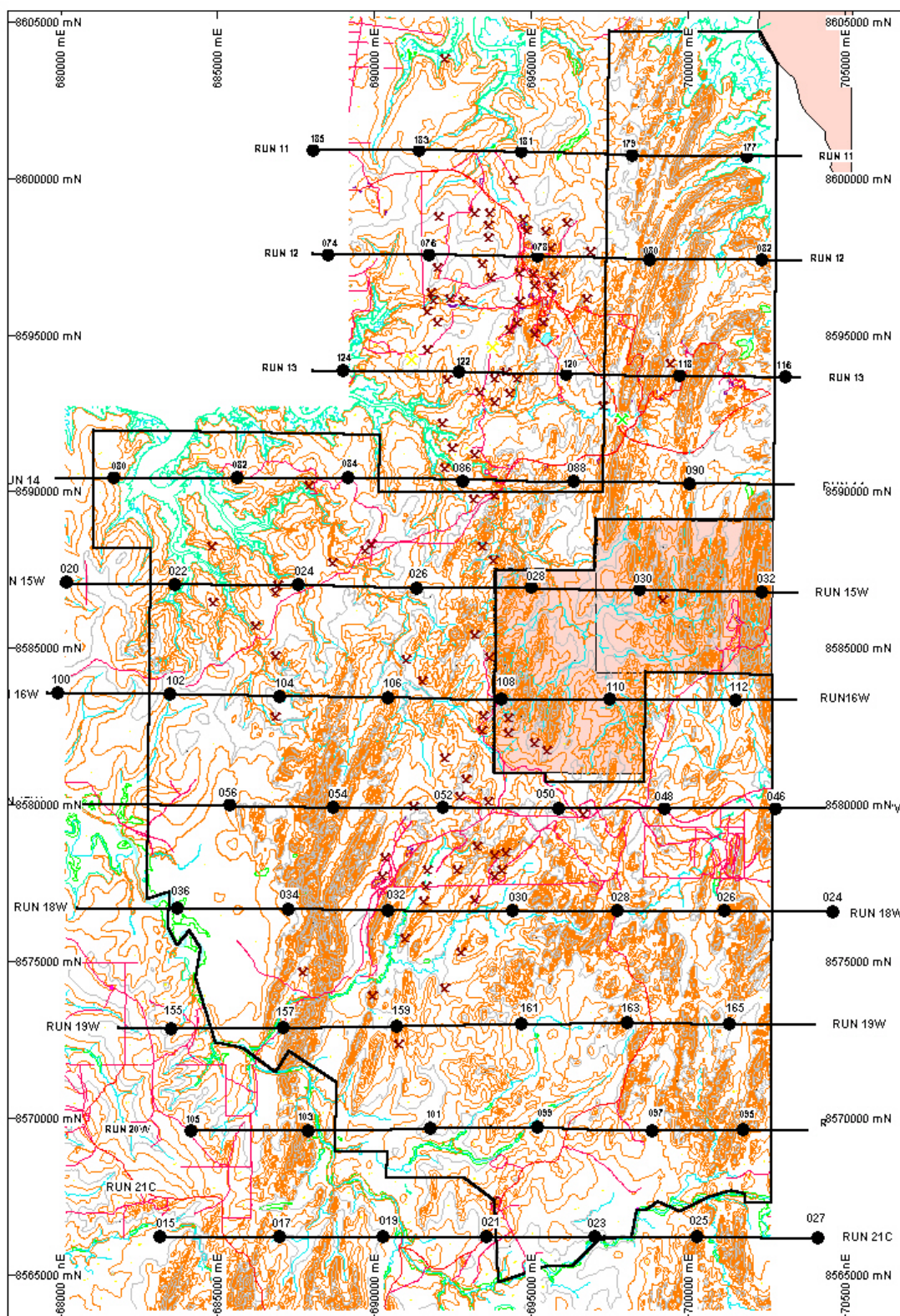


Figure 5. Bynoe Project Digital Topography and Air Photo Flight Path Index

LEVIATHAN PEGMATITE GROUP

A considerable proportion of Julia's field work for the year at Bynoe was carried out on the Leviathan Group of pegmatite bodies within SEL9061. This area contains approximately 27 known prospects (see Figure 7.). Many of these pegmatite bodies have old workings on them such as eluvial scrapes or small shafts.

