FINNISSE RANGE PROJECT, NT

EL 24773

ANNUAL REPORT

FOR THE PERIOD

10th January 2011 TO 9th January 2012

Tenement : EL 24773
Owner : Altura Exploration Pty Ltd
Operator : Altura Exploration Pty Ltd
Prepared by : B G Bourke
Date : February 2012
Distribution : Altura Exploration Pty Ltd (1)
Department of Resources, NT (1)
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1. **SUMMARY**

Work completed during the reporting period included an ongoing review of previous exploration completed by Altura, with a focus on potential lithium mineralisation. An assessment of the geochemical sampling data of the Seven Up pegmatite prospect was carried out. The drilling proposed for the 7 Up prospect which was originally planned for 2010 field season has been cancelled following the review. No field studies were undertaken in 2011.

2. **INTRODUCTION**

This report covers exploration work carried out by Altura exploration Pty Ltd, a wholly owned subsidiary of Altura Mining Limited, during the reporting period of 10th January 2011 to 9th January 2012.

3. **LOCATION AND ACCESS**

The Finniss Range Project is located approximately 50 km south of Darwin and about 20 km southwest of Berry Springs/Tumbling Waters. Access is via the all-weather Litchfield National Park and Fog Bay Roads, and various dirt tracks.

The Licence lies on the Darwin 1:250,000 (SD52-4), and Bynoe (5072) 1:100,000 scale topographical and geology sheets.

4. **TENEMENT STATUS**

EL 24773 was granted to Altura Exploration Pty Ltd on 10th January 2006 for a period of six (6) years. A Renewal Application has been lodged with DoR.

The tenement is part of a project which also includes EL’s 24774, 25521, 25603, 25604, 26399, 26467, 26469 and 26932 (Figure 1).

<table>
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<th>Tenement</th>
<th>Holder</th>
<th>Grant Date</th>
<th>Expiry</th>
<th>Area (Sub blocks)</th>
<th>Rent$</th>
<th>Commitment $</th>
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<td>EL 24773</td>
<td>Altura Exploration Pty Ltd</td>
<td>10.01.2006</td>
<td>9.01.2012</td>
<td>5</td>
<td>$880</td>
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*Table 1: EL 24773 – Tenement Details.*
Figure 1: Finniss Range Project - Tenement Location Plan – EL 24773
5. LOCAL GEOLOGY

The project area consists primarily of the Early Proterozoic Burrell Creek Formation, an interbedded sequence of lutite, arenite and rudite. The sediments form undulating hills, low ridges and prominent strike ridges and where the more resistant arenite predominates in outcrop. Sandstone units which are often metamorphosed to quartzite, typically form blocky beds between 0.2-2.0m thick, are strongly jointed and fractured, and often quartz veined. Much of the area is covered by ferricrete, which varies between massive and pisolithic.

The formation conformably overlies the Mount Bonnie Formation, the contact being defined by the top of the uppermost unit of argillite, tuff, banded iron formation, or shale containing chert bands, lenses or nodules.

To the west, the Burrell Creek Formation is intruded and contact metamorphosed by the Two Sisters Granite. Metamorphic grade increases westward from sub-greenschist facies siltstone and sandstone in the east, to upper greenschist facies gneiss and schist in the west.

The Two Sisters Granite forms a discordant irregular batholith, and consists of moderately to non-foliated granite, adamellite, granodiorite and minor porphyritic granite.

The Archaean Rum Jungle Complex is located to the east of the tenement package, where it is exposed as scattered low pavements and boulder-strewn outcrops protruding through a thin veneer of Cainozoic sand.

Rare element pegmatites that crop out in the area form the Litchfield pegmatite belt. The Litchfield belt is divided into the more prominent Bynoe Pegmatite Field, and the less significant Wingate Mountains pegmatite district.

The Bynoe pegmatite field is 70km in length and 15km in width. All pegmatites are believed to have been derived from the Two Sisters Granite (Ahmad 1995), which is considered to dip to the east under the Burrell Creek Formation, below the exposed pegmatites.

The pegmatites typically occur in clusters, and six pegmatite groups are recognised within the Bynoe field; The Kings Table, Observation Hill, Walkers Creek, Labelle, Leviathan, River Annie Group. The last two groups lie within the Project Area.

The Leviathan and River Annie Group pegmatites occur within the Burrell Creek Formation. The pegmatites are irregularly distributed, concordant with the main metamorphic foliation, and interfinger in places mostly along bedding planes (Frater, 2005).
Figure 2: Finniss Range Project – Tenements and Regional Geology
6. PREVIOUS EXPLORATION

Previous exploration has centred on the Leviathan Group pegmatites (Leviathan Mine), and the area surrounding the Annie Mine.

The Leviathan mineralisation was discovered by C. Clarke in 1886, and a mine and battery were established shortly after. By 1890, three shafts had raised 406t of ore to produce 2.03t of Sn oxide (Frater, 2005). The tin mineralisation proved to be patchy and the leases were abandoned in 1909.

Following this initial discovery, numerous mineralised pegmatites were discovered and worked in the area by Chinese and European prospectors. Mining was short lived and virtually all leases were abandoned by 1910, with no record of location or production.

The Leviathan area was explored by Greenex, a division of Greenbushes Ltd, which later became Sons of Gwalia, between 1983 and 1990. By 1987, using ground reconnaissance and aerial photographs, Greenex had rediscovered over 20 of the pegmatites that had been worked at the turn of the century.

