



ABN 67 077 165 532

Level 1, 47 Burswood Road  
Burswood, Western Australia 6100  
AUSTRALIA

PO Box 139  
Burswood WA 6100  
AUSTRALIA

Phone: +61 8 9355 1677  
Fax: +61 8 9355 1977

Email: [csaus@csaglobal.com](mailto:csaus@csaglobal.com)

Date: November, 2009  
Report No. R237.2009

*Annual Report*

**FSL WORLD HOLDINGS**

**Exploration Licence 26055**

**Barkly Region, Northern Territory**

**For the period: 5/9/08 to 4/9/09**

**By**

**Karl Lindsay-Park**

*B. App. Sc. Geology*

For:  
FSL World Holdings P/L  
99 Mary Street  
Brisbane QLD 4000

Approved:

---

Jeff Elliott  
Managing Director

---

## EXECUTIVE SUMMARY

EL 26055 is one of two granted exploration licences owned by FSL World Holdings in the Barkly region of the Northern Territory. Both licences were taken out to allow FSL to undertake exploration for phosphorite mineralisation. During the reporting period a detailed compilation of the previous exploration work was completed and a drilling proposal was developed. Unfortunately, due to the difficult financial circumstances experienced world wide it was not possible to complete the drilling activities. It is anticipated the proposed drilling will be undertaken, weather permitting, in late November to early December 2009.

---

## CONTENTS

Executive Summary.....	II
Contents .....	III
1 Introduction.....	1
2 Location and Access.....	2
3 Tenements .....	3
4 Geological Setting .....	4
5 Previous Exploration .....	6
5.1 Previous Work by FSL World Holdings .....	7
6 Proposed Exploration.....	8
<b>Figures</b>	
Figure 1. EL26055 Location .....	2
Figure 2. EL26055 Geology.....	5
<b>Tables</b>	
Table 1. Tenement details .....	3
Table 2. Historical Drilling Results .....	6

---

# 1 Introduction

Exploration licence 26055 lies approximately 230km to the east of Tennant Creek. The licence consists of 499 blocks and covers an area of 1590 square kilometres. The licence was granted to FSL World Holdings on the 5<sup>th</sup> September 2008 for a period of 6 years.

Access to the area from Tennant Creek is via the sealed Barkly Highway. A well developed set of station tracks provide access to most areas. The landform is generally flat, open grass land with only a few scattered trees and shrubs in the northern part of the licence. There is very little out crop in the area. Occasionally there are patches of loose, wind polished cobbles but mostly the area is desiccated black soil.

The Barkly region has a long, dry and hot summer with a cooler winter period. Rainfall is limited but can be heavy in the monsoon season, November to March each year, and particularly when associated with cyclone activity. Only a minor amount of rain is necessary to prevent vehicle movement on the black soil. During winter strong easterly winds are a feature of the area.

The area is prospective phosphate mineralisation.

## 2 Location and Access

Access to the area from Tennant Creek is via the sealed Barkly Highway. A system of well developed station tracks provide easy access to most areas. Off road driving is relatively easy as most of the country is flat with only minor drainage. In the northern part of the licence stands of thick scrub