The whole of SEL 9061 was gridded at a spacing of 200 x 100m on a baseline bearing of 30 degrees magnetic or 25.5 degrees true. The location of the prospects and cultural mapping was completed during the gridding process.

A number of the prospects were prioritised for follow-up evaluation based on ; field inspections , previous sampling and subsequent grades and the potential for large tonnage eluvial and weathered pegmatite. A program of costeaning, detailed geological mapping, costean sampling and drilling was commenced in early 2001. A total of 2,786m of costeans, 218 channel samples, 84 soil samples and 3,580m of RC drilling were completed at the Leviathan Group (includes Leviathan, Centurion, Northern Reward, Trojan, Hacket's and Parsons, Angers, Beatas and Pandanus prospects). Table 2. below summarises the field work carried out at the Leviathan Group of pegmatites:

Table 2. Activity Summary for the Leviathan Group

B. Prospect	C. Costeans	Channels	D. SG Samples	E. RC Drilling	Soil Sampling
Leviathan	4 (366m)	39	6	17 (822m)	
Centurion (Centaur)	6 (361m)	44	8	10 (506m)	
Northern Reward	19 (1,070m)	79	36 (2.28 av.)	24 (949m)	
Trojan	4 (376m)	25	14 (2.27 av.)		
Hacket and Parsons	6 (288m)	7			
Pandanus	3 (140m)	17	9 (2.22 av.)		
Angers	4 (185m)	7	4 (2.35 av.)	25 (1,083m)	
Beatas				5 (220m)	84

Costeans were sampled by vertical channels in the costean walls through the pegmatite. These channels often contained two separated samples depending on the nature of the regolith exposed by the costean. Normally an upper and lower sample were collected above and below a regolith boundary eg, upper eluvial component and a lower weathered insitu pegmatite sample.

The drilling was completed using small RC drill rigs which were capable of drilling to depths of approximately 80 metres keeping samples dry and with good recoveries. Samples were collected off the cyclone into green bags. Once a drilling program was completed and holes logged, the pegmatite drill cuttings were sampled by riffle splitting individual metres and combining a representative portion of 3 metre intervals. This composite sample was usually 3-4 kilograms in size. Duplicate samples were collected in the field at the rate of about 1 in 20. The remainder of the drill cuttings were tipped out of bags and dispersed for rehabilitation requirements.

Samples from RC drilling were sent to a preparation laboratory in Pine Creek where they were sorted then dried at 120 degrees for 12 hours. At that point the samples were roll crushed through a Jaques 10 x 8 Rolls Crusher. A one quarter sub-sample was split from the roll crushed product in the range of 800 to 1,400 grams. This sub-sample was milled to a nominal 106U in a Vertical Spindle Pulveriser. After roll mixing on a rubber mat, a 100 gram split was taken for assay. This was air-freighted to Ultratrace Laboratories in Perth for determination of Ta, Sn and Nb. Samples were given another mix after transport then approximately 1 gram of sample was fused with flux (12:22) and then analysed by XRF (10 ppm detection limits). Some of the samples were routinely assayed for U, Th, As and Sb.

Sample preparation for channel samples collected in the costeans underwent slightly different preparation due to the coarser material present. These were initially milled in an LM5 Pulveriser for four minutes rather than a Jaques Rolls Crusher.

Specific Gravity Samples were dried at 50 degrees for 24 hours then cooled to ambient temperature and weighed in the same laboratory. The sample was then coated with a surface lacquer to seal and prevent water absorption, then weighed below the balance totally immersed in water. The SG was then calculated using the formula:

$$SG = \frac{WT \text{ SAMPLE IN AIR}}{(WT \text{ SAMPLE IN AIR} - WT \text{ SAMPLE IN WATER})}$$

Leviathan

All costean sampling results and drill results are plotted on Plans 1 to 10. All digital data for this and all prospects discussed in the report are contained on disk in Appendix 2. This includes drill collar information, assays and drill logs.

