MT. SHOOBRIDGE PROJECT, NT

MCN60

ANNUAL REPORT

FOR THE PERIOD

27th August 2006 TO 22nd May 2007

Tenement : MCN60
Owner : Australian Tantalum Pty Ltd
Operator : Haddington Resources Ltd
Prepared by : N. de Kever & S. Adamson
Date : May 2007
Report Number : SH001
Distribution : Haddington Resources Ltd (1)
Department of Primary Industry, Fisheries and Mines (DPIFM) (1)
1. SUMMARY

Exploration conducted on MCN60 during the reporting period included reprocessing of the Rum Jungle Geophysical Survey by Southern Geoscience Consultants.

2. INTRODUCTION

This report covers exploration work carried out by Australian Tantalum Pty Ltd, a wholly owned subsidiary of Haddington Resources Limited (HDN) during the reporting period (27th August 2006 to 22nd May 2007).

The tenement is part of the Shoobridge Project which includes EL22186, EL23105, EL24528, EL25181, ERL88, MLN296, and MLN544 (see Figure 1).

3. LOCATION AND ACCESS

The Shoobridge Project is located approximately 160km south southeast of Darwin; approximately 19km west northwest of Hayes Creek. Access is via the Old Stuart Highway and Douglas Station tracks, which become impassable in the wet season (November to April).

The Licence lies on the Pine Creek 1:250,000 (SD52), and Tipperary (5170-1) 1:100,000 scale topographical and geology sheets.

4. TENEMENT STATUS

MCN60 (32.4Ha) was granted to R.M. Biddlecombe on 25th October 1982 for a period of ten (10) years. The MCN was renewed for a further eight (8) years on 29th March 1993, and a further seven (7) years on 18th September 2000. In 2003, the MCN was reduced to two (2) hectares.

The tenement is included in a group of tenements (EL22186, EL23105, MLN296, and MLN544) that were on offer to Australian Tantalum Limited from R.M. Biddlecombe. The option to purchase the tenements was exercised on the 4th May 2006 (see Table 1).

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Holder</th>
<th>Grant Date</th>
<th>Expiry</th>
<th>Area Km²</th>
<th>Rent$</th>
<th>Commitment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCN60</td>
<td>ATL</td>
<td>18.09.2007</td>
<td>26.08.2007</td>
<td>0.02</td>
<td>$22</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Table 1. MCN60 – Tenement Details.
Figure 1. Shoobridge Project - Tenement Location Plan
5. GEOLOGY

5.1. Tectonic Setting / Structure

The project area geology consists primarily of the Lower Proterozoic Burrell Creek Formation (feldspathic metagreywackes, minor lenses of volcanolithic pebble conglomerate, laminated phyllite, slate and mudstone), and the underlying Mt Bonnie Formation of the South Alligator Group (interbedded carbonaceous slate, phyllite, mudstone and siltstone; feldspathic metagreywacke and ferruginous phyllite (metasiltstone) with chert bands, lenses and nodules).

The Middle Proterozoic Shoobridge Granite lies within EL22186, and intrudes the sediments of the Burrell Creek Formation. Numerous prospects proximal to the Shoobridge Granite display potential for polymetallic Cu, Pb, Zn and Ag vein mineralisation (these include the Full Hand and Jackson’s prospects – the latter within MCN60).

The Shoobridge Granite is also considered to be the parent granite to the pegmatites of the Shoobridge pegmatite field (Frater, 2005), which includes the Barrett’s, Plateau Point, Chinese, Halls, Halls Creek (unnamed?), and Old Company (Mount Shoobridge) Pegmatites.

Two parallel, north-south trending faults (the Plateau Point and Shoobridge Faults) cross cut the Shoobridge Project tenements, and may have provided the structural control for pegmatite intrusion.

South of Plateau Point, the Plateau Point Fault assemblage consists of a north-northwest-trending bifurcating and en-echelon series of major faults, which displace early Proterozoic metasediments and the Fenton Granite.