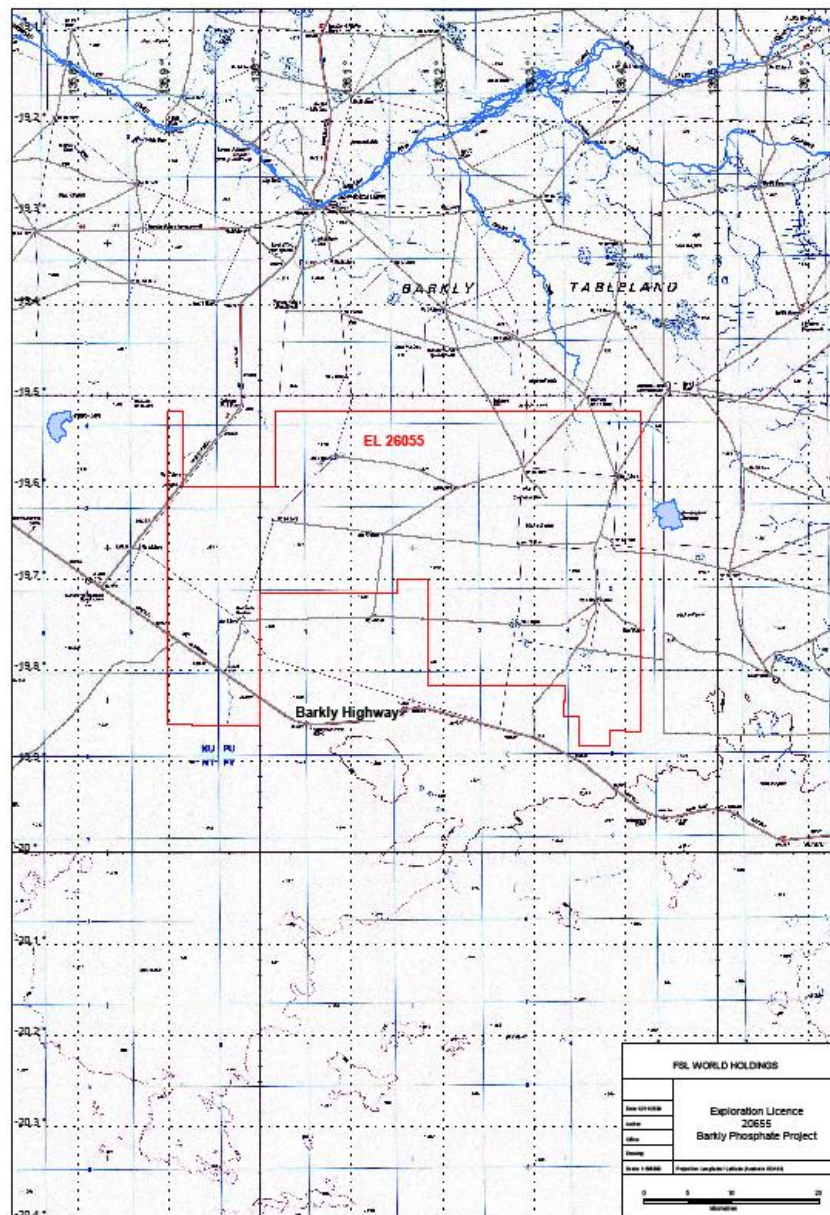


Figure 1. EL26055 location

### 3 Tenements

EL 26055 was granted to FSL World Holdings (100 %) on 5<sup>th</sup> September 2008. The tenement comprises 499 blocks within N.T. Portions 2 and 773 which are PPL's 914 and 988 respectively. The pastoral leases are owned by the North Australian Pastoral Company P/L and the Channel Cattle Co P/L.

**Table 1. Tenement details**

Tenement	Ten no.	Blocks Granted	Blocks Relinq.	Blocks Retain	Grant Date	Expiry Date
Barkly Project	26055	499	nil	499	5/9/2008	4/9/2014

---

## 4 Geological Setting

Exploration licence 26055 lies in the south-eastern corner of the Alroy 1:250,000 map sheet, number SE53-15. The geological map, prepared by the NTGS in 2007 shows the area is largely covered by Cenozoic black soil, silcrete and ferricrete.

Several outcrops of Wonarah Formation have been mapped in the area. The Formation is described as “Chertified limestone and mudstone, dolostone; siliceous concretions, minor interclast and bioclast wacke to grainstone, siltstone and sandstone.” The Wonarah Formation is part of the Middle Cambrian aged Barkly Group and is the host to the Wonarah Phosphate deposit.

The Gum Ridge Formation underlies the Wonarah Formation and occurs extensively in the east of the licence area. In the west the Wonarah Formation is covered by the Cenozoic aged Brunette Limestone.

