BARROW CREEK PROJECT, NT

EL 23474

ANNUAL REPORT

FOR THE PERIOD

31st October 2007 TO 30th October 2008

Tenement	:	EL23474	
Owner	:	Vivter Pty. Ltd	
Operator	:	Australian Tantalum Pty Ltd	
Prepared by	:	N. de Kever	
Date	:	January 2008	
Report Number	:	BC/EL23474-1/2008	
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		Vivter Pty. Ltd.	(1)

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1. SUMMARY

Exploration conducted on EL23474 during the reporting period included desk-top studies on the Millers Workings.

2. INTRODUCTION

This report covers exploration work carried out by Australian Tantalum Pty Ltd, a wholly owned subsidiary of Haddington Resources Limited (HDN) during the reporting period (31st October 2007 to 30th October 2008).

3. LOCATION AND ACCESS

The Barrow Creek Project (EL23474) is located approximately 20km north of Barrow Creek (280 km north of Alice Springs) in the central Northern Territory. The tenement lies within the boundaries of Neutral Junction Station, and access is via the Stuart Highway and various Station tracks.

The Licence falls on the Barrow Creek 1:250,000 (SF 53-06) map sheets.

4. TENEMENT STATUS

EL23474 was granted to Vivter Pty Ltd on 31st October 2002 for a period of six (6) years. In February 2005, Vivter entered into an option agreement with ATL. Tenement details are exhibited below in Table 1.

Tenement	Holder	Grant Date	Expiry	Area Km^2	Rent$	Commitment $
EL23474	ATL	31.10.2002 31.10.2008	30.10.2008 30.10.2010	41.58	$4,061.00 (two years inc GST)	$25,650

Table 1. EL23474 – Tenement Details.

A waiver for the fifth year reduction requirement was granted by the DPIFM on 24th October 2007. The licence was renewed for an additional two year period on 16th October 2008.

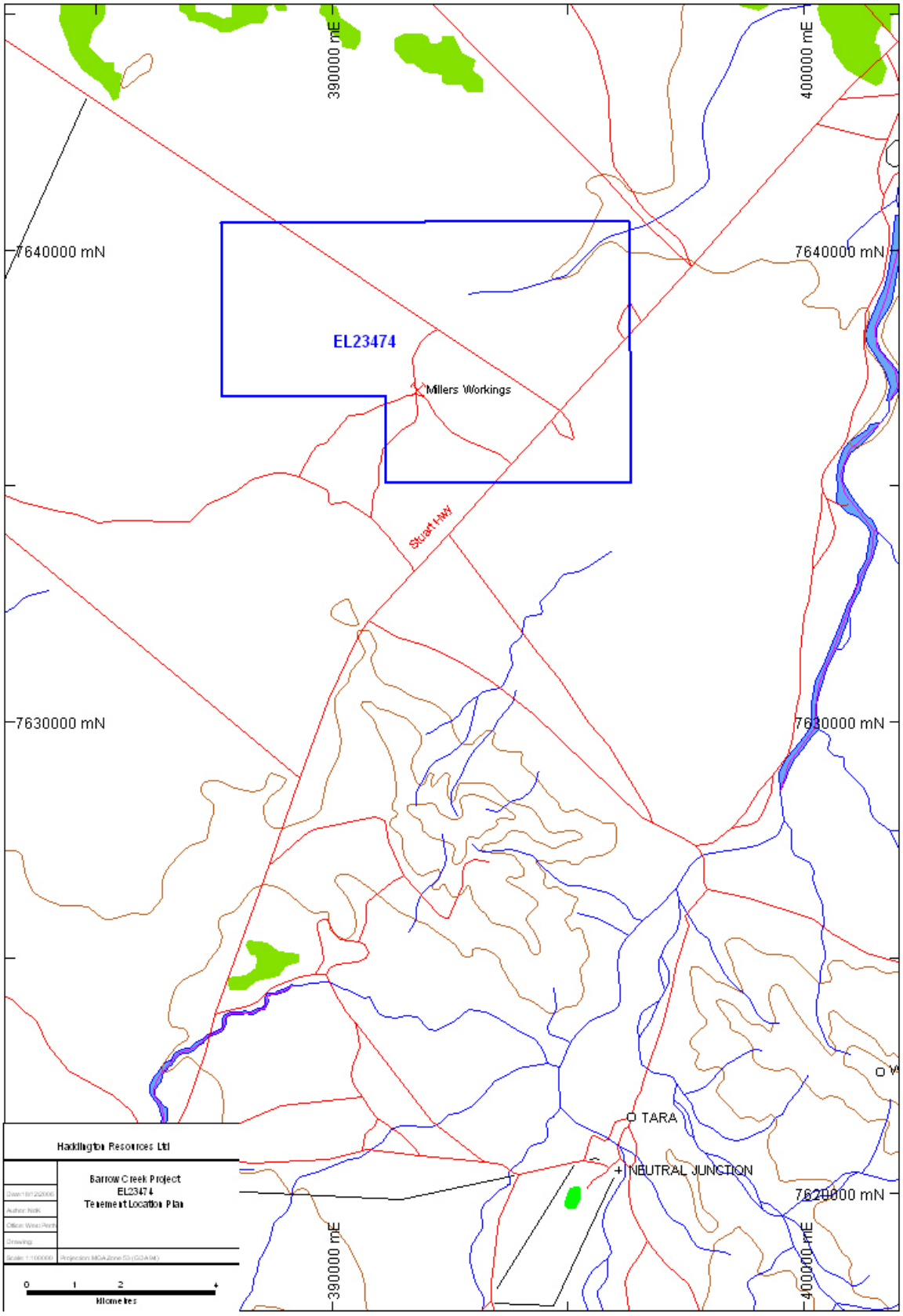

Figure 1. Barrow Creek Project - Tenement Location Plan

5. GEOLOGY

The lease area is primarily covered by Quaternary sediments; an active channel cuts through the centre of the tenement in a north easterly direction, and is surrounded by aeolian plains and dunes, and transported red earth soils.

The Paleoproterozoic Bullion Schist outcrops over a small area (Figure 2), and consists of a biotite-muscovite schist of mid-greenschist to lower amphibolite facies. The unit hosts numerous tin-tantalum bearing pegmatites including Millers, Millers South, Horizontal, Halfway, Tommys Show, Jump Up and Ivy. These pegmatites make up the Barrow Creek Pegmatite Field.

The licence includes some small-scale abandoned tantalite workings (Millers, Millers South). The Millers workings occur on pegmatite/quartz veins discovered by AV Miller in 1978. The area is largely covered by soil, with quartz float present at the surface. Mineralisation occurs in quartz reef veins and in eluvium.

