

Lottah Mining Pty Ltd

Annual Report

Exploration Licence EL 53 / 2007 MT EVERETT

For the period
December 2013 - December 2014

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1. Foreword

1.1 Function of the Annual Report

This Annual Report has been prepared as a public document for submission to Mineral Resources Tasmania (MRT). The report provides a summary of the exploration activities undertaken by Lottah Mining Pty Ltd within Exploration Licence EL 53/2007 during December 2013 - December 2014.

1.2 Role in the Regulation Process

This document fulfils the role of an Annual Report on EL 53/2007 for the period December 2013 - December 2014, as required under Section 28 of the *Mineral Resources Development Act 1995*.

1.3 Datum

Geodetic Datum MGA94, zone 55 has been used for this report unless otherwise stated.

Distribution

1 x Mineral Resources Tasmania

1 x Lottah Mining Pty Ltd – Sydney Office

Executive Summary

This report covers exploration activities completed on EL53/2007 Mt Everett for the period December 2013 - 2014. The EL forms part of a tenement package prospective for Magnetite and Tungsten mineralisation around the House Top Granite in NW Tasmania.

Six diamond drill holes for 213m were completed during the previous year. Five of the six holes intersected magnetite skarn before ending in granite basement. Sampling for the drilling program were sent to ALS by LMPL for analysis. Table 3 illustrates these results.

Work completed upon tenement EL 53/2007 for the (2013-2014) annual report period includes: review of historical documents, reconnaissance, geological surveys and sample analysis of the infill drilling program. The majority of the proposed work for 2014 will concentrate on the North Rogetta deposits on EL18/2007 and EL53/2007.

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2. Introduction

EL53/2007 Mt Everett is one of 5 current exploration licenses held by Blythe River Iron Pty Ltd (BRI). The tenements were acquired from either Red River Resources Ltd (RVR) or Iron Mountain Ltd (IRM) and managed by BRI and Lottah Mining.

The Blythe River Iron Project (BRIP) consists of a number of small to medium size magnetite skarn deposits located in NW Tasmania, approximately 30km south of Burnie (Figure 1). Exploration is focused on resource delineation of semi massive to massive magnetite deposits to provide a resource base for a magnetite mining operation for the iron ore market. EL53/2007 hosts the Rogetta East deposit and is integral to the development of the area.

This report comprises information on exploration activities completed on EL53/2007 during the December 2013 to December 2014 period.

3. Exploration Licence Location and Operations

Mineral Exploration Area

Exploration Licence (EL53/2007) covers 47 square kilometres and is located approximately 30 kilometres south of Burnie, North West Tasmania (Figure 1).

3.1 Site Location

Main access to EL53/2007 is via Blythe Rd off Upper Natone Road. Blythe Road is a gravel surface winding through plantation forest and crown land. Access to the tenement is good.

The licence area is dominated by a mixture of plantation forest, dry eucalypt forest and woodland, tea tree scrubland and button grass plains on undulating topography. Tea tree and eucalypt species are particularly dense along creek beds and other low lying areas.

3.2 Exploration Licence Tenure

The tenement EL53/2007, was granted to BRIP on the 18 December 2007 for a period of five years and applies to all Category 1 minerals. The licence is currently granted on a year by year renewal basis. The licence area covers 47 square kilometres and excludes any of the following:

Any land owned or leased by the Commonwealth of Australia;

Mining Leases

Retention Licences; and

Crown reservations

The current land tenure in and around EL53/2007 is provided in Figure 1.

4. Regional Geology

The Blythe River Iron Project is located on the western margin of the Dial Range Trough and is underlain by lithologies of the Late Proterozoic Oonah Formation, Owen Group Siliciclastics, Gordon Group Limestone, Devonian Granites and Tertiary Basalt (Figure 1). The Dial Trough is a structurally interesting basin that includes a possible Northern Extension of the Hellyer Fault, and significant basin bounding faults on the western and eastern sides. The Devonian post orogenic Housetop Granite dominates the geology to the south of the project area and is considered to underlie much of the southern Dial Trough. The Dial Trough has been poorly mapped and stratigraphic correlations are uncertain for many units.

Oonah Formation

The oldest rocks in the district are the Proterozoic Oonah formation, consisting of poly-deformed quartzite, siltstone and pelite with lesser dolerite intrusives. These are overlain by a sequence of pelite-carbonate with minor mafic volcanics and conglomerate. This association is host to replacement deposits at Mt Bischoff and near Zeehan and consequently represents a potential host for similar styles of skarn mineralisation.