Leases covering the Leviathan pegmatites passed to Corporate Development and in 2000, Julia Corporation Ltd (Julia) negotiated an option to explore the Leviathan ground. They carried out an RC drilling program, targeting several of the larger Leviathan pegmatites. In total, over thirty pegmatites have been discovered in the Leviathan area.

Greenex mapped the Annie area in 1984, and sampling of the Annie pegmatite showed it to be tin-rich. Outcrop was restricted to prominent quartz ridges and old workings. According to Frater (2005), one 25m section of pegmatite averaged approximately 666 g/tonne Ta₂O₅, the highest individual sample assaying 2360g/t.

Further exploration work including auger drilling and trenching, and pegmatite was intersected over a strike length of 325m and a width of up to 35m. Auger drilling indicated a resource in the order of 0.098Mt at 156g/t SnO₂. Exploration continued until 1988, when Corporate Developments acquired the Annie lease. Softwood Plantations Pty Ltd, acting for Corporate Development, mined the Annie pegmatite in the period 1995 to 1999. 11t of tantalite and 28t of tin were produced between 1995 and 1997, and a further 69t of combined tantalum-tin concentrate was parcelled in 1997-1999.
7. CURRENT EXPLORATION – Altura Exploration Pty Ltd

Work completed during the reporting period comprised a review of all previous exploration completed by Altura with a focus on lithium. Previous exploration was primarily concerned with locating tantalum mineralisation.

Rock chip sampling of the Seven Up prospect in the Finniss Range has returned encouraging results for lithium and tantalum.

The rock chip sampling program, which was completed in December 2009, was designed to test the strike extension of mineralised pegmatites identified in a 2006 regional rock chip sampling program.

The first phase of rock chip sampling in 2006 which comprised 64 samples returned encouraging results of up to 1.48% Li₂O - sample 6060133 and 1187ppm Ta₂O₅ in sample 6060136.

Geological mapping completed in December 2009, Figures 3 and 4, revealed that the main pegmatite body strikes north-northeast for approximately 300m with a maximum width of 10m at the southern end. The sharp pegmatite contacts are steeply dipping to the west and conformable to the host rock comprising sedimentary mica schist.

The pegmatite pinches and swells along its length, grading laterally from a massive quartz dyke with minor pegmatite veining, occurring, usually as trails of mica in the north, to a quartz-muscovite pegmatite containing abundant country rock xenoliths in the south. Pervasive tourmaline replacement (tourmalinisation) of the country rock occurs at the edge of the pegmatite intrusion, and is considered to be evidence of the escape of volatile fluids from the pegmatite at the time of emplacement. Fine grained tantalite occurs in the middle section of the pegmatite.

To the west of the main pegmatite body, additional scattered pegmatite outcrops indicate that there may be additional parallel veins at depth or beneath alluvial cover.

A second phase of detailed rock chip sampling undertaken in the 2009 reporting period (59 samples) returned encouraging results for lithium (up to 0.94% Li₂O from sample 120939) and tantalum (up to 995ppm Ta₂O₅ from sample 120949). High grade tantalum, which was visible in hand specimen, primarily occurs in the middle section of the pegmatite where it narrows to a width of one to two metres. Anomalous levels were also recorded from scattered pegmatite outcrops located to the west of the main pegmatite body.

Anomalous lithium levels were returned from the northern (up to 0.88% Li₂O) and southern (up to 0.44% Li₂O) sections of the pegmatite body. Of the 123 rock chip samples that have been taken from the prospect up to the end of 2009 (64+59 = 123) 9 samples were comprised of tourmalinised mica schist close to the pegmatite contact. Encouragingly, 5 of the 9 samples returned levels of >0.48% Li₂O, indicating that there is a possibility of enhanced lithium mineralisation not only within the pegmatite, but also within the host rock. Additional rock chip sampling of the sediments will determine the width of lithium mineralisation from the pegmatite contact.

A limited range of samples has been selected for XRD analysis in order to determine the lithium-bearing mineral.
Figure 3: Seven Up Prospect - Outcrop Geology and Rock Chip Sampling (Li₂O%).
(Samples collected in 2009)
Figure 4: Seven Up Prospect - Outcrop Geology and Rock Chips (Samples collected in 2009)
7.1 Exploration – Current Reporting Period 10th January 2011 – 9th January 2012

In 2010 Altura Exploration undertook field reconnaissance studies within the 7 Up prospect area and rock chip sampling of outcropping pegmatite in the area to the south of the Anne River. A total of nine (9) samples were collected, 119801 to 119809. This sampling was carried out to check on previous sampling and secondly to assess whether the prospect area warranted drilling.

Although Altura Exploration submitted a Mine Management Plan (“MMP”) in 2010 which included proposed drilling within the 7 Up prospect area this MMP was withdrawn in 2011 as the drilling was no longer considered to be warranted.

8. CONCLUSIONS

A Mine Management Plan was submitted to DoR in 2010 to drill the 7 Up prospect however following further mapping and sampling by Altura in 2010 it was decided that the prospect did not warrant RC drilling as a standalone target. Further field mapping and sampling is to be carried out to establish the presence of additional pegmatite veins.

9. REFERENCES

Ahmad, M., 1995, Genesis of tin and tantalum mineralisation in pegmatites from the Bynoe area, Pine Creek Geosyncline, Northern Territory. Economic Geology 42, 519-534.


APPENDIX 1

2011 EXPENDITURE STATEMENT