In 1978, a 2m-deep pit exposed a quartz vein from 20 cm depth at the Millers prospect, containing books of muscovite that indicated a pegmatite-associated origin. Freeman (1978), upon inspecting the prospect, noted little visible tantalite present in the pit, although a grade of 0.25% tantalite was estimated from eluvial material. 25 rock chip samples collected by RB Mining averaged 87ppm Ta, and 346ppm Sn.

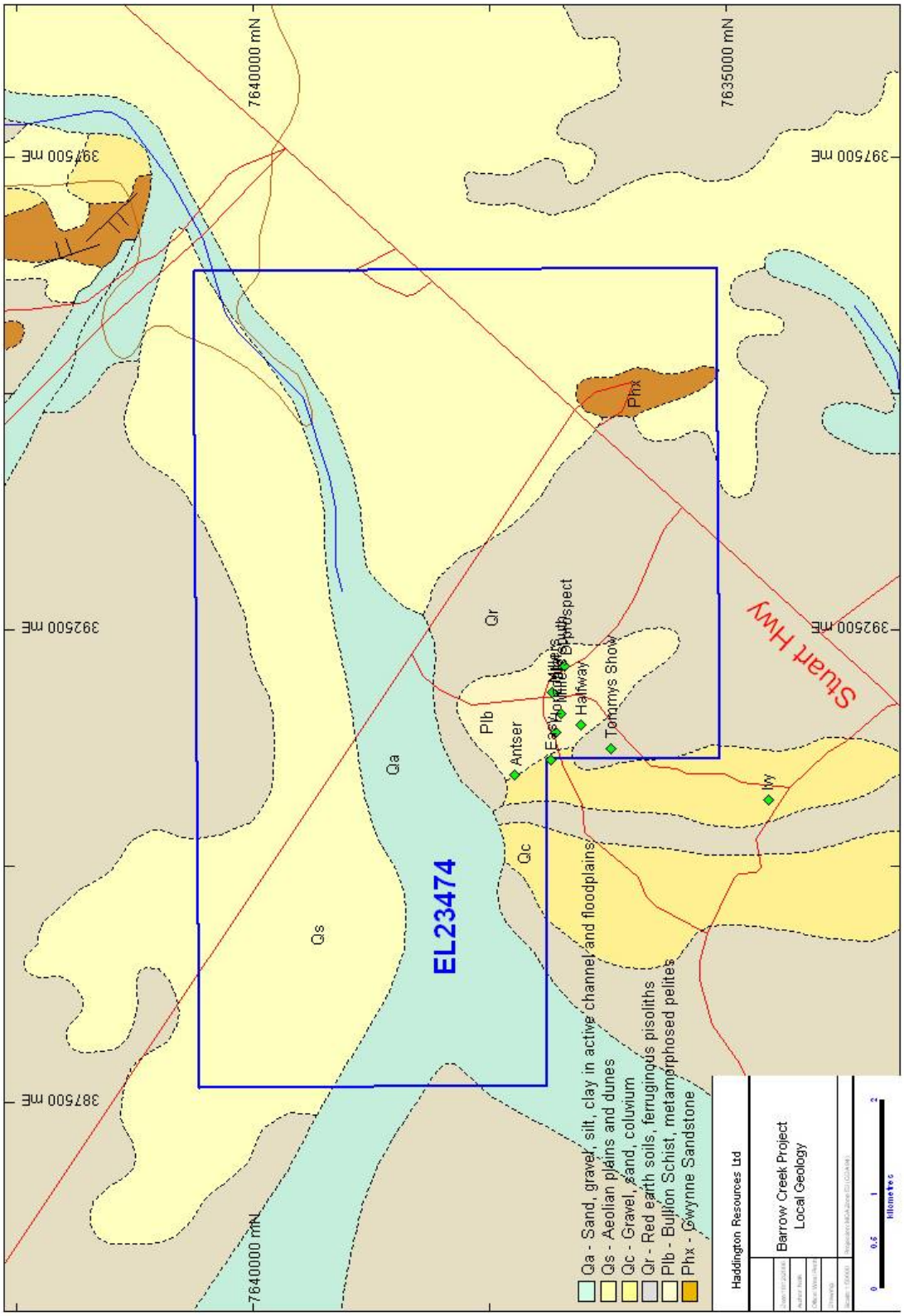

Figure 2. Barrow Creek Geology

6. PREVIOUS EXPLORATION

Previous exploration has primarily been conducted on and around the Millers area, on historic workings located at Millers, Tommys Show and Horizontal.

Freeman (1979) excavated a 200m long, 0.5-1.5m deep costean which exposed bedrock, and a tractor mounted back hoe was used to excavate small pits on three potential tantalum bearing pegmatites (Tommys Show, Anster's and Horizontal). Freeman concluded that mineralisation was widespread but patchy, and that the grade was generally low.

In 2002, the costean was mapped by NTGS (Frater 2005), and 24 eluvial samples (40 kg) were collected for XRF analyses. Only 10 of the 24 samples reported levels of tantalum above the 10ppm detection limit, and only one (360ppm Ta from Millers South Pit) reported a level in excess of 25 ppm. Follow-up sampling (4 samples) at Millers South recorded elevated tantalum in only 1 of the 4 samples.

A partnership between Freeman and Miller in 1978 saw only a small amount of tin concentrate produced (0.1 t in 1980), before litigation between the partners closed the operation. Production came from an area of approximately 1000 m^2, to a depth of 1.2m.

RB Mining carried out reconnaissance mapping and preliminary sampling of prospect dumps at Millers in 1980. Backhoe trenching, auger drilling and an alluvial sampling program were undertaken in 1981, around the Millers prospect. The Millers pegmatite was traced for 300m, with the average true thickness of the pegmatite at 1.5m, swelling to 3.5 m in Millers pit.

6.1. EXPLORATION – HADDINGTON RESOURCES LTD 2005-2006

Exploration by Haddington during the 2005-2006 anniversary year included the collection of 197 soil samples and 71 rock chips, in addition to regional mapping.

Soil sampling proved extremely slow and difficult, due to a 40 – 60 cm wide quartz cobble horizon that was encountered approximately 20 cm below the surface.

Figure 3 displays rock chip results, anomalies generated by soil sampling, and an outcrop map of the tenement.

Mapping revealed that the Bullion Schist displays a vertical foliation that usually strikes between 140^o and 150^o. The majority of pegmatites were concordant to the foliation, striking between 140^o to 170^o. Pegmatites outcrop as narrow (usually <1m wide) veins, and may be traced along strike for a maximum of 80m before disappearing under cover.