Mt Read Volcanics

Mt Read Volcanic associations have been correlated with the felsic volcanoclastics of the Western Volcano-sedimentary sequence and the Tyndall Group quartz-feldspar phyric volcanoclastics.

Owen Group

The Late Cambrian to Ordovician Owen Group overlies the Mt Read Volcanics and is comprised dominantly of siliciclastic conglomerate and sandstone. Locally volcanic derived conglomerates are associated with basal members. The Moina Sandstone, comprised of coarse to fine siliciclastic sandstone with minor intercalated conglomerate is the uppermost siliciclastic unit of the Owen Group and has a gradational contact with the overlying Gordon Group.

Gordon Group Limestone

Conformably overlying the Owen Group is the Gordon Group limestone and dolomite sequence which is the host of the Kara district magnetite skarns. The stratigraphic thickness of the limestone is regionally variable ranging between 50-1000m.

Housetop Granite

The Housetop granite outcrops in much of the Blythe River Prospect and is believed to extend below much of the area (Leaman, 1993). Leaman concludes that the Housetop granite is anomalously dense and highly magnetic, which may explain the abundance of iron metasomatism in the district. The granite is responsible for massive Magnetite-Sn-WO₃ mineralisation of the Kara District. The association of Tasmanian Devonian granites with Magnetite, Sn-WO₃, Pb-Zn-Ag and Au mineralisation is well documented.

Tertiary Basalt

Basaltic flows are widespread throughout the Blythe River Iron Project area, flooding Tertiary palaeo-topographic lows. The basalts vary widely in thickness and frequently have a high magnetic susceptibility creating difficulties for magnetite exploration below basaltic cover. Recent resource and exploration drilling at the Kara Mine indicates that the magnetite skarn extends below basalt cover.