Work at Leviathan North defined at least 3 pegmatite intrusions over an area of 200 x 120 metres. These strike at roughly 30 degrees and dip steeply to the south east. The western pegmatite is widest in costeans and drilling and averages approximately 10 to 15m true width. Visual tin and tantalite mineralisation can be observed in the costeans, particularly at the western end of costean LVCO001. However, drill results are disappointing and show little potential for economic grades in this area. These dykes almost certainly extend for a further 100 metres or more to the north as evidenced by old workings in the area. These extensions are at present low priority targets for follow-up in 2002 given the grades from work to date.

From channel sampling to date, eluvial and alluvial pegmatitic material exposed in costean LVCO 002 does not contain significant mineralisation.

Costeans at Leviathan South exposed a pegmatite that extends for at least 70m striking at approximately 20 degrees. The dyke dips steeply to the east and is 10 to 15 metres wide. The dyke was not drilled in 2001. While the results at Leviathan North suggest this area is a low priority target, some further work is recommended to test along strike for zones of better tantalite mineralisation.

Both Leviathan North and South fall within granted SEL9061 but have no current mining claim or application over them.

Centurion (Centaur)

All costean sampling results and drill results are plotted on Plans 11 to 23. A large pegmatite was traced for at least 240 metres in costeans and drilling with average true width up to 20 metres. The pegmatite strikes at approximately 30 to 35 degrees, dips between 50 and 80 degrees to the south-east and is open to the south. Assays show that most of the pegmatite contains very low tantalite grades. Narrow mineralisation is best developed at the contacts with Burrell Creek sediments, particularly the footwall contact on section 8075N. This zone is only estimated to be 2 to 5 metres wide over a strike of 75m. The best result was 6 metres @ 190 g/t Ta₂O₅ from 61m in CERC007 (8075N/10710E). This zone may represent a resource of about 50,000 tonnes at 150g/t Ta₂O₅. Further drilling along strike is warranted but of medium priority as the remainder of the assay results from costean sampling and drilling do not indicate potential for large tonnage. Centurion is located within granted SEL9061 and is covered by mining lease application MLN1148 which has pre-Native Title rights enabling it to be granted at short notice.

Northern Reward (Northern Reward, Welcome Surprise, Macka's Reward)

All costean sampling results and drill results are plotted on Plans 24 to 58. The costeans were mapped and detailed geological plans are shown plotted in Plans 25 to 27.

This prospect is actually made up of three smaller bodies known as Northern Reward, Welcome Surprise and Macka's Reward. These three were evaluated as one single body as costeaning showed them to be a continuous zone of pegmatite intrusion over a strike length of at least 800m. The pegmatite consists of up to 3 closely spaced paralleling dykes that pinch and swell on a bearing of 30-35 degrees and dip shallowly to the south east between 45 and 70 degrees. Work to date suggests the intrusion has been closed off to the south but off-set and open to the north. Best true widths are up to 18 metres but average between 5 and 10 metres wide.

Mineralisation is well developed over a 100 metre zone from 7975N to 8075N. Best results include 4m @ 528 g/t Ta₂O₅ from 10m in NRRC017 (7980N/11015E). It is likely that this zone would contain approximately 115,000 tonnes of material at a grade of 160 g/t Ta₂O₅ (0.4 pounds/t) to a vertical depth of 50m. While small in size this may provide economic ore to an operation based within close trucking range. Also there is good potential to build on this with further close spaced drilling and also step-out drilling to the north.

Northern Reward is located within granted SEL9061 and is covered by mining lease application MLN1148 which has pre-Native Titles rights enabling it to be granted at short notice.

Trojan

All costean sampling results are plotted on Plans 59 to 64. The costean results showed little potential for any reasonable tonnage and grade at the Trojan prospect. A series of dykes were exposed over a 150m zone. These dykes were commonly 2 to 3 metres wide, however a 10 metre wide body was intersected in two 50 metre spaced costeans. Channel sample results showed only weak tantalite mineralisation to be present and the prospect was not recommended for follow-up drilling until the Pandanus prospect (100m along strike to the north) had been further tested.

