Annual Report
EL 26975
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: 5654 Barrow, 5655 Crawford, 5754 Home of Bullion, 5755 Taylor
1:250 000 Mapsheet: SF6306 Barrow Creek
Commodities: Phosphate, Base Metals, REE

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Minesite Services Australia
December 2010
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1. **EXECUTIVE SUMMARY**

In the latter part of October 2010 EL 26975 was purchased by Fertoz Pty Ltd from the previous titleholders FSL World Holdings Pty Ltd. The EL consists of 265 graticular blocks, \((860\text{ km}^2)\) located in the Barrow Creek Region of the Northern Territory. The area of interest occurs within and adjacent to the boundary of the Georgina Basin and the new titleholders consider the licence area to be favourable for the discovery of phosphate deposits of a similar nature to that found to the east of this locality. The Arthur Creek Formation is the target rock unit in this locality as it represents the calcareous unit deposited in the Cambrian. This Formation has a lower anaerobic limestone and an upper aerobic limestone which represents near shore conditions. This aerobic limestone unit is fossiliferous with phosphatic occurrences throughout the region. The presence of high grade igneous and metamorphic rocks in this area of the Aileron Province which have given rise to pegmatite intrusions make the area prospective for Rare Earth Elements (REE).

2. **CONTACT DETAILS:**

**Tenement Holder:**
Fertoz Pty Ltd  
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Baulkham Hills  
NSW 2153  
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**Tenement Manager:**
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Darwin NT 0801  
Contact: Mrs Wendy Jettner  
Tel: 08 8981 1880  
Email: contact@completetenement.com.au

**Geological Consultant:**
Minesite Services Australia  
19 Flametree Cct  
Rosebery NT 0832  
Contact: Mr Andrew Jettner  
Email: andrewjettner@yahoo.com.au
3. **INTRODUCTION**

EL 26975 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 265 graticular blocks and is located near Barrow Creek NT. This exploration licence, along with ELs 26915, 26974, 26977 and 27036 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.
4. **Tenure**

a. **Mining**

Exploration Licence 26975 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 265 graticular blocks (860km²) and is located within the Barrow Creek 1:250 000 mapsheet.

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), “Neutral Junction Station” which is owned by Mr CO & Mrs E Frith (“Glenarden” Roma QLD 4455 and the Tara Community which is freehold land on Neutral Junction Station.

c. **Other Stakeholders**

Other stakeholders in the licence area consist of the owners and occupiers of the Tara Community, a freehold allotment that was excised from the Neutral Junction pastoral lease.

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

EL 26975 is located some 190km to the north of Alice Springs on Stirling and Neutral Junction Stations. Access to the EL from Alice Springs is 190km north via the Stuart Highway to Barrow Creek. The licence covers an irregular shape and consists of some 265 graticular blocks having an area of 860km$^2$. The licence measures approximately 70km in length and is aligned northwest-southeast and is located just to the east of Barrow Creek.

Access around the licence area is relatively slow with few fencelines and station tracks. Large areas of granite and granite derived sands in the licence will also hamper access throughout the licence.

![Figure 3. EL 26975 Access](image)

Figure 3. EL 26975 Access
6. **REGIONAL GEOLOGY**

EL 26975 is located primarily within the Aileron Province adjacent to an outcropping section of the Georgina Basin. It was applied for to cover a section of Georgina Basin margin to allow for exploration for phosphorite occurring in the middle to lower Cambrian Limestones 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](image-url)
7. **Licence Geology**

EL 26975 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.

In the southern part of the licence there are outcrops of the Palaeozoic Arumbera Sandstone and other lithic sediments. These sediments for part of the stratigraphic sequence of the Georgina Basin which is Fertoz’ target sequence for the discovery of phosphorite deposits.

![Figure 5. EL 26975 Licence Geology](image-url)
8. Previous Exploration

Previous exploration in the regional area has located a large number of pegmatites, leading to the name the Barrow Creek Mineral Field. There have also been a number of companies exploring for base metals concentrating on the Paleoproterozoic Bullion and Ledan Schists. As the Bullion Schist hosts the mineralisation at the nearby Home of Bullion Mine, the largest producer of copper in the area it has been investigated by several explorers for both copper and gold. Exploration has been hampered by coverings of large areas by Cainozoic sediments, predominantly un cemented aeolian sands and dunes.

The diamond explorers have also examined the area in the last decade without success.

The area has been prospective for base metals and igneous associated tin, tantalite, and wolfram deposits for a long time as evidenced by the list of exploration titles below. The gold values obtained at the nearby Home of Bullion mine have lead to a systematic search for gold in this area.

**EL 26975**

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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**
Exploration models target organic-rich carbonate rocks on depositional basin margins where upwelling and favourable palaeogeography would have bought cold phosphate-rich waters onto the shelf. Francolite formation takes place close to the sediment-water interface during times of low overall sedimentation and is intimately connected with the dynamics of diagenetic redox fronts, (Dunster, Kruse et al 2007).

The investigation of the major structural corridor through the licence area will be a priority, elsewhere this corridor hosts tin, tantalite and wolfram deposits and so will be studied in depth for these deposits here. The Lander Rock Beds also represent an exploration priority as the are host to a number of gold and base metal deposits throughout the Province.

d. **Prospect Generation**
Phosphorite prospect generation would be dependant on the location of the basin margins (probably using aeromagnetics) in the project area with the next step being examination of radiometrics for the location of subtle signatures that may indicate the presence of uranium associated with the phosphate due to substitution for Ca in the phosphorite crystal lattice. Follow up work on prospects generated by this model would be direct examination by drilling, working away from the basin margins into deeper areas of sediments.

Hydrothermal prospects will be generated by also studying the aeromagnetics and radiometrics as the pegmatites that occur in this structural corridor may also contain REE and uranium. Geochemistry will also be used as a tool to generate prospects for further investigation.

The granites are multigenerational in this area so may represent sites of reactivation through out the Proterozoic and in conjunction with the major structural corridors will be significant areas of exploration interest.

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

Exploration Reporting – 1 man, 2 days

Second pass exploration program: further rockchip surveying, geochemical surveying, mapping activities - 4 men, 2 vehicles, 4 days

Exploration Reporting – 1 man, 2 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, 26977 and 27036).
11. **Expenditure Covenants**


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


The proposed expenditure for Year 2 is as follows:

- Site orientation visit $ 3,500
- First pass exploration program $ 15,000
- Exploration reporting $ 3,500
- Second pass exploration program $ 15,000
- Exploration reporting $ 3,500
- Annual report preparation $ 4,500

**Total Proposed Expenditure** $ 45,000
12. **REFERENCES**

**Open File Company Reports**


RB Mining, (1981), Barrow Creek Ta, Sn, W Project, Barrow Creek, RB Mining unpublished company report, CR1981-0327.


Published Reports