Regional Geology for EL53/2007

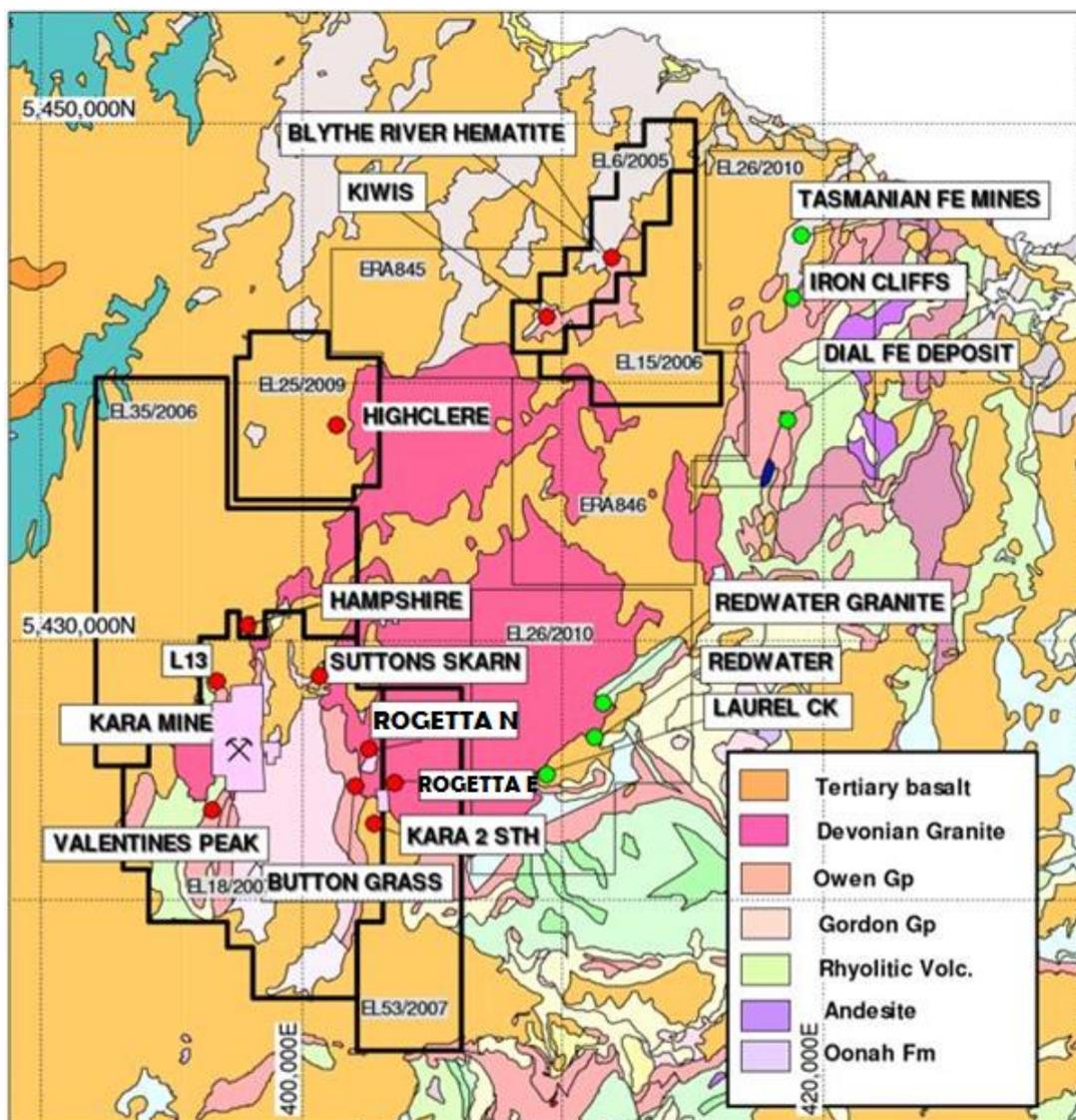


Figure 1. Blythe River Project location, Fe Prospects and MRT 250,000 Geology. Red dots are BRIP Fe prospects, green dots are other regional Fe Prospects.