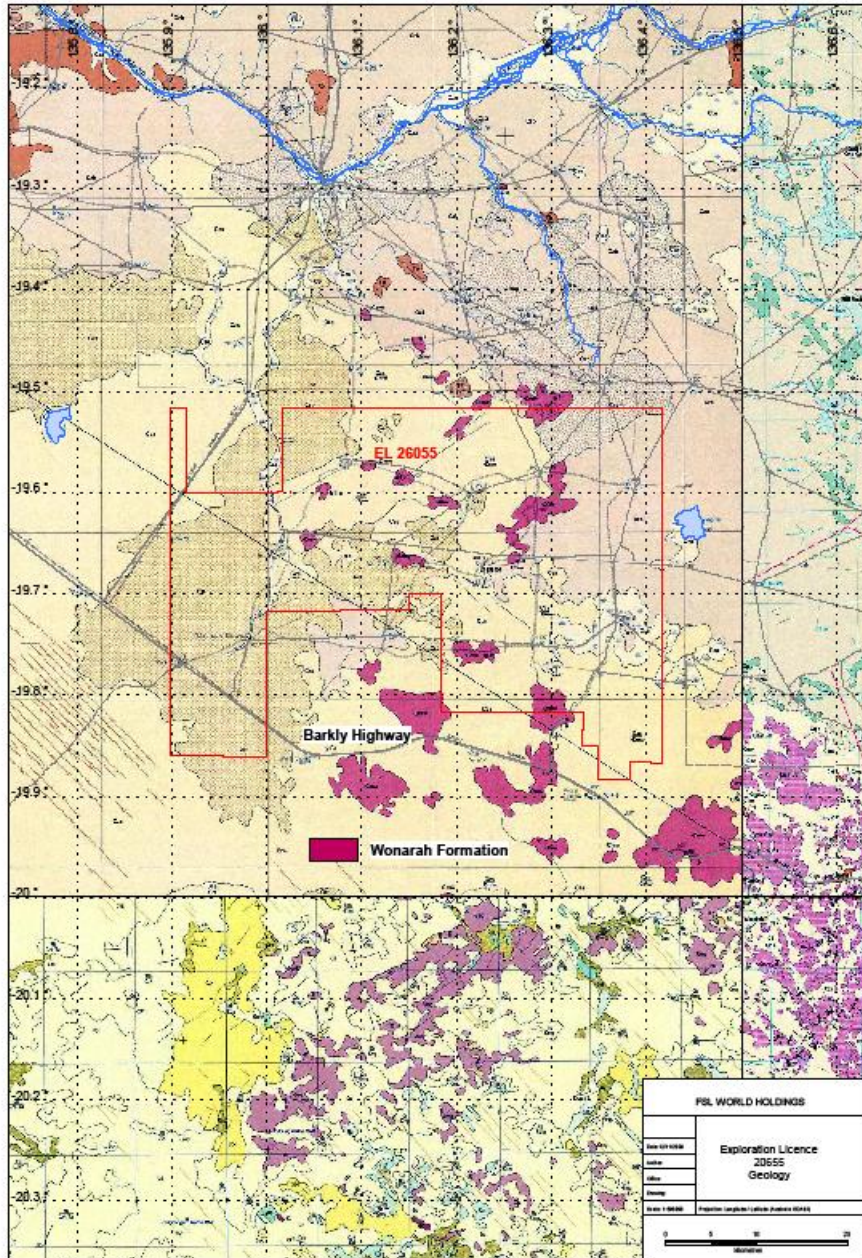


Figure 2. EL26054 - Geology



## 5 Previous Exploration

To date the only exploration work completed by FSL World Holdings has been a review of the previously completed exploration work. The results of the review are described below.

There have only been two historical exploration licences that covered the area of the current tenements. In 1968, IMC Development Corporation used widely spaced drilling to define the Wonarah phosphorite deposit. Several holes were drilled within the area of EL's 26054 and 26055. Numerous, highly anomalous phosphate intersections were returned as shown in Table 1, which displays the holes arranged, by location west to east.

In 1979, ICI Australia undertook drilling in the area. They concentrated their efforts near drill hole W122 (**16.8m @ 15.2% P<sub>2</sub>O<sub>5</sub> from 44.2m**) which was completed by IMC Development Corporation. The drilling intersected phosphate in all four holes they completed. The assay results from samples collected varied from between one and seven metres at about 15% P<sub>2</sub>O<sub>5</sub>. The ICI drilling is located just to the south of the current area of interest but well north of the Wonarah deposit, which demonstrates that the phosphorite mineralisation is not closed off to the north as is suggested by Minemakers in their publicity releases.

The review of the previous exploration has shown that very little exploration work has been done in the current tenement area.

**Table 2 Historical Drilling Results**

Hole Number	Broad Intersection	Including	Including
W5	No significant results		
W6	0.8m @3% from 20m		
W7	2m @2.8% from 9m		
W32	3m @2.2% from 45m		
W34	12.5m @4.4% from 30m	2.5m @ 7.7%	2.5m @ 6.7%
W139	25m @ 4.1% from 15m	2.5m @ 6.9%	2.5m @ 8.6%

W83	16m @ 5.1% from 30m	6.6m @ 8.8%	
W16	No significant results		
W17	5.8m @ 4.8% from 22m	0.8m @ 12.2%	
W18	23m @ 3.9% from 32m	6m @ 5.7%	
W99	No significant results		
W127	No significant results		
W76	5m @ 6.5% from 26m	1m @ 10.3%	
A59	No significant results		
W75	No significant results		
W96	No significant results		
W125	2.5m @ 2.2% from 38m		
W74	2m @ 7% from 42m		
A60	12.5m @ 9.2% from 48m		
W97	No significant results		

The data in Table 2 clearly shows that the primary phosphorite development process has been active over a very large part of the Barkly Group tenements. The previous drilling is very widely spaced and additional work will be required to find the higher-grade material present.

### 5.1 Previous Work by FSL World Holdings

Exploration completed in the first year of tenure includes:

- A detailed review of previous work has been completed. The results are described in section 5.
- A drilling proposal was formulated but due to difficult financial circumstances has not yet been completed.

---

## 6 Proposed Exploration

To further the exploration of EL 26055 it will be necessary to undertake broadly spaced RAB or RC drilling to locate areas of thicker, higher-grade mineralisation. The regional magnetic imagery indicates there are several areas of apparently thicker sediment deposition and these areas will be targeted during the drilling.

The initial drilling program has been scheduled for late November or early December 2009, weather permitting. To complete the first pass drilling and analytical work a budget of \$50,000 has been allocated. A second round of drilling will be undertaken in the next dry season to define the extent on any mineralisation discovered. To complete the second phase of drilling an expenditure of \$150,000 is envisaged.