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<th>Title Holder</th>
<th>Woodleigh Nominees Pty Ltd</th>
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<td>Operator</td>
<td>Woodleigh Nominees Pty Ltd/ Territory Iron Pty Ltd</td>
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<td>Tenement Manager / Agent</td>
<td>Australian Mining &amp; Exploration Titles Services (AMETS) Darwin office – for Territory Iron Pty Ltd</td>
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<td>EL27380</td>
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<td>Reporting Title</td>
<td>EL27380 Annual Report for the Period 9th March 2012 to 8th March 2013</td>
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<td>Target Commodity</td>
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WOODLEIGH NOMINEES PTY LTD

ABN 92 050 120 057

TERRITORY IRON PTY LIMITED

A.C.N. 100 552 118

EL27380

ANNUAL REPORT FOR THE PERIOD

9th March 2012 to 8th March 2013

Pine Creek SD52-08 1:250,000 Sheet
Pine Creek 5270 1:100, 000 Sheet
McKinlay River 5271 1:100, 000 Sheet

NORTHERN TERRITORY

Andy Burgess
May 2013
SUMMARY

This report details exploration activity conducted by Woodleigh Nominees Pty Ltd (‘Woodleigh’) and Territory Iron Pty Ltd (‘TIPL’) within tenement EL27380 during the year ending 8th March 2013. During the reporting period, the following work was undertaken:

**Woodleigh:** Continued alluvial sampling for gold and/or tin. This comprised screening, gravity concentration, crushing and grinding of selected oversize material. The concentrate from these samples were examined under a hand held microscope for visible gold and/or tin particles. A quantity of Iron was also observed but both the tin and iron were disregarded as being of no particular interest due to their low grade. An assessment of practical treatment methods for the alluvial gold was undertaken. Rehabilitation of the sample sites and track repairs was also carried out.

**TIPL:** Preliminary investigations and background study into iron and manganese potential within the Masson Formation. The Masson Formation is considered to be mildly prospective for iron ore.

Total expenditure for the tenement during the reporting period was $16,350.

Woodleigh Nominees Pty Ltd’s proposed activities for the coming year include the recommendation to take 2 bulk samples of approx. 1000 cubic metres each, one from near Francis Creek and the other from east of the Francis Creek Gold mine to help prove the viability of this area for an alluvial gold operation.

TIPL concludes that the Masson Formation within EL27380 holds some prospectivity for iron ore mineralisation and recommends undertaking a detailed literature research and review of all existing data held by NTGS in open file (in regards to iron and manganese potential). This will be followed by reconnaissance site visit(s) to the tenement for on-ground evaluation, with rock-chip samples likely to be taken.

Estimated expenditure is $19,000.
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1. **INTRODUCTION**

This report details exploration activities for gold and iron ore / manganese mineralisation conducted by Woodleigh Nominees Pty Ltd (Woodleigh) and Territory Iron Pty Ltd (TIPL) within EL27380 for the annual reporting period ending 8 March 2013.

EL27380 is located about 8km by graded station road north-east of the Frances Creek iron ore mining district from which about eight million tonnes was produced during the period 1967 to 1974. The mining district lies 23km north of the township of Pine Creek which is located on the Stuart Highway about 220km south of Darwin. Access from Pine Creek is along the sealed Kakadu Highway for 2km and then along the graded Frances Creek road for 23km to the Frances Creek iron ore mine site area (see Figure 1 & Figure 2).

2. **TENURE**

2.1 Mineral Rights

EL27380 is held by Woodleigh Nominees Pty Ltd and was granted on 9th March 2010 for a period of 6 years. The tenement covers 36.31 km$^2$ or 12 graticular blocks. A waiver of reduction was submitted on behalf of TIPL after the 2nd year of the licence.

Territory Iron Pty Ltd entered into an agreement with Woodleigh Nominees Pty Ltd in April 2012 for tenure adjacent to the Frances Creek Project, which included EL27380. Woodleigh Nominees Pty Ltd agreed to grant TIPL the rights to explore and mine for iron ore and manganese. Woodleigh retains all other mineral rights.

2.2 Land Tenure

The tenement includes parts of the following land tenure:

- **Ban Ban Springs Pastoral Lease, PPL 1111 – NT Portion 695**, owned by Ban Ban Springs Station Pty Ltd, PO Box 7207, St Kilda Road, Melbourne, Vic 8004.

- **Mary River East Pastoral Lease, PPL 1134 - NT portion 1631**, owned by Mary River Wildlife Ranch Pty Ltd, PO Box 137, Pine Creek, NT 0847.