Regional Total Magnetic Intensity for EL53/2007

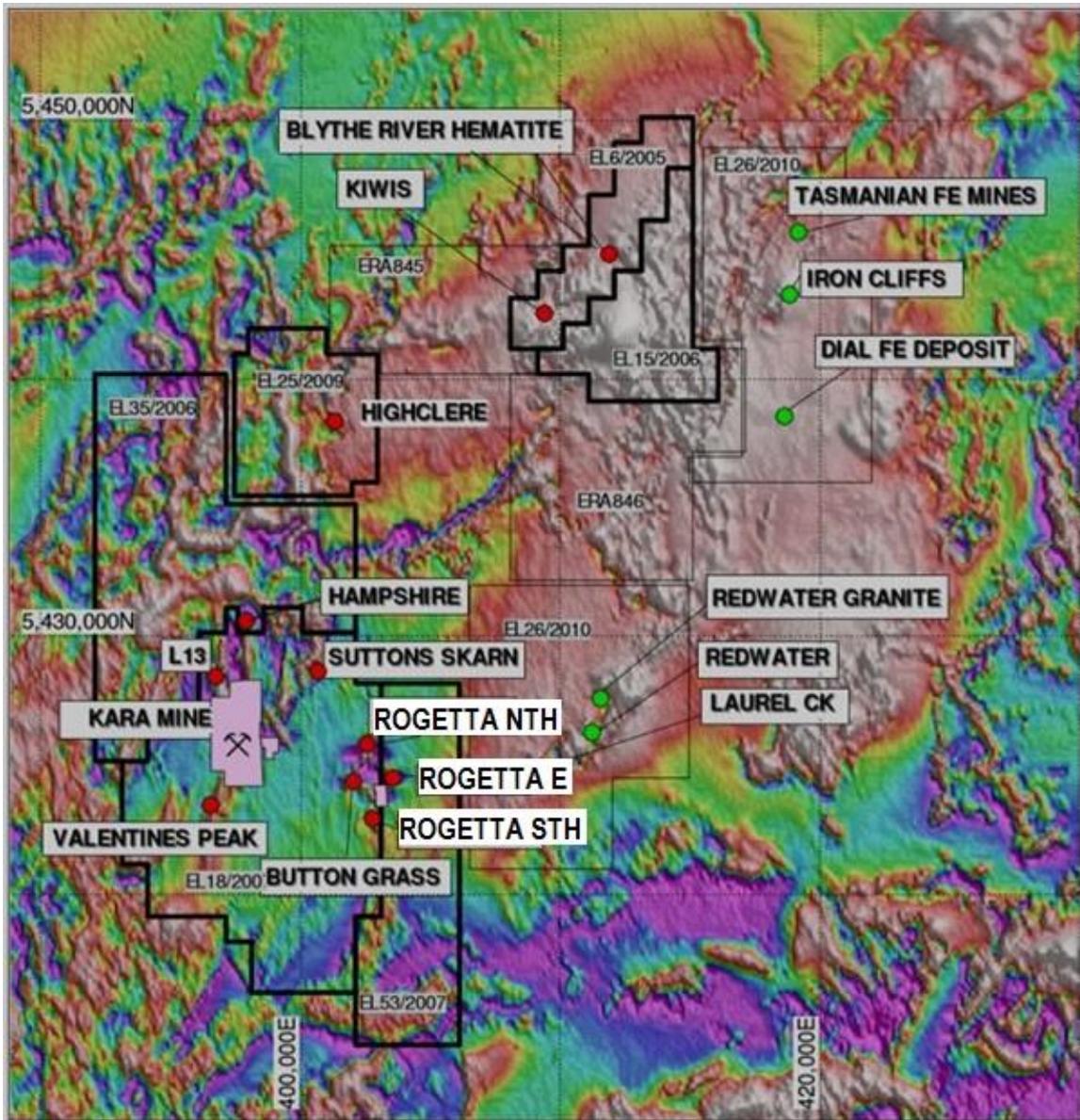


Figure 2. Blythe Prospect tenements, TMI and prospect locations. Red dots are Blythe Project Fe prospects, green dots are other regional Fe prospects.

4.1 Local Geology

The geology of northern end of EL53/2007 is dominated by the Husetop Granite. To the south much of the EL is covered by Tertiary basalt flows. There are several remnant roof top pendants of folded calc-silicate-magnetite skarn lying on top of the Husetop Granite in the north of the EL. The skarn is hosted in metasomatised calcareous sediments of the Gordon Group and Gordon-Group-Moina Sandstone transitional series. The magnetite skarns have a very strong aeromagnetic signature. Several high grade skarns have been identified in the area. Initial exploration by Tasminex in the 1970's and 1980's identified two main areas of magnetite skarn in the district, the

Kara No1 skarns which form the basis of Tasmania Mines operation to the west of the EL, and the Rogetta North skarns which are covered by EL53/2007 and the adjacent EL18/2007. Of particular interest for magnetite production are the Rogetta North deposits, of which the Rogetta East deposit is located on EL53/2007.

5. Summary of Previous Work

Iron Mountain completed a fence of RC drilling over the deposit in early 2008, drilling 7 holes for 221m. All drill holes ended in granite at shallow depths, suggesting the remnant skarn averages approximately 10-20m in thickness. However, not all of the skarn was magnetite skarn; with several holes intersecting garnet skarn only (e.g. KERC002 and KERC004). A table of RC drill results is listed in Table 1.

Work completed specifically on EL53/2007 included a first pass RC drilling program, an infill diamond drilling program, compilation of historic data and baseline environmental studies.

5.1 Infill Drilling

The Rogetta East area is covered by thick re-growth after logging operations and foot access over much of the aeromagnetic anomaly is difficult. The first pass drilling utilised a cleared track and 50m spaced RC drilling but was limited to 7 holes. A more extensive and systematic approach is required to adequately assess the deposit. In the last annual report (Callaghan, 2012 - 2013) it was recommended that 100m spaced east- west drill access lines be established to allow a series of infill RC or RAB holes on 50m centres to be drilled. A total of 2-2.5km of track work was required. Due to budget constraints the program was restricted to a limited infill diamond drilling program. A total of six holes for 218m were completed. Collar details and a summary of results are attached in Table 2. Drill collar locations for the first pass RC and infill drilling are displayed in Table 1 and 2.

2012-2013 Rogetta East RC Assay Results

COLLAR ID	East	North	Depth	Azi	Dip	RL	Fe From	Fe To	Length	Av. Fe%
KERC001	403533	5424865	36 m	0	-90	530	0	10m	10m	44.5
KERC002	403615	5424703	37 m	0	-90	528	No Significant Assay Results			
KERC003	403613	5424743	40 m	0	-90	530	24	28m	4m	41.4
KERC004	403561	5424754	40 m	0	-90	531	No Significant Assay Results			
KERC005	403526	5424770	12 m	0	-90	531	No Significant Assay Results			
KERC006	403532	5424826	36 m	0	-90	530	22	34m	12m	36.2
KERC007	403531	5424901	20 m	0	-90	529	0	10m	10m	40.0

Table 1. Drilling Results provided by Iron Mountain Mining.

