Annual Report
EL 26974
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 Mapsheet: 5853 Utopia
1:250 000 Mapsheet: SF5310 Alcoota
Commodities: Phosphate, REE

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Minesite Services Australia
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1. **EXECUTIVE SUMMARY**

In the latter part of October 2010 EL 26974 was purchased by Fertoz Pty Ltd from the previous titleholders FSL World Holdings Pty Ltd. The EL consists of 24 graticular blocks, (80km²) located in the Barrow Creek Region of the Northern Territory. The area of interest occurs within 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.

2. **CONTACT DETAILS:**

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Contact: Mr Andrew Jettner  
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3. **INTRODUCTION**

EL 26974 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 24 graticular blocks and is located south east of Barrow Creek NT.

This exploration licence, along with ELs 26915, 26975, 26977 and 27036 form a total area of 2,890 km² 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 26974 Location Map](image)
4. **TENURE**

**a. Mining**
Exploration Licence 26974 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 24 graticular blocks (80km²) and is located within the Alcoota 1:250 000 mapsheet.

**b. Real Property**
The licence is located within PPL 1032 “Alcoota Station” which is owned by the Alcoota Aboriginal Corporation (Alcoota Station PMB 27 Alice Springs NT 0872). Another area is vacant crown land.

**c. Other Stakeholders**
Other stakeholders in the licence area consist of the Angarapa peoples who are the identified traditional owners of this area. They are located to the north and east of EL 26974 on a large freehold landholding. The Alcoota Station is also owned by the Alcoota Aboriginal Corporation.

![Real Property Tenure](image-url)
5. **LOCATION AND ACCESS**

EL 26974 is located some 170km to the northeast of Alice Springs on Alcoota Station. Access to the licence from Alice Springs is 60km north via the Stuart Highway, then 30km east on the Plenty Highway, then 125km northeast on the Sandover Highway to Utopia outstation. The EL is located some 15km to the south of Utopia along minor station tracks.

Access around the licence area is relatively slow with few fencelines and station tracks. The few drainage lines are well forested which will also hamper access.

![Diagram of EL 26974 Access](image-url)

Figure 3. EL 26974 Access
6. **REGIONAL GEOLOGY**

EL 26974 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).

![Regional Geological Setting – Barrow Creek Project Area](image.png)
7. **Licence Geology**

The licence geology consists of Proterozoic and lower Palaeozoic sediments overlain by Tertiary and Cainozoic cover with Quaternary soils and sands. The uppermost unit found in the licence area is the Tertiary Waite Formation. This unit consists of chalcedonic limestone, sandstone, mudstone with minor sandy conglomerate and outcrops sporadically throughout the central part of the EL. The next youngest outcropping rock unit is the Lower Cambrian Central Mt Stuart Beds, which are composed of chocolate quartz and lithic sandstone with rare dolomite and arkose. Also outcropping are the Proterozoic Utopia Quartzite, which consists of quartzite with rare conglomerate, the Proterozoic Ledan Schist, which consists of micaceous schist, tourmaline quartzite, minor para-amphibolite, and metamorphosed conglomerate. In the southern portion of the licence the Delny Gneiss outcrops and this unit consists of leucocratic biotite-microcline-muscovite-quartz gneiss, biotite-muscovite schist, meta-psammite and meta-pelite, amphibolite with very minor calc-silicate gneiss. The metamorphic grade increases from north to south across the licence ranging from schist in the north to gneiss in the southern portion.

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

Previous exploration in the licence area has been conducted by Otter Exploration who sought uranium in the area without success, Track Minerals explored for the same commodity, again without success. Tanami Exploration explored the area extensively seeking Tanami-style gold, iron oxide copper-gold (IOCG) and Tennant Creek-style copper-gold mineralisation in the Alcoota district. Tanami Exploration spent 5 years exploring in this area without success. Today's commodity requirements are different and so further exploration for a different suite of commodities is warranted.

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<tr>
<th>Licence No</th>
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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**
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.

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 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.

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

Exploration Reporting – 1 man, 2 days

Preparation of the second annual report – 1 man, 2 days

Field activities in this area will be conducted in conjunction with operations on the adjacent exploration licences (ELs 26915, 26975, 26977 and 27036), of the Barrow Creek Project.
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:

- First pass exploration program $ 4,500
- Exploration reporting $ 2,500
- Annual report preparation $ 3,000
- **Total Proposed Expenditure** $ 10,000
12. **REFERENCES**

**Open File Company Reports**


**Published Reports**


