Annual Report
EL 27036
Period: 23/07/2009 to 22/07/2010
Barrow Creek Region, Northern Territory

Fertoz Pty Ltd
19 Livingston Ave.
Baulkam Hills
NSW 2153

Barrow Creek Project
1:100 000 Mapsheets: 5555 Conical Hill, 5655 Crawford,
5656 Numagalong, 5556 Jarrah Jarrah
1:250 000 Mapsheets: SF6306 Barrow Creek, SF5301 Lander River,
SF5302 Bonnet Well, SF5305 Mount Peake
Commodities: Gold, Base Metals, REE

WA Jettner B.Sc (Geol.)
Minesite Services Australia
December 2010
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1. **EXECUTIVE SUMMARY**

In the latter part of October 2010 EL 27036 was purchased by Fertoz Pty Ltd from the previous titleholders FSL World Holdings Pty Ltd. The EL consists of 83 graticular blocks, (270km²) located in the Barrow Creek Region of the Northern Territory.

The licence covers a large area of Lander Rock Beds which have proven to be prospective for gold and base metals in the Aileron Province.

The presence of high grade igneous and metamorphic rocks in this area which have given rise to pegmatite intrusions make the area prospective for Rare Earth Elements (REE).

2. **CONTACT DETAILS:**

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NSW 2153
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Email: contact@completetenement.com.au

**Geological Consultant:**
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Rosebery NT 0832
Contact: Mr Andrew Jettner
Email: andrewjettner@yahoo.com.au
3. INTRODUCTION

EL 27036 was granted on the 23rd of July 2009 for a period of 6 years and this annual report covers work done in the first licence year (2009-2010). During this period there was effectively no field work done on the licence. The licence consists of 83 graticular blocks and is located north of Barrow Creek NT.

This exploration licence, along with ELs 26915, 26974, 26975 and 26977 form a total area of 2,890km² for the Barrow Creek Project Area. The licences are arranged in a north-westerly trending line covering the postulated western margin of the Georgina Basin.

Figure 1. EL 27036 Location Map
4. **TENURE**

a. **Mining**
Exploration Licence 27036 was granted to FSL World Holdings on 23rd of July 2009 for a period of 6 years, expiring on 22nd July 2015.
Fertoz Pty Ltd purchased the licence in late October 2010.
The exploration licence consists of 83 graticular blocks (270km²) and is located within the Barrow Creek, Lander River, Bonney Well and Mt Peake 1:250 000 mapsheets.

b. **Real Property**
The licence is located within PPL 1103 “Stirling Station” which is owned by Stirling Station Pty Ltd (Stirling Station via Alice Springs NT 0872).

c. **Other Stakeholders**
There are no other identified stakeholders in the licence area.

Figure 2. Real Property Tenure
5. **LOCATION AND ACCESS**

EL 27036 is located some 300km to the north of Alice Springs on Stirling Station. Access to the EL from Alice Springs is 190km north via the Stuart Highway to Barrow Creek then a further 75km north to the Jarrah Jarrah turnoff. From this point it is 75km west along the Jarrah Jarrah road to the licence area. The licence covers an irregular shape and consists of some 83 graticular blocks having an area of 270km$^2$. The licence is located 62km to the northwest of Barrow Creek.

Access around the licence area is good with a minor road traversing it in a north south direction with few fencelines and station tracks coming off of this road. Large areas of granite and granite derived sands in the licence will also hamper access throughout the licence.

Figure 3. EL 27036 Access
6. **REGIONAL GEOLOGY**

EL 27036 is located within the Aileron Province adjacent to an outcropping section of the Georgina Basin. It also contains a major northwest to south east trending structural corridor which contains the Stirling fault. The Aileron Province is a poly-deformed and metamorphosed basement terrain along the southern margin of the North Australian Craton. It contains metamorphosed clastic sediments, meta volcanic rocks, calc-silicate rocks, dolerite, mafic rocks and granites.

It is unconformably overlain by the Ngalia, Amadeus, Murraba, Georgina and Eromanga basins. It has a largely faulted relationship with the Warumpi and Irindina Provinces and represents a transitional relationship with the Tanami Region. The Aileron Province hosts a variety of economic commodities including metamorphosed VMS and carbonate replacement Pb-Zn-Cu, iron-oxide Cu-Au, orogenic Au, W, Sn, Ta, mafic hosted Ni-Cu, hypothermal U and is a major exploration target for base metals, Ni-Cu, uranium, mafic-hosted vanadiferous magnetite and remains largely unexplored, (Scrimgeour 2003).

![Figure 4. Regional Geological Setting – Barrow Creek Project Area](image_url)
7. **LICENCE GEOLOGY**

EL 27036 consists predominantly of granites with the greywackes, siltstone, shales, schists and gneiss', of the Lander Rock Beds occurring between outcrops of granite. These rocks are part of the Aileron Province, which is a poly-deformed and metamorphosed basement terrain along the southern margin of the North Australian Craton. The Lower Hatches Creek Group which consists of sandstone covers the northern edge of the licence. In this area the most prospective lithologies are those of the Lander Rock Beds and these have been explored in the Aileron Province for gold and base metals.