2.3 Aboriginal Sacred Site Clearance & Native Title

Registered native title claims are in place over the pastoral leases:

- **DC01/21 (Paddy Huddleston & Ors) – PPL 1111**
- **DC00/18 (Northern Land Council) – PPL 1134**
Figure 1  Location Overview Tenement EL27380
Figure 2: Tenement EL27380
3. DISTRICT GEOLOGY & MINERALISATION

Palaeoproterozoic Mundogie Sandstone sediments of the Mt Partridge Group and Masson Formation sediments of the Namoona Group cover most of the area within EL27380. Large bodies of conformable sills of pre-orogenic Zamu Dolerite appear to have preferentially intruded pelitic units of the Masson Formation. Cretaceous quartz-pebble conglomeritic sandstone forms remnant plateaus.

These sediments and dolerite sills have been moderately to tightly folded about NW trending axes into a series of synforms-antiforms with vertical dips or steep dips to either side of vertical. On a regional scale, these structures form a synclinorium with a dominant westerly dip within the tenement area.

Regional lower greenschist grade metamorphism accompanied the folding event during a major deformation period between 1870-1810 Ma.

The Masson Formation is considered to be mildly prospective for iron ore. The Frances Creek East deposits, which lie directly east of EL27380, occur as conformable ironstone bodies in tightly folded, ferruginous carbonaceous shale and phyllite of the Masson Formation, in close proximity to the Zamu Dolerite. Previous drill testing in this region has indicated minor prospectivity for economic occurrences of iron ore.

The tenement has other settings that appear prospective for a similar style of iron mineralisation as the main Frances Creek mine; however, alluvial cover masks the target Wildman Siltstone Formation. The abundant Mundogie Sandstone does not appear to be prospective for iron ore, but remains largely unexplored for tin, especially in eastern areas adjacent to late granite intrusions associated with the Cullen Batholith.

4. WORK COMPLETED IN 2012-2013

4.1 Woodleigh Nominees Pty Ltd

During the reporting period, Woodleigh carried out the following exploration activities on tenement EL27380:

Continued alluvial sampling for gold and/or tin. This comprised screening, gravity concentration, crushing and grinding of selected oversize material. With the aid of a small handheld motorised 150mm auger drill, the alluvium in the area of the Frances Creek road crossing was sampled to a depth of 1.5-1.8m. Each sample hole yielded approx. 30lt. of
material with 7 holes filling a 200lt. drum being used as the “standard” measure. Holes were spaced at one metre intervals with the sample wet screened to minus 6mm and gravity concentrated by hand washing in a prospector’s dish. The samples were treated on site by hand as this was considered the quickest.

The concentrate from these samples were examined under a hand held microscope for visible gold and/or tin particles. A quantity of Iron was also observed but both the tin and iron were disregarded as being of no particular interest due to their low grade. They may be of some interest later as a by-product of concentrates when they would be being generated in some quantity. One sample was treated as before by adding HCl in the presence of zinc in order to identify the Cassiterite particles. The result was a "head grade" of approx. 150gm.Sn/cubic metre from the south side of the creek which similar to that obtained previously.

The concentrates were amalgamated with mercury separate the gold which when calculated back to the original sample provided a grade of approx. 0.3gmAu/ cubic metre for the south side of the creek and approx. 0.4gmAu/cubic metre for the north side.

An assessment of practical treatment methods for the alluvial gold was undertaken. Rehabilitation of the sample sites and track repairs was also carried out.

4.2 Territory Iron Pty Ltd

During the reporting period, TIPL carried out the following exploration activities on tenement EL27380:

Preliminary investigations and background study into iron and manganese potential within the Masson Formation. The Masson Formation is considered to be mildly prospective for iron ore. The ‘Frances Creek East’ prospect, which lies directly east of EL27380, occurs as conformable ironstone bodies in tightly folded, ferruginous carbonaceous shale and phyllite of the Masson Formation.

5. EXPENDITURE

The expenditure for the reporting period amounted to $16,350 (Woodleigh $12,500; TIPL $3,850). The covenant for the reporting year was $16,000.
6. CONCLUSIONS & RECOMMENDATIONS

The results from work carried out by Woodleigh were considered a little disappointing as it had previously been considered that this area would be better than this, although, a small nugget of approx. 0.2gm was obtained from one of the samples from the north side of the creek. However, EL27380 is still considered to hold good potential for a workable alluvial deposit in addition to the possibility of a hard-rock gold resource being located.

Woodleigh Nominees P/L recommends to take 2 bulk samples of approx. 1000 cubic metres each, one from near Francis Creek and the other from east of the Francis Creek Gold mine. This work will be dependent on the availability of a suitable treatment facility and the required approvals being obtained from the Department.

TIPL concludes that the Masson Formation holds some prospectivity for iron ore mineralisation and recommends undertaking a detailed literature research and review of all existing data held by NTGS in open file (in regards to iron and manganese potential). This will be followed by reconnaissance site visit(s) to the tenement for on-ground evaluation, with rock-chip samples likely to be taken.

Estimated minimum expenditure for this work is $19,000.