RIO TINTO

Rio Tinto Exploration Pty. Limited

ABN 76 000 057 125 / ACN 000 057 125

A member of the Rio Tinto Group

First Annual Report
for the Period Ending 11 September 2006,
EL 4171 Cato River
Australian Bauxite Project,
Northern Territory

Exploration Report No. 27882

Tenement Holder:	Rio Tinto Exploration Pty Limited
Date:	September 2006
Submitted:	I M Clementson
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SUMMARY OF ACTIVITES

EL 4171 Cato Plateau was applied for by BHP Minerals on 3rd October 1982 and was granted on 12th September 2005. Rio Tinto Exploration Pty Limited (RTE) signed an agreement with BHP on 27th March 2000 whereby RTE took over management of the tenement. The original tenement application covered an area of 846 km^2 of which only 598.2 km^2 was granted. The remainder of the area was split off into two new applications, EL 24829 and EL 24830 and put into moratorium. The tenement is located 30 km west of Nhulunbuy, east Arnhem Land and consequently is processed under the Aboriginal Land Rights Act 1975 (ALRA).

This first annual report describes the exploration completed during the first year of the tenement and includes land access negotiations and drill track upgrades and construction. EL 4171 forms part of the larger contiguous tenement package in east Arnhem Land, which is prospective for bauxite.

EL 4171 covers part of the Cato Plateau, which is a known area of bauxite of similar style to the nearby world class Gove deposit.

Exploration was focused on testing the area for bauxite and included:

- Review of previous exploration.

- Completion of consultation meetings and site clearance surveys.

- Interpretation of existing TM data.

- Clearing access track for a small drill.

The drilling programme was deferred due to a community request. The drilling will now be conducted in year two.

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VERIFICATION LISTING

Exploration Work Type	File Name	Format
Office Studies		
Literature search		
Database compilation		
Computer modelling		
Reprocessing of data		
General research		
Report preparation	27882 Cato River, WAp46674, WAp46675, 27632 Cato River MMP.	.pdf
Other (specify)		
Airborne Exploration Surveys		
Aeromagnetics		
Radiometrics		
Electromagnetics		
Gravity		
Digital terrain modelling		
Other (specify)		
Remote Sensing		
Aerial photography		
LANDSAT		
SPOT		
MSS		
Radar		
Other (specify)		
Ground Exploration Surveys		
Geological Mapping		
Regional		
Reconnaissance		
Prospect		
Underground		
Costean		
Ground Geophysics		
Radiometrics		
Magnetics		
Gravity		
Digital terrain modelling		
Electromagnetics		
SP/AP/EP		
IP		
AMT		
Resistivity		
Complex resistivity		
Seismic reflection		
Seismic refraction		
Well logging		
Geophysical interpretation		
Other (specify)		
Geochemical Surveying		
Drill sample		
Stream sediment		
Soil		
Rock chip		
Regolith		
Water		
Biogeochemistry		
Isotope		
Whole rock		
Mineral analysis		
Other (specify)		
Drilling		
Aircore		
Auger		
Diamond		
Reverse circulation		
Rotary air blast		
Rotary percussion		
Tungsten carbide bit (coring)		
Groundwater drilling		
All drilling		
File Verification Listing (this table)	27518 Cato Plateau V	.pdf