Hacket and Parsons

All costean sampling results are plotted on Plans 65 to 71. Costeans intersected a very narrow 1 to 3 metre wide pegmatite dyke striking at approximately 5 degrees over 150 metres. The area was not considered to be of sufficient potential to warrant follow-up drilling.

Pandanus

All costean sampling results are plotted on Plans 72 to 75. The costeans show a 10 to 15 metre wide pegmatite that trends at approximately 30 degrees over a strike length of 100m. This dyke is open to the north and south and would appear to be related to the Trojan pegmatites 100m to the south and possibly the Centurion pegmatite which is 500m along strike to the north. Vertical channel sampling of pegmatite in the costeans at Pandanus (17 samples) produced a peak assay of 348ppm Ta, 140ppm Sn in PACH001 near the western contact with schists. This result would be consistent with the mineralised footwall contact observed at Centurion. If high grade tantalite mineralisation can be intersected in drilling at Pandanus there is a possibility that it is continuous over hundreds of meters and this represents a valid target for exploration at Pandanus, along strike to the south and particularly from Pandanus to Centurion.

The Pandanus prospect is located within granted SEL9061 and is covered by mining lease application MLN1148 which has pre-Native Title rights enabling it to be granted at short notice.

Angers

All costean sampling results and drill results are plotted on Plans 76 to 83. The Angers prospect contains numerous old workings and small pits. These appear to have been associated with Tin mining in the late 1800's as well as more modern tin/tantalite mining in the 1960's or 1970's. The area was of immediate interest to Julia as previous work suggested very high tantalite grades were present from samples collected from pegmatite exposed in the numerous shafts and pits.

From drilling and costeans it was shown that the area contains two main pegmatite zones striking at between 45 and 80 degrees. These zones contain narrow dykes of up to 7 metres width. The dykes form complex geometries, such as interconnected and contorted veins and flat sheets. Both zones are separated by about 20 to 30 metres of Burrell Creek Formation, have been traced for 150m and are open to the south west.

All pegmatite sampled from drilling and costeans at Angers show consistent high grade tantalite/tin mineralisation. Best grades of up to 10m @ 680g/t Ta_2O_5 from 35m (ARRC012 6485N/11925E) were intersected. The pegmatites are very deeply weathered (to greater than 60 metres vertical) and are kaolinite-rich with very few micaceous zones. There are no quartz core zones apparent however, a 30 degree quartz vein cuts both pegmatite zones and can be seen in outcrop along the crest of the hill to the south. This area was explored for pegmatite with several shallow drill holes without success.

Further work is warranted at Angers to test for any extensions along strike. Efforts to locate any other pegmatite in the Angers area is also a priority due to the grades shown in work to date. An understanding of the structural controls at Angers may help further exploration. Detailed geophysics will be considered for follow-up in the 2002 field season.

Angers is located within granted SEL9061 and is covered by mineral claim application MCN5123. This application does not have pre-Native Title rights. There would be a considerable delay in obtaining the grant of this application for mining purposes and may require an agreement between the Northern Land Council, traditional landowners, Julia Corporation and Softwood Plantations (Graham Chrisp). There is a remote possibility that a pre-approved freehold application by Graham Chrisp over the area can be exercised which will extinguish Native Title. This is currently being pursued by Graham Chrisp.

Beatas

All drill results are plotted on Plans 84 to 88. The Beatas prospect is located approximately 800 metres to the south-west of Angers. Old workings and Julia's drilling show narrow 30 degree trending pegmatite dykes occur over at least 80 metres of strike. The dykes are 1 to 2 metres wide and dip at roughly 70 degrees to the south-east. Assays indicate there is some high grade tin/tantalite mineralisation present. The best result was 3m @ 1,750 g/t Ta₂O₅ from 9m in BTRC002 (5775N/11700E). Due to the limited size of these dykes however, no further work is recommended for the Beatas area at this time. The results highlight the Angers-Beatas area as having potential to contain undiscovered pegmatites with very high grade mineralisation.

Beatas is located within granted SEL9061 and is covered by mineral claim application MCN5124. This application does not have pre-Native Title rights and is subject to the same freehold application as the Angers prospect.