Within the Fenton Granite, the Koolpin Formation is incorporated as rafts associated with the Plateau Point fault assemblage. A number of prospects (including Gold Ridge open pit), are located within these rafts, and are prospective for polymetallic vein style mineralisation. The Wildman Siltstone is displaced against the Koolpin Formation, the fault zone being characterised by sheared phyllites, abundant quartz blows and numerous contorted pegmatites.

5.2. Proximal Mineral Occurrences.

In the northern section of EL23105, the K-Mesa prospect consists of a flat-lying Cretaceous mesa, approximately 2km in length and 1km in width, displaying stratabound, supergene iron enrichment. Rock chip samples have assayed up to 57.6% Fe; average P content was ~0.5%.

A resource estimate by Perrino (1967) based on 10 measured sections around the mesa and 26 assays. It assumes the massive limonite bed is continuous throughout the mesa, however this needs to be tested by drilling.
The McLeans Prospect (an abandoned Mn mine) is located on a north-easterly trending ridge which continues northeast from the centre of K-Mesa. Mineralisation consists of massive, surficial enrichment of host sediments. Mn-rich talus boulders around the Cretaceous mesa were hand-picked and sent to Rum Jungle for use as an oxidiser to process the uranium ore mined during the 1950's and 1960's.

Jackson’s prospect (an abandoned lead mine), is located within MCN60 and consists of two small shafts and several shallow pits.

Barrett’s pegmatite is irregular in outline, and dips to the northeast at an average angle of 30°. The pegmatite body intertongues with, and contains blocks of country rock, which account for approximately fifteen percent of the pegmatite. High grade pockets of ore are common on the contacts of these xenoliths. Most shafts, costeans and pits are less than 7 m deep. The only recorded production from Barrett's is 117 t of Sn concentrate that was won prior to 1910.

The Chinese prospect is located approximately 1 km north of the Barrett’s Mine. Workings consist of a series of collapsed pits and costeans. One 45m long, deep costean has exposed a 7m wide pegmatite, with sharp contacts that are conformable to bedding. Mineralisation appears to have been concentrated on the wall and border zone of the pegmatite, as shafts have been sunk on this zone. Average Ta values from 4 grab samples taken by Frater (2005), returned 116ppm Ta, and 2,355ppm Sn.

The Halls pegmatite lies on the same line of pegmatites as Chinese and Barrett’s, and is located approximately 200m north of the Chinese workings. Blanchard (1937) reported that Halls was a 2m wide greisen lode, worked for its high grade Sn and Ta, however no details of production are available. Today, the prospect consists of four collapsed pits, 4-5m wide and approximately 4m deep, on a line trending 020° over a strike distance of 30m. Average results of two grab samples taken from the prospect by Frater (2005) returned 124ppm Ta and 203ppm Sn.

The Plateau Point Pegmatites are confined to the older rocks of the Mount Partridge Group, and intrude the Wildman Siltstone, immediately southeast of Plateau Point. These pegmatites can be traced 3.3 km south-southwest from the scree slopes of Plateau Point, to the edge of the Fenton Granite, and occur within or close to the margin of the Plateau Point Fault. Consisting of coarse grained K-spar, microcline, perthite, plagioclase, quartz and muscovite, with accessory garnet and tourmaline, the pegmatites (which are interlayered with metasediments) may attain widths between 1m and 10m. Overall, the mixed unit attains widths of up to 230m.
Figure 2. Shoobridge Regional Geology
6. PREVIOUS EXPLORATION

Tin was first discovered at Shoobridge by George Barrett in 1882. Since that time mining has primarily been confined to shallow alluvial and small lode underground mining at the Old Company Mine.

Barrett’s has been explored by various parties, and Blanchard (1937) estimated that it contained a total of 237,000 tonnes of mineralised pegmatite to a depth of 30m. Total recorded production from Barrett’s (1968) consisted of 117 tonnes of tin concentrate.