6.1.1. Millers

The Millers Workings have largely been refilled and revegetated. The pit has been fenced off (Figure 3), and only a shallow depression remains. Ta values were anomalous, and ranged between 62 to 122ppm Ta, and 21 to 411ppm Sn. The in-situ Millers pegmatite could not be located due to the large amount of ground disturbance in the immediate area.

6.1.2. Millers South

The Millers South scrape is located approximately 200m south west of Millers Pit. Pegmatite, quartz and Bullion Schist may be found on low-level heaps immediately surrounding the scrape. RB Mining followed the pegmatite for almost 150m (Forsythe 1982). The dyke was thin (though not connected to the main Millers pegmatite), with an east-northeast strike and 30-40^{o} dip to the south. RB Mining took 7 samples from the pegmatite, which returned an average of 62ppm Ta and 214 ppm Sn.

During the October 2006 sampling program, one rock chip sample was taken from the Millers South Pegmatite, in addition to four samples from pegmatites outcropping within a 50m radius Results were anomalous, with the Millers South sample returning 188ppm Ta and 181ppm Sn. The remaining four samples returned levels ranging between 54ppm Ta to 172ppm Ta, and 95ppm Sn to 241ppm Sn.

6.1.3. Halfway

The Halfway pegmatite is located 420m south west of Millers workings, and was traced for 80m along strike (shallow trenches dug by RB Mining are still visible). The dyke is concordant to the regional foliation. 6 rock chips were taken from the pegmatite, and two samples displayed elevated Ta values over 104 ppm (including 10068031 which returned 525ppm Ta and 128 ppm Sn). A roughly coincident Li, Cs, Rb, Ta soil geochemical anomaly occurs over the pegmatite, striking in a similar direction. Additional small-sized outcrops in the immediate vicinity indicate that there may be more than one pegmatite sub-cropping. 7 rock chips from these small outcrops did not return any significant results.

6.1.4. Horizontal

Four rock chips were taken from the Horizontal Prospect, where the poorly exposed pegmatite strikes at 060. RB Mining exposed a narrow, 1m thick, almost horizontal, coarse-grained pegmatite (although its small size discouraged further exploration). Three of the four rock chips displayed elevated Ta values over 300ppm. The prospect is located within a larger Cs, Li and Sn anomaly defined by the soil sampling program.

Approximately 300m north of the Horizontal prospect, a largely coincident Li, Cs, Rb soil geochemical anomaly occurs. Pegmatitic outcrop in the area is minimal, although there are a number of quartz veins and quartz blows that crop out. Given the anomalous soil geochemistry, these may show a pegmatitic associated origin at depth (similar to the Millers pegmatite).

One pegmatitic outcrop was located within the anomalous soil geochemistry – an outcrop roughly 2m in length and 30 cm wide. One rock chip (215ppm Ta, 394 ppm Sn) was taken. The pegmatite strikes 157 and dips 75^{o} to the south west.

6.1.5. Tommy's Show

Two rock chips were taken from this prospect which consists of a 10m by 10m shallow scrape that wraps around a quartz blow. Rock chip sampling returned a maximum of 345ppm Ta, 438ppm Sn.

RB mining traced the pegmatite for 110m in a west-northwest direction, and found the pegmatite to dip 45^{o} towards the south with an average true thickness of 2.5m (including pods of quartz and blocks of country rock). A second pegmatite approximately 35m to the north was thought to be a faulted eastern extension of the first, and was followed for 100m before swinging into the regional strike and tapering out.

6.1.6. Southern Area

In the southern portion of the tenement in particular, a number of new pegmatites were discovered and sampled. Of 16 rock chip samples that were taken south of 7636300mN, 15 returned with levels between 1 to 54ppm Ta. The best result exhibited disappointing levels of 85ppm Ta and 87ppm Sn.

The soil geochemistry reflected the low rock chip results, with no significant geochemical anomalies over any of the outcropping pegmatites.

Less than 1km southeast of Tommys Show however, three small, discrete Li, Cs, Rb anomalies were outlined by the soil sampling program. The most south easterly of these lies 880m southeast of Tommys Show, and occurs over an area where at least 3 quartz rich pegmatites crop out (strike 150^{o}). Two rock chips taken from similar quartz rich pegmatites approximately 120m to the north returned only .07 and 0.05ppm Ta. 80m to the southeast, one rock chip returned 0.8ppm Ta.

The two most northern Li, Cs, Rb anomalies occur where no pegmatite outcrop was located, and it is interpreted that the anomalous soil geochemistry indicates a blind pegmatite at depth.

Sample No.	Be ppm	Cs ppm	K ppm	Li ppm	Na ppm	Nb ppm	P ppm	Rb ppm	Sn ppm	Ta ppm	U ppm
3061006	10	262		120		76		1968	241	172	
3061007	13	1025		120		55		5300	376	96	
10068021	17	1428	50726	138	3386	47	328	5057	438	345	1
10068027	6	175	20832	44	1878	36	63	1052	110	119	1
10068031	3	112	19089	53	2125	36	38	897	128	525	1
10068033	10	271	36113	74	4047	59	159	2140	190	101	3
10068034	11	318	35516	82	3556	54	288	2020	181	122	2
10068035	12	1133	61174	119	4321	51	127	5667	411	105	0
10068036	9	716	41846	99	3053	36	133	3737	273	90	1
10068037	7	55	15649	79	1322	26	230	323	21	114	3
10068038	5	114	18340	47	1911	35	270	901	95	96	2
10068039	9	185	37364	62	4140	107	948	1925	181	188	36
10068056	9	87	27384	58	3258	54	52	905	197	95	2
10068058	19	199	32977	56	3436	141	73	1293	394	215	2
10068065	11	151	30087	87	3117	50	399	1030	122	320	3
10068066	12	167	35434	69	3394	57	453	1203	131	344	4
10068067	12	132	39833	114	3772	47	480	1079	136	330	3

Table 2. EL23474. 2006 Significant Rock Chip Results.