2012-2013 Rogetta East Diamond Drill Results

Collar ID	Easting	Northing	Azi	Dip	RL	Depth (m)	Comments
KE001	403568	5424904	75	-70	530	20.3	0.0 - 10.4m Magnetite Skarn
KE002	403611	5424818	90	-70	530	38.6	0.0 – 17.8m Magnetite Skarn
KE003	403610	5424818	270	-60	530	53	6.3 – 33.9m Magnetite Skarn
KE004	403555	5424836	90	-70	530	29.6	0.0 – 20.5m Magnetite Skarn
KE005	403582	5424845	270	-60	530	56.5	1.0 – 39.0m Magnetite Skarn
KE006	403632	5424880	180	-60	530	20	Granite

Table 2. Drilling results provided by BRIP.

2013 Assay Results for Rogetta East

Collar ID	From	To	Length	Av. Fe %
KE001	0.0	10.4m	10.4m	39.75
KE002	0.0	17.8m	17.8m	54.98
KE003	6.3	33.9m	27.6m	51.55
KE004	0.0	20.5m	20.5m	25.93
KE005	1.0	39.0m	38.0m	39.44
KE006	0.0	34.5m	34.5m	Granite

Table 3. KE006 was not assayed.

Infill drilling was completed by Edrill using a Marooka mounted LF70 drill rig in October 2013. Most holes intersected magnetite skarn and ended in the granite basement. The depth to basement is variable and according to Callaghan (2013) a more systematic approach on a grid basis is required to adequately delineate the resource.

Rogetta East Lithology, Drill Hole Locations and Proposed Grid.

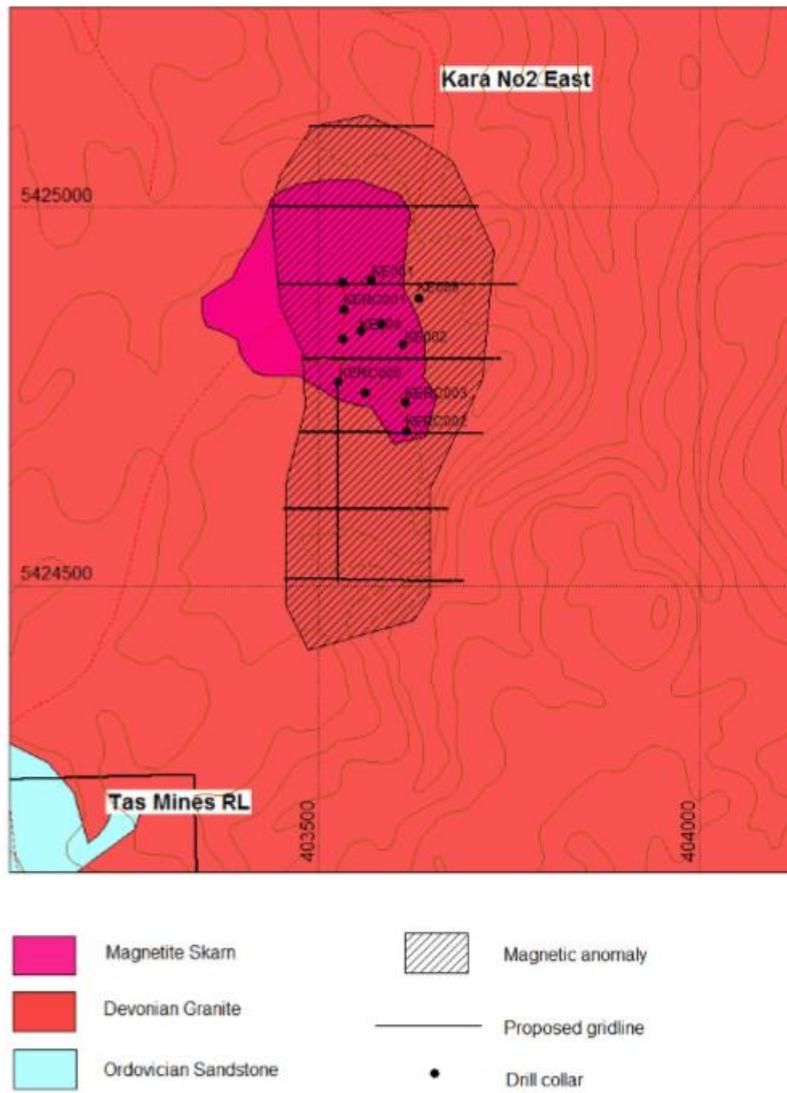


Figure 3. Depicts 2012-2013 proposed gridding for Rogetta East.