In 2001 Julia Corporation drilled 40 RC holes on 14 traverses at Barrett’s. The best intercept was 11m @ 270g/t Ta₂O₅ from 20m in BARC04. Julia announced a preliminary resource of approximately 280,000 tonnes to a depth of 60m at a grade of 125g/t Ta₂O₅ and 380g/t SnO₂.

United Uranium Pty Ltd carried out an exploration program in search of tin, lead and copper over the property in the 1960’s. In 1983 the ground was taken up by R.M. Biddlecombe, where a number of joint venture partners were involved.

From 1983 to 1986, Talmina Trading carried out stream and soil sampling. Cassiterite, tantalite and tapiolite were identified, including the identification of tantalite in streams south of recognised pegmatite loads.

6.1. Haddington Resources Ltd

Past exploration by Haddington Resources has been focussed on searching for Ta and Sn mineralisation near Barrett’s Mine (EL22186), and at Two Bobs (south of Plateau Point in EL23105).

In 2005, exploration consisted of a small soil sampling program. A total of 92 rock chips and 164 soil samples were assayed in order to identify areas of anomalous pegmatophile geochemistry for follow up mapping, sampling and drilling.

The majority of work was completed at the Two Bobs Prospect, immediately south of Plateau Point. A total of 84 rock chips and 162 soil samples were taken, identifying several anomalous areas with a peak value of 107 ppm Ta₂O₅. Results indicated a weak correlation with high Ta, Li, Rb and Cs.

Two rock chips returned Ta values greater than 100 ppm, indicating the possibility of Ta-bearig pegmatites of economic interest. The correlation between Li, Rb, Sn and Ta was high, although the majority of >500 Rb and >75ppm Li had maximum Ta responses of around 75ppm. While the LCT (Lithium, Caesium, and Tantalum) values were generally low, suggesting that these are not LCT type pegmatites.

The soil geochemistry at Two Bobs is of a low tenor when compared to Barrett’s LCT values, although elevated Li, Cs and Rb clearly define outcropping pegmatite. The Li values suggest there are no enriched margins or individual pegmatites that may be of major economic interest. The work is described in detail in Young, 2005.
7. CURRENT EXPLORATION

Exploration conducted on MCN60 during the reporting period included reprocessing of the Rum Jungle Geophysical Survey by Southern Geoscience Consultants (Figure 3). In total, 73 point uranium radiometric targets were identified from the reprocessed images.

A number of these uranium radiometric anomalies (within EL23105 and EL22186) were field checked using a spectrometer and rock chip sampling (de Kever, 2006).

A number of anomalies (31 targets) remain to be tested using spectrometer and rock chip sampling in the 2007 field season.

A literature review of historical work over the Shoobridge tenements (including MCN60 - Jackson's prospect) is underway. A number of untested anomalies have been identified, including a brecciated dolomite unit proximal to the Shoobridge Granite which previously assayed up to 1% Pb (Biddlecombe, 1982).
8. PROPOSED WORK

Exploration work for the 2007 field season will focus on uranium, iron, base metals and gold in the Shoobridge Project area.

A mapping and soil sampling program at the Jackson’s prospect (MCN60) will be implemented based on outcomes of the literature review.

A drilling program will be conducted to test any anomalous geochemical targets.

9. 2007 EXPENDITURE STATEMENT (27.08.06 to 22.05.07).

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractors Wages</td>
<td>$450.00</td>
</tr>
<tr>
<td>Geophysical Consultants</td>
<td>$150.00</td>
</tr>
<tr>
<td>Tenement Administration</td>
<td>$248.82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$868.82</strong></td>
</tr>
</tbody>
</table>

10. CONCLUSIONS


11. REFERENCES

Based on the literature review completed to date, the Company believes that the area has potential to host additional uranium, gold and base metals (lead) mineralisation.