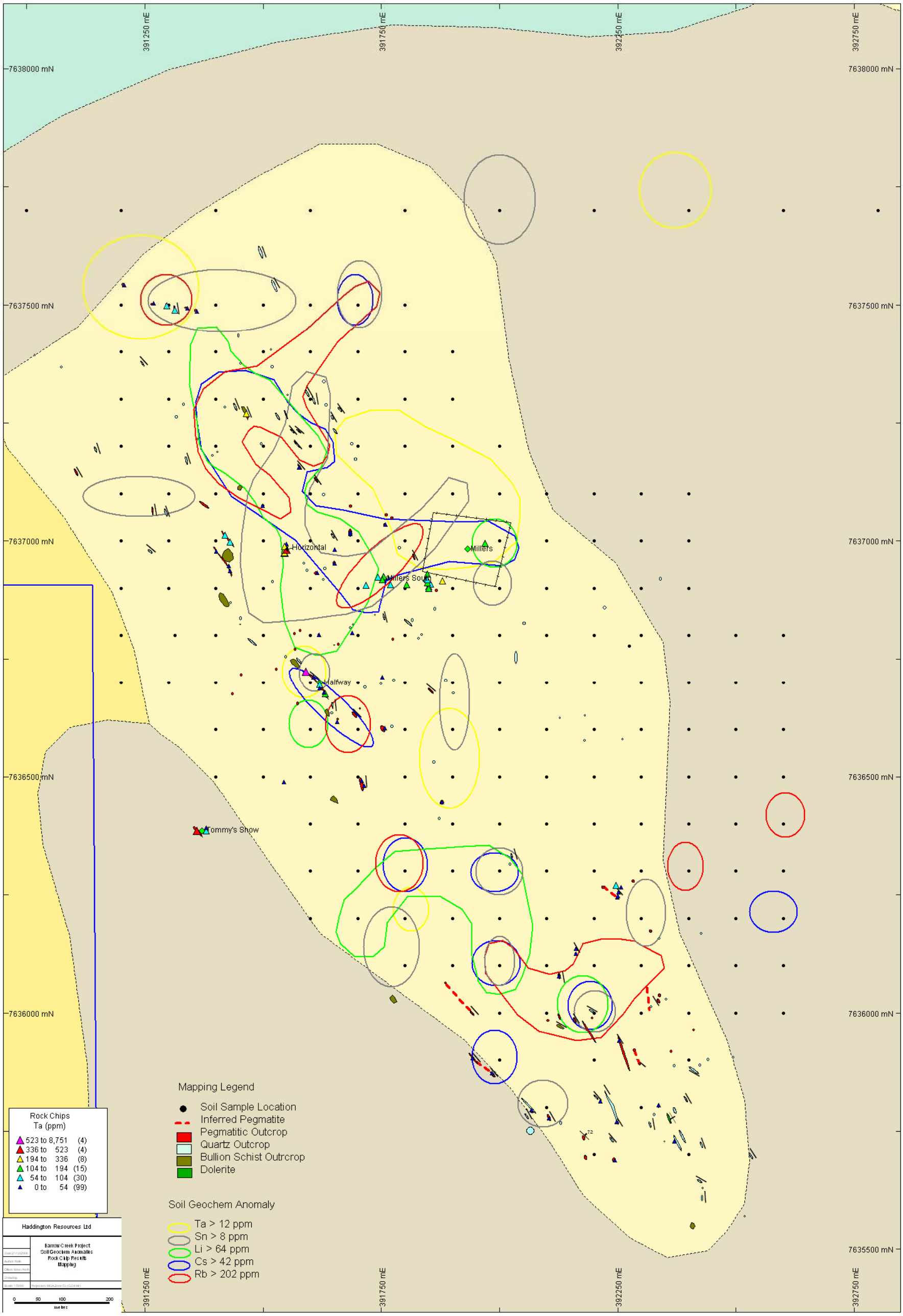

Figure 3. Mapping, soil sampling and rock chip results

6.2. EXPLORATION – HADDINGTON RESOURCES LTD 2006 – 2007

Exploration by Haddington in the 2006-2007 anniversary year included geological reconnaissance and rock chip sampling investigating areas outside of the previous sampling programs. Mobile Metal Ion soil sampling was undertaken in areas of colluvium to assist in defining gold, uranium and base metal anomalies as well as the potential for 'blind' pegmatite tantalum mineralisation in areas of Quaternary cover around the tantalum occurrences.

6.2.1. Geological reconnaissance/rock chip sampling

Field reconnaissance was undertaken over (i) areas of previous exploration (ii) areas of thin and limited transported cover and (iii) historical workings to define exploration techniques for locating outside of the workings and beneath cover.

A total of 9 rock chip samples were collected from this reconnaissance, predominantly from quartz veining in sandstone horizons within the overlying Gwynne Sandstone. Samples were sent to ALS and assayed for Au, As, Cu, Pb, Zn, Fe, U and Th.

Results for this sampling are detailed in the following Table 3.

Sample ID	Au	Cu	Fe	Pb	Zn	As	Th	U
	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
BCR001	<0.01	3	1.71	4	10	2.9	4.5	0.35
BCR002	<0.01	3	0.7	5	2	2.7	0.5	0.08
BCR003	<0.01	3	0.85	4	<2	1.1	0.6	0.08
BCR004	<0.01	4	4.4	3	8	4.1	15.2	0.73
BCR005	<0.01	25	9.35	4	4	105	10	0.59
BCR006	<0.01	3	1.17	<2	2	3.7	1.6	0.15
BCR007	<0.01	2	1.9	4	2	18.3	1.7	0.23
BCR008	<0.01	2	1.9	6	4	10	1.8	0.12
BCR009	<0.01	19	1.55	35	33	15.1	11.5	2.39

Table 3. 2007 Rock chip sampling

The sampling results are poor with no further work recommended for the Gwynne sandstone locality.

6.2.2. Mobile Metal Ion (MMI) sampling

Mobile metal Ion sampling is an optimal method to define specific mineralization targets (buried) for detailed drilling, lessening the need for broad scale reconnaissance drilling.

Key attributes of this MMI approach include

- Constrained precise anomalies, vertically above oxidizing mineralisation
- Reduced need for pathfinder geochemistry
- Precisely target mineralization at significant depths
- Better signal to noise ratio related to mineralization when compared to conventional geochemistry
- Case studies have shown that the MMI technique extends the range of effective soil geochemistry further into more complex transported regolith units

A broad MMI sampling program was undertaken over areas of EL23474 where conventional soil geochemistry was not applicable. Areas of thick aeolian sand cover and major drainage channels were not sampled.

A total of 406 samples were collected by the MMI sample collection techniques. Samples were sent ALS Perth and assayed for Ag, As, Au, Cu, Fe, Li, Mn, Ni, Pb, Rb, Sn, Th, U, W and Zn.

Interpretation of the MMI analytical data is undertaken utilising a peak to background ratio (response ratio) for each element. Background for the MMI data is generally calculated using the lowest quartile of the data for each element.