Soil Sampling

A total of 84 soil samples were collected from two traverses across the Beatas and Hatchers prospects. This sampling was part of an orientation exercise to determine the geochemical dispersion from pegmatite in the area. Samples were collected at 10 metre intervals. At each sample site, 1 to 2 kg of surface lag was collected to a maximum depth of 10cm and, 1 to 2 kg of deflation regolith was collected at a depth greater than 20 cm.

Samples were prepared in the Pine Creek Laboratory and assayed at the Northern Territory Environmental Laboratory in Darwin by fusion, multi-acid digest and ICP-MS finish for :

Ta, Sn, Nb, Be, Li, Mg, Pb, Th, U, and W.

Appendix 1. contains plots of all the assay data for each soil traverse and shows the deflation layer response together with the lag soil response. A number of points can be seen from the graphs and include:

Beatas

The known pegmatite dykes occur at approximately 11700E and 11750E

1. Ta results show little dispersion with a single very high kick in the deflation layer for the 11750E dyke only. There is next to no Ta response in the surface lag layer over either dyke.
2. Sn provides the best response in both lag and deflation with a broad anomaly over both areas peaking at 90ppm for deflation and 65ppm for lag(11705E).

3. Nb shows a broad but generally low amplitude anomaly over the dykes, particularly in the lag samples. There is an anomaly at the end of the line that maybe drainage related.
4. Be, Li, Mg, Pb and W all show obvious anomalies over the dykes in both deflation and lag however, lag responses are slightly lower amplitude. These elements also highlight the eastern drainage feature.
5. U and Th do not show an obvious response in these traverses.

Hatchers

The pegmatite dyke occurs at approximately 12000E

1. Ta results show very high peak responses over the pegmatite in both layers and slight dispersion (“shoulders”) either side of the dyke.
2. Sn shows the best response with a clear peak and good dispersion of up to 20 to 30 metres either side of the dyke.
3. Nb is above background (appears to be 4 – 8 ppm) but responses are “spikey”.
4. Be, Li, Mg, and Pb show clear anomalies associated with the dyke with some displacement of the peak values. For example: Be (11975-11985E), Li (11995E), Mg (12035E), Pb (11975E). A second area at the eastern end of the traverse is anomalous in these elements. Generally, the deflation responses are less noisy than lag for these elements.
5. The Th and U results are more definitive at Hatchers with a coherent anomaly over the dyke and a pronounced eastern feature.
6. W responses show a spectacular one sample peak at 11975E in both lag and deflation samples. Background appears to be very flat and <2ppm. There is a subtle 5 ppm anomaly at 12035E.

The conclusions from this orientation work are that in shallow soil and laterite cover, surface sampling is an effective exploration tool. A modest suite of elements can be used from samples collected from surface to a depth of 10cm. For soil grids in the Leviathan area to locate new individual pegmatites, a sample spacing of 20 to 30 metres is considered the maximum for a 5metre wide target. As most dykes in the Leviathan Group have a strike length in excess of 100m a line spacing of 100 – 150 metres is recommended.

Soil sampling could also be effective in locating new groups of pegmatites using a broad line spacing such as 200 metres and a 50 metre sample interval.

The geochemical responses from surface samples collected in depositional valleys and black soil areas is not known.

A copy of the report on work done relating to the Leviathan Group (which is predominantly contained within SEL 9061) is attached

Work undertaken during the last year of the licence was confined to desktop studies, including compilation of previous data and data generated by Julia Corporation, and several site visits to correlate sample locations etc.

An economic evaluation of the mining of the deposits, with treatment being carried out through the company owned plant at Annie mine, was also examined.

Corporate has planned a mining operation for a number of years, and several years ago obtained approval from the Minister for Lands to freehold the underlying land, enabling grant of mineral tenements to proceed.

Unfortunately, the approval for freeholding given by the present Government only covers part of the area required to substantiate the mining operation, and titles cannot be expediently granted to allow the project to proceed.

Further, despite the underlying land being the subject of an Exclusive Possession Act by the NT Government, a Native Title Claim (Bynoe: D6050/01) has been lodged over the area. Corporate is defending the Claim but the matter is proceeding slowly.