Rogetta East Total Magnetic Intensity

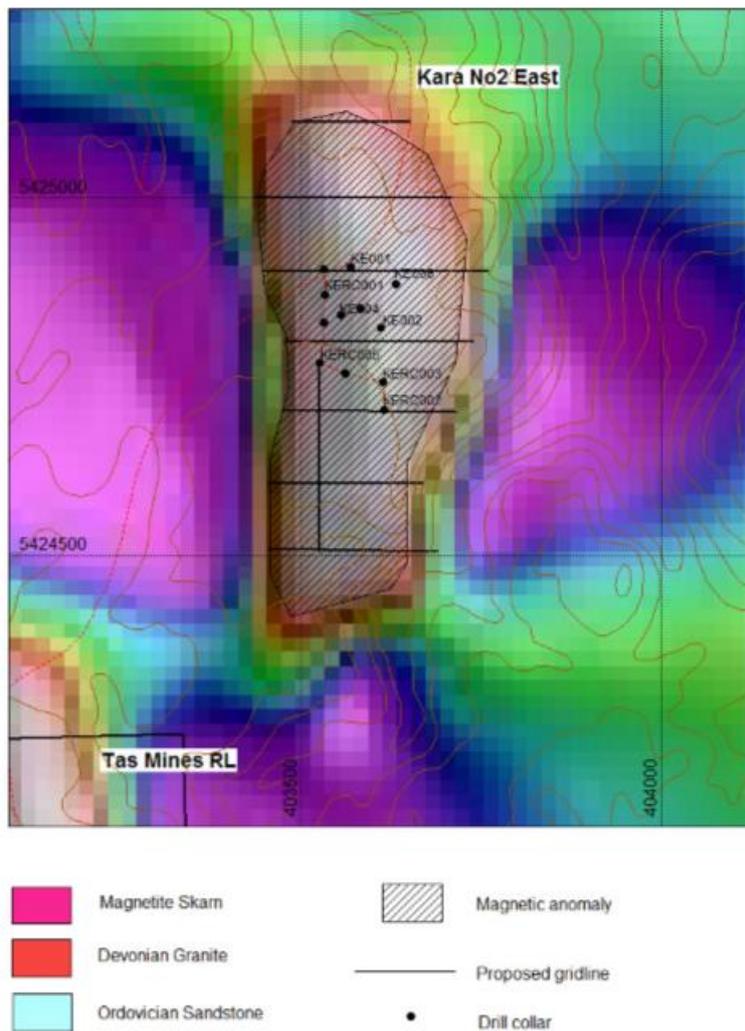


Figure 4. Depicts 2013 Drill holes and Proposed Grid System.

6. Current Exploration 2013-2014

Over the December 2013 – 2014 period, Forward Mining have conducted a review of historical documents, reconnaissance, geological surveys and sample analysis of drill core from the 2012-2013 infill drilling program.

7. Discussion

During the reporting period 2013-2014, expected exploration funding and programs failed to materialise due to the focused efforts required for Rogetta North. The extensive infill drilling program on EL18/2007 absorbed most of LMPL budget and manpower. A renewed focus of

EL53/2007 will ensue in the 2014-2015 year as LMPL begin to ascertain mineral reserves in the immediate vicinity of the planned ML for EL18/2007.

8. Environment

Environmental disturbance in EL53/2007 during the reporting period was minimal. Existing infrastructure access was utilised when required for site visits and work completed during the year. No new work was completed that created any detrimental impact upon the environment and minimal remedial work was done as required. Final rehabilitation of the tenement will be instigated once a decision as to the viability of the mineral potential in the tenement has been determined.

9. Expenditure

Expenditure for EL53/2007 quarters 2013 – 2014 are presented below.

Annual Expenditure for 2013-2014

2013-2014	Q1	\$0.00
	Q2	\$17,600
	Q3	\$17,600
	Q4	\$17,500
Total		\$52,700

Table 4. *Expenditure for EL53/2007.*

The proposed work program for 2014 - 2015 includes: geophysical surveys, reconnaissance, track clearing, and revised infill drilling program.

10. References

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