Results are displayed in Figures 4 to 8.

Preliminary interpretation of the data has been undertaken for each multi-element grouping
(i) U/Th
(ii) Au/As/Ag
(iii) Fe/Mn
(iv) Cu/Pb/Zn/Ni
(v) Li/Nb/Rb/Sn/W

U/Th (Figure 4)

The northern line of MMI sampling has a general higher level of uranium response than other areas.

Au/As/Ag (Figure 5)

Anomalous responses associated with the outcropping and surficial pegmatite mineralisation of the historical workings.

Fe/Mn (Figure 6)

Elevated Fe response associated with Quaternary ‘red soil’ regolith horizon.

Cu/Pb/Zn/Ni (Figure 7)

Strong Zn response with the Bullion Schist horizon and Pb anomaly to the east of historical workings to be investigated.

Li/Nb/Rb/Sn/W (Figure 8)

Pegmatophile elements indicate a number of anomalies beneath the ‘red soil regolith’, to the west and east of the workings

Evaluation and assessment of these anomalies will be undertaken in conjunction with previous tantalum targeted sampling.

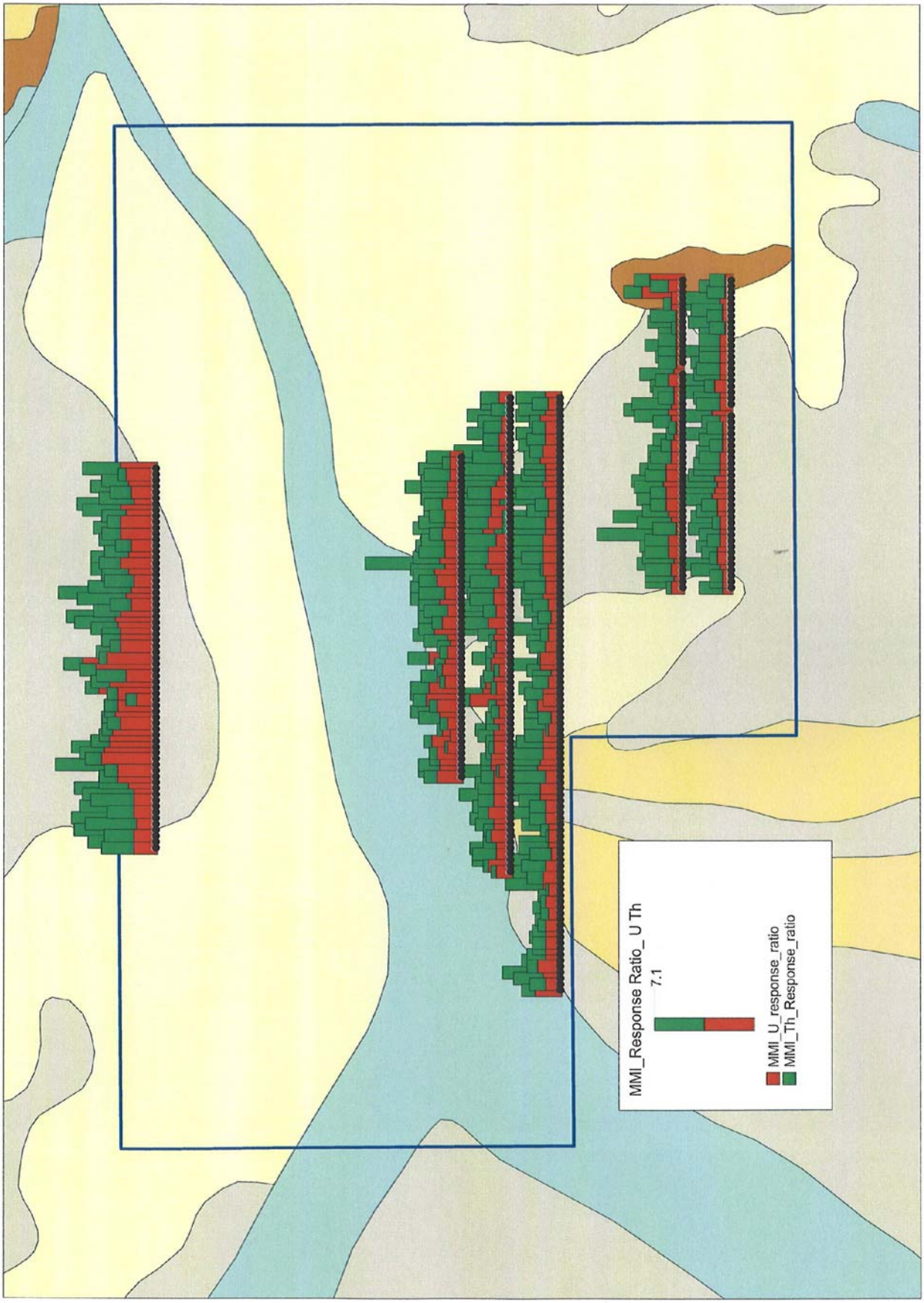

Figure 4. MMI Response Ratio – U, Th

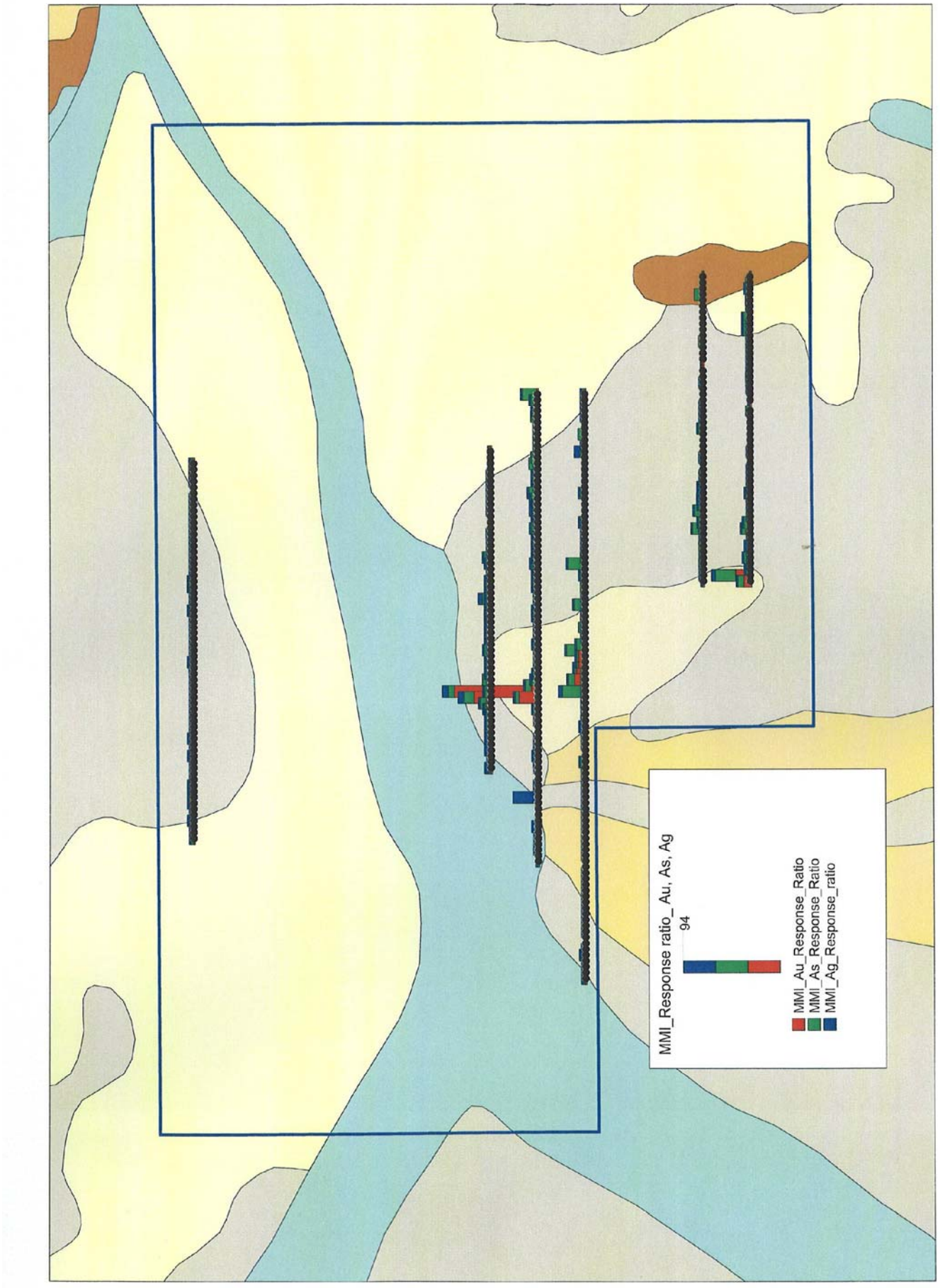

Figure 5. MMI Response Ratio – Au, As, Ag

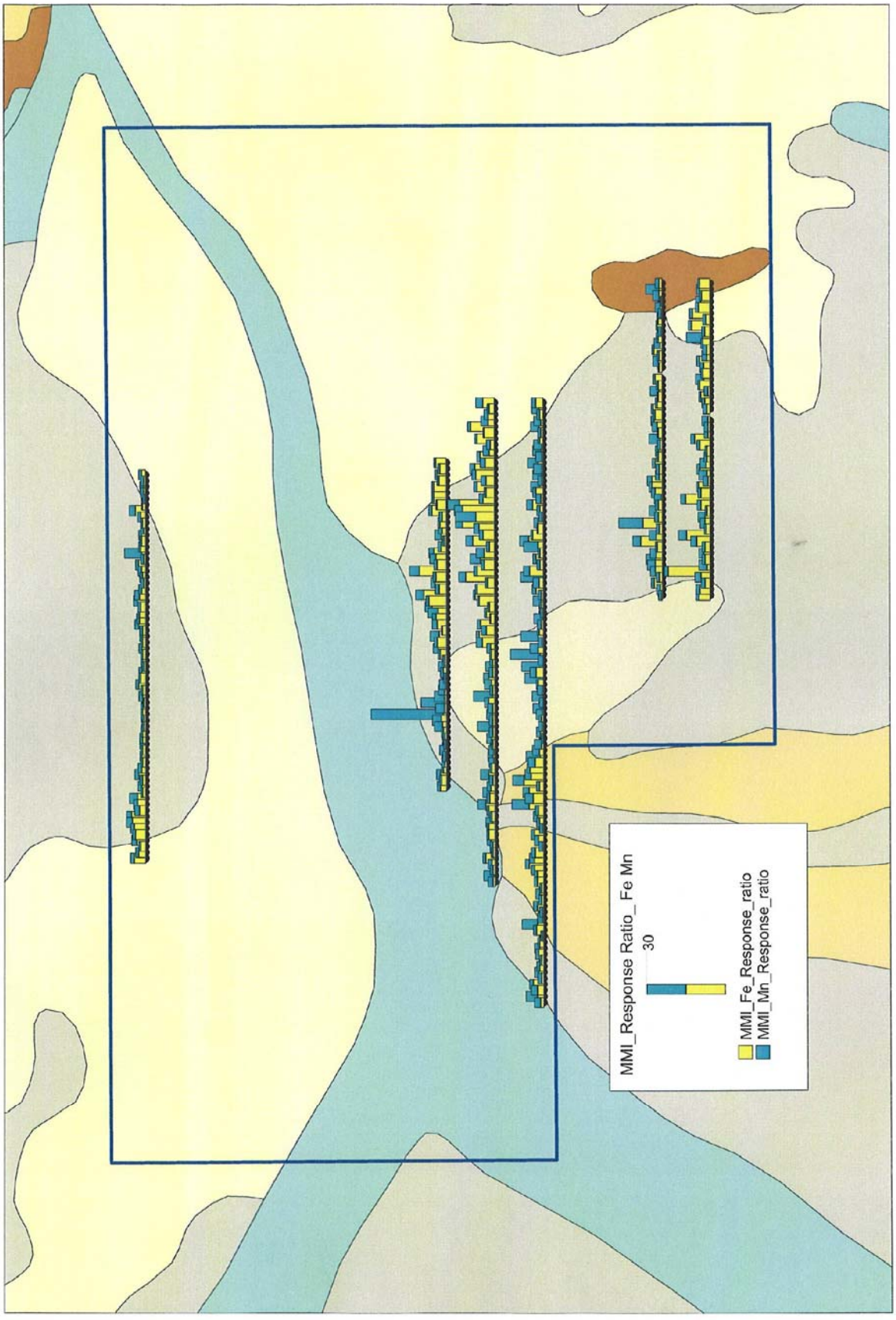

Figure 6. MMI Response Ratio – Fe, Mn

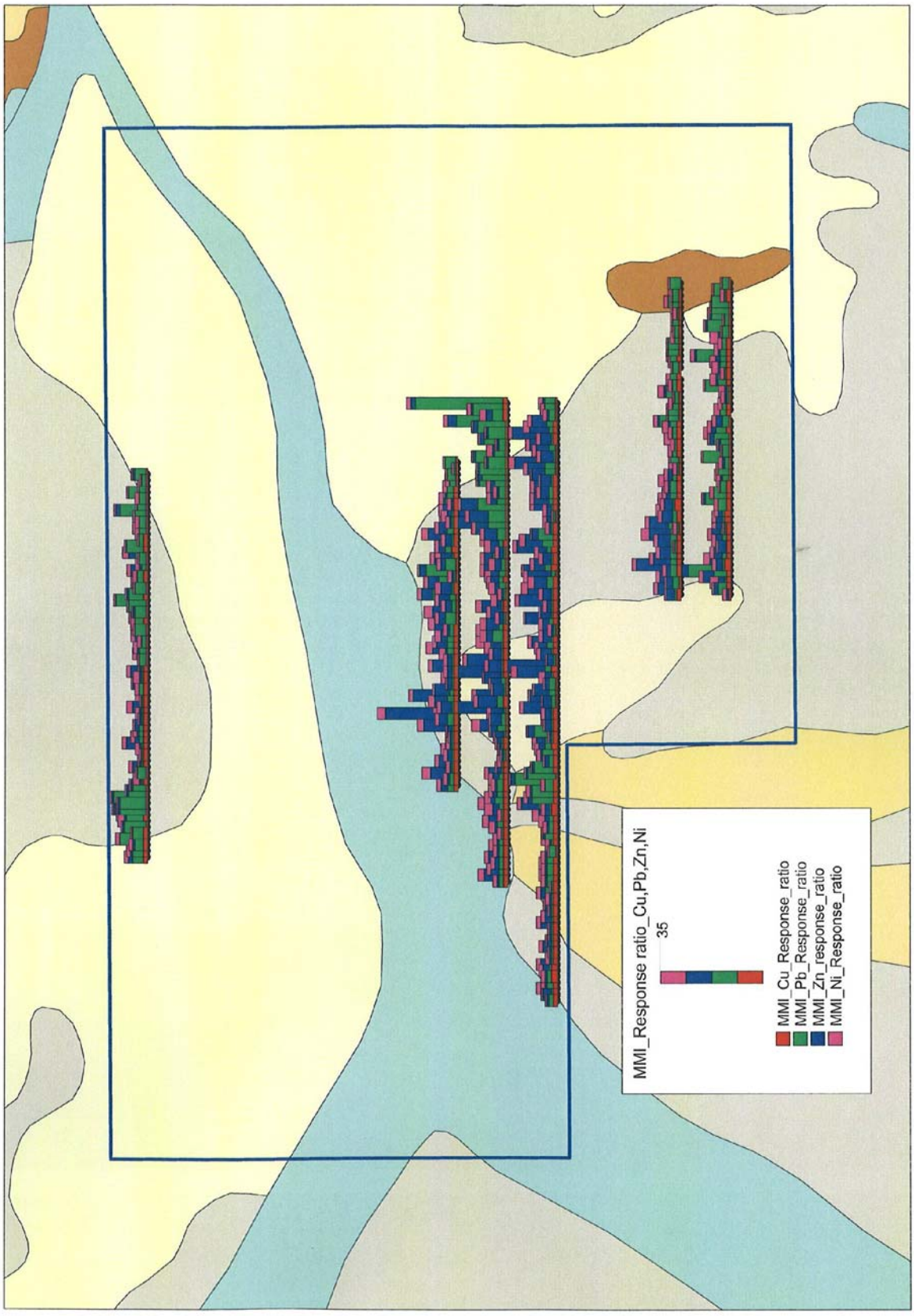

Figure 7. MMI Response Ratio – Cu, Pb, Zn, Ni

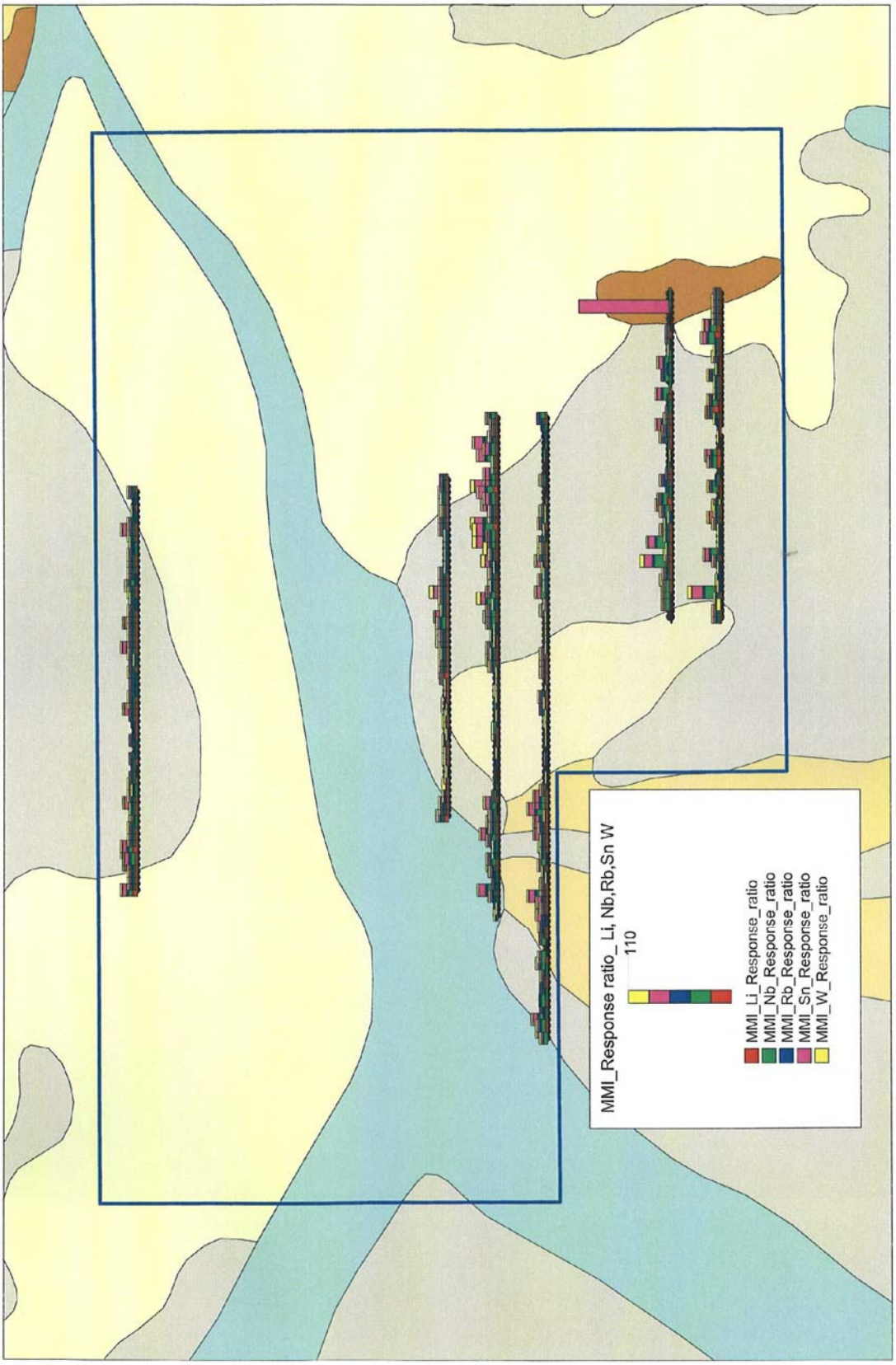

Figure 8. MMI Response Ratio – Li, Nb, Rb, Sn, W

7. CURRENT EXPLORATION

Exploration conducted on EL23474 during the reporting period included desk-top studies on the Millers Workings, and a review of all data collected by Haddington Resources Ltd.

8. RECOMMENDATIONS

Exploration using MMI techniques in the 2006-2007 field season defined a number of tantalum, base metal and uranium responses that require further investigation.