![Figure 5. EL 27036 Licence Geology](image-url)
8. **PREVIOUS EXPLORATION**

Previous exploration in the regional area has been largely for base metals, gold, tin-tantalite and wolfram. Within the Crawford, Osbourne and Waite Range areas numerous copper workings can be found. The area to the south of the Crawford Range has been the site of the majority of the tin, tantalite and wolfram workings, mostly being small low tonnage gouging operations.

Kewanee Australia undertook a broad exploration program in the area between 1970 and 1974. Several targets were delineated by a combination of aeromagnetics, radiometrics and EM geophysical techniques. This work delineated a sub-economic Cu-Ni resource in the Mount Strezlecki area, to the east of EL 27036.

Other work by Poseidon Gold and Normandy NFM has concentrated on the Lander Rock Beds to the east of the licence where gold prospects Kroda C1, C4, C5 and C5 extension are located.

Exploration has been hampered by coverings of large areas by Cainozoic sediments, predominantly uncemented aeolian sands and dunes.

One of the diamond explorers (Stockdale) has also examined the area without success.

### EL 27036

<table>
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<tr>
<th>Licence No</th>
<th>Tenure Period</th>
<th>Open File Company Reports</th>
<th>Company</th>
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<tr>
<td>EL 381</td>
<td>02/08/1972 – 01/08/1973</td>
<td>CR1973-0165</td>
<td>Kewanee Australia Pty Ltd</td>
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<td></td>
<td></td>
<td>CR1993-0018</td>
<td>Poseidon Gold</td>
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<td>EL 7928</td>
<td>05/02/1993 – 16/05/2002</td>
<td>CR1999-0212</td>
<td>Normandy NFM</td>
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<td></td>
<td>CR2000-0250</td>
<td>Normandy NFM</td>
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<td>EL 8771</td>
<td>20/10/1994 – 16/05/2002</td>
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<td></td>
<td></td>
<td>CR2009-0187</td>
<td>Newmont Asia Pacific</td>
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</table>

Table 1. Historical Exploration Reports
Figure 6. Historical Exploration Licences

a. **Field Work**  
There was no field work done on the licence in the first year of tenure.

b. **Desktop Surveys**  
Office work in the first year of tenure consisted of desktop surveys covering the various topics outlined in this technical report. Primarily they consisted in examining historical exploration in the area and cross-referencing this where possible with the current thinking on phosphate deposition in Australia to generate valid exploration targets for follow up in the second year of tenure.

c. **Exploration Targeting**  
Based on previous explorers experience in this area soil sampling is of dubious value as there is some confusion as to the value due to the large soil covered area, usually with between 2-4m of transported soil cover. The larger explorers have favoured aircore drilling as a means of penetrating the soil veil. This would suggest that this method should also be followed in the future, probably being directed by geophysics if possible. The target lithologies in this licence are the greywackes, shales and schists of the Lander Rock Beds whilst the target commodities are gold and base metals.

d. **Prospect Generation**  
To date there have been no prospects generated and when the exploration database is constructed in Year 2 it is expected that some prospects will be generated from this activity.
10. PROPOSED WORK PROGRAM FOR YEAR 2 (2010 – 2011)

The proposed work program for the second year of tenure (2010-2011) will consist of the following:

Desktop surveys: acquisition of aeromagnetics and radiometrics for the licence area, generation of prospects by examination of these.

Site Orientation Visit: introduction and familiarisation to the property owners, exploration licence examination, preliminary examination of desktop targets, - 4 men, 2 vehicles, 1 days

First pass exploration program: rockchip survey, geochemical survey, mapping activities, (incl. assays) - 4 men, 2 vehicles, 3 days

Preparation of the second annual report – 1 man, 3 days

Field activities in this area will be conducted in conjunction with operations on the adjacent Exploration licences of the Barrow Creek Project, (ELs 26915, 26974, 26975 and 26977).
11. Expenditure Covenants


The expenditure report for Year 1 (2009 – 2010) is included as Appendix 1 to this annual report.

b. Proposed Expenditure for Year 2 (2010 – 2011)

The proposed expenditure for Year 2 is as follows:

<table>
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<th>Description</th>
<th>Cost</th>
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<tr>
<td>Site orientation visit</td>
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<td>First pass exploration program</td>
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<td>Annual report preparation</td>
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<tr>
<td><strong>Total Proposed Expenditure</strong></td>
<td><strong>$ 20,000</strong></td>
</tr>
</tbody>
</table>
12. **REFERENCES**

**Open File Company Reports**


- Parker F, (2004), First Relinquishment Report for SEL 10038 (Thumper) for the Period 16/05/2002 to 15/05/2004 Barrow Creek Project NT, Poseidon Gold unpublished company report, CR2004 – 0408


**Published Reports**