In conjunction with the previously defined soil anomalies (during 2005-2006), exploration should focus on the potential of these anomalies to host economic mineralization.

The elevated uranium MMI response to the north suggests the potential for paleochannel/surficial mineralization needs to be reviewed.

9. REFERENCES

Caughey, A.R., 2005, Millers Project - Northern Territory Australia, Annual Report for EL23474 period ending 31st October 2005, *Flagstaff GeoConsultants Pty Ltd.*

Frater, K.M., 2005, Tin-tantalum pegmatite mineralisation in the Northern Territory. *Northern Territory Geological Survey*, Report 16.

APPENDIX 1

2008 EXPENDITURE STATEMENT

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 1. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	*Exploration Licence*
Number	*EL 23474*
Operation Name (optional)	*Barrow Creek Project NT*

Section 2. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*31 October 2007*	From	
To	*30 October 2008*	To	
Covenant for the reporting period:		$25,650.00	

Section 3. Give title of accompanying technical report:	
Title of Technical Report	*Barrow Creek Project NT, EL23474, Annual Report for the period 31.10.07 to 30.10.08*
Author	*N de Kever*

Section 4. Locality of operation:	
Geological Province	***Aileron***
Geographic Location	***Barrow Creek***

Section 5. Work program for the next twelve months:

Activities proposed (please mark with an "X"):

	Drilling and/or costeaning		
x	Literature review		Airborne geophysics
	Geological mapping		Ground geophysics
	Rock/soil/stream sediment sampling		Other:

Estimated Cost: $26, 000.00

Section 6. Summary of operations and expenditure:

Please include salaries, wages, consultants fees, field expenses, fuel and transport, administration and overheads under the appropriate headings below. Mark the work done for the appropriate subsections with an "X" or similar, except where indicated. Complete the right-hand columns to indicate the data supplied with the Technical Report.

Do not include the following as expenditure (if relevant, these may be discussed in Section 7):

- Insurance
- Company Prospectus
- Rent & Department Fees
- Bond
- Transfer costs
- Title Search
- Legal costs
- Advertising
- Land Access Compensation
- Meetings with Land Councils
- Payments to Traditional Owners
- Fines

Exploration Work type	Work Done (mark with an "X" or provide details)		Expenditure	Data and Format Supplied in the Technical Report	
				Digital	Hard copy
Office Studies					
Literature search	**X**		6,928.22	**x**	
Database compilation	**X**		6,000		
Computer modelling	**X**		6,000		
Reprocessing of data	**X**		6,000		
General research	**X**		6,000		
Report preparation	**X**		6,000	**X**	
Other (specify)					
	Subtotal		$36,928.22		
Airborne Exploration Surveys (state line kms)					
Aeromagnetics		kms			
Radiometrics		kms			
Electromagnetics		kms			
Gravity		kms			
Digital terrain modelling		kms			
Other (specify)		kms			
	Subtotal		$		
Remote Sensing					
Aerial photography					
LANDSAT					
SPOT					
MSS					
Other (specify)					
	Subtotal		$		
Ground Exploration Surveys					
Geological Mapping					
Regional					
Reconnaissance					
Prospect					
Underground					
Costean					
Ground Geophysics					
Radiometrics					
Magnetics					
Gravity					
Digital terrain modelling					
Electromagnetics					
SP/AP/EP					
IP					
AMT/CSAMT					
Resistivity					
Complex resistivity					
Seismic reflection					
Seismic refraction					
Well logging					
Geophysical interpretation					
Petrophysics					
Other (specify)					

Geochemical Surveying and Geochronology									
(state number of samples)									
Drill (cuttings, core, etc.)									
Stream sediment									
Soil									
Rock chip									
Laterite									
Water									
Biogeochemistry									
Isotope									
Whole rock									
Mineral analysis									
Laboratory analysis (type)									
Petrology									
Other (specify)									
Ground Exploration Subtotal						$			
Drilling (state number of holes & metres)									
Diamond		holes		metres					
Reverse circulation (RC)		holes		metres					
Rotary air blast (RAB)		holes		metres					
Air-core		holes		metres					
Auger		holes		metres					
Other (specify)		holes		metres					
	Subtotal					$			
Other Operations									
Costeaning/Trenching									
Bulk sampling									
Mill process testing									
Ore reserve estimation									
Underground development (describe)									
Mineral processing									
Other (specify)									
	Subtotal					$			
Access and Rehabilitation									
Track maintenance									
Rehabilitation									
Monitoring									
Other (specify)									
	Subtotal					$			
TOTAL EXPENDITURE						**$ 36,928.22**			

Section 7. Comments on your exploration activities:

I certify that the information contained herein, is a true statement of the operations carried out and the monies expended on the above mentioned tenement during the period specified as required under the *Northern Territory Mining Act* and the Regulations thereunder.

[X] I have attached the Technical Report

1. Name:	Nicole de Kever	2. Name:	
Position:	Geologist	Position:	
Signature:	*N. de Kever*	Signature:	
Date:	22.01.09	Date:	

This form should accompany any Annual or Final Report
Email to: Geoscience.info@nt.gov.au