

**Lottah Mining Pty Ltd**

---

**Annual Report**  
**On**  
**Exploration Licence EL18/2007**

---

For the period  
July 2014 – July 2015

Prepared by:  
Lee Eiseman Project Geologist  
Andrew Rae Project Geologist  
Keith Whitehouse Consultant Senior Geologist  
Lottah Mining Pty Ltd  
03<sup>rd</sup> July 2015

For

Lottah Mining Pty Ltd  
15 Anglesea St  
Wivenhoe, Tasmania 7320

## Contents

Summary .....	3
Introduction .....	3
Map Conventions.....	3
Exploration Completed During the Reporting Period.....	4
Summary of completed work 2014-2015 .....	5
Data Collection.....	5
Estimated Costs.....	6
Proposed Work Program .....	6

### List of Figures

Figure 1. Location of Rogetta North.....	4
--	---

### List of Tables.

Table 1. Estimated Expenditure of EL18/2007 for July 2014 - July 2015.....	6
--	---

## Summary

Lottah Mining Pty Ltd (Lottah) acquired EL18/2007 in early 2014 and focused upgrading the resource estimate at Rogetta North from an Inferred Resource to an Indicated or Measured resource. In conjunction with the 2014-2015 drilling campaign, Lottah has commenced Flora and Fauna studies, Hydrological studies and modelling, Geotechnical assessment and scoping studies to meet the requirements of a DPEMP.

Additionally from the assembly of the attained data, Lottah commissioned senior consultant geologist Mr Keith Whitehouse to complete a Jorc Report on the Rogetta North Resource. This report forms the basis of the 2014-2015 annual report concerning EL18/2007. This report demonstrates that the Rogetta North objective can be classified as an Indicated and Measured Resource under Jorc 2012 guidelines.

## Introduction

The Kara district near Hampshire in North West Tasmania has a number of magnetite- tin- tungsten deposits hosted in calcareous sediments of the Ordovician Gordon Group. The deposits have been formed by metasomatic replacement of the hosting sediments as the result of the intrusion of the Devonian aged Housatop granite. The Kara No 1 deposit has been mined for over 40 years by Tasmines Ltd. The Rogetta North deposit, formerly known as the Kara No 2 North deposit, occurs approximately 4Km to the East of the Kara No 1 deposit.

Rogetta North has been the focus of extensive work by Lottah over the past year. The drilling campaign inaugurated by Lottah in conjunction with previous drilling by Iron Mountain Mining Ltd (IRM), Red River Resources Ltd (RVR) and Forward Mining Ltd (FML) has defined the limits of the mineralised zone and is of a sufficient density to allow the grade and tonnage of a mineral resource to be calculated.

Lottah manages nine tenements near Burnie in Tasmania which are considered to be highly prospective for the production of Iron Ore. The company plans to develop a number of mines on the tenements it holds and to export the iron produced from the Port of Burnie in North Western Tasmania, Australia. Lottah have the aim of producing 1 MT of high grade magnetite per annum for 20 years from the Rogetta area. This report outlines the work completed on Rogetta North (EL18/2007) by Lottah Mining from July 2014-July 2015 and includes the Lottah Mining Pty Ltd Rogetta North Resource Assessment March 2015 Jorc Report written by senior consultant geologist Mr. Keith Whitehouse.

## Map Conventions

Unless explicitly stated:

All Easting and Northing values are in terms of the MGA94 Projection, Zone 55, of the GDA 94 Datum. RL's and Elevations are in terms of the Australian Height Datum 1971 (MSL 1966 - 1968). All angles are relative to true north, the declination between true north and magnetic north is 13.195 degrees. Cross sections are drawn looking North or East as appropriate.

## Location of Rogetta North

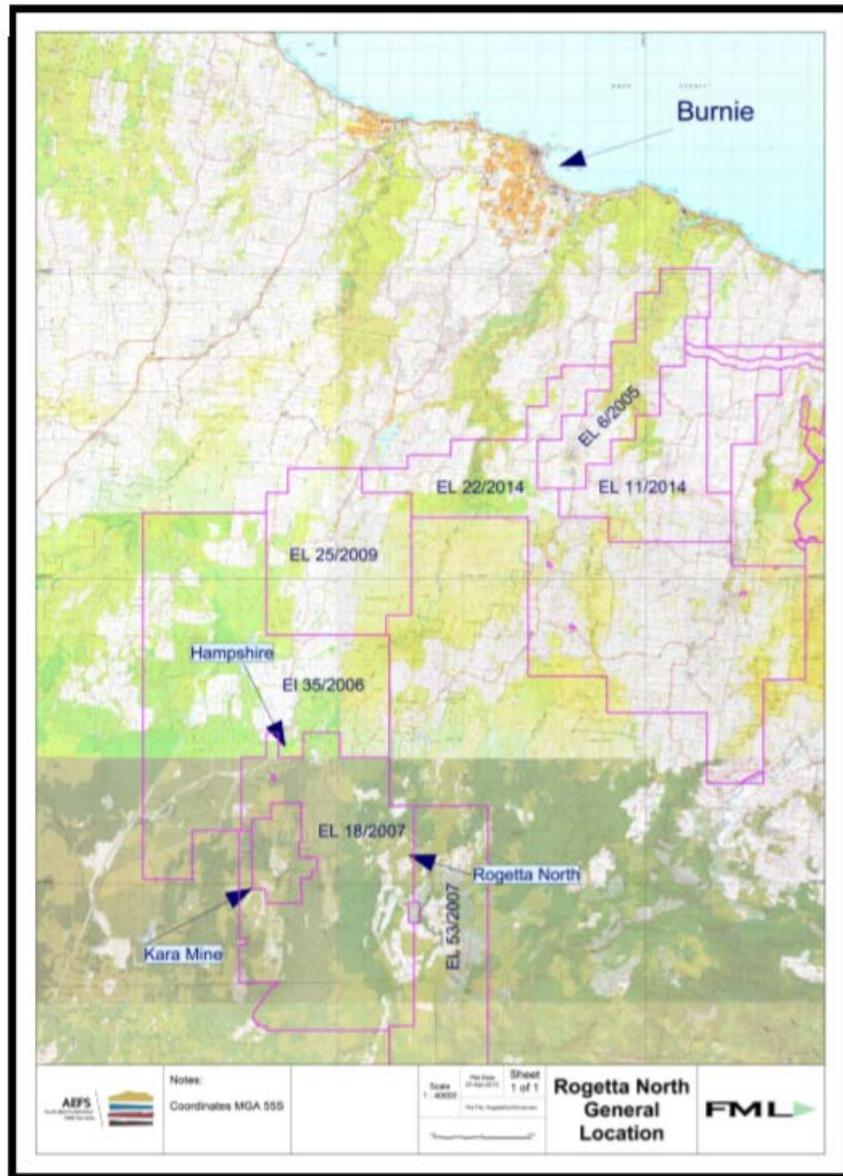


Figure 1 Showing location of Rogetta North. Map courtesy of MRT.

## Exploration Completed During the Reporting Period

Exploration completed over the past 12 months included a 50m x 50m infill drilling program to provide data for an upgrade of the resource from inferred to measured status. Additional resource drilling within the current resource model envelope was also explored.

GDH Engineering were contracted to conduct preliminary engineering and site surveys for the construction of the open pit, processing site and tailings storage facility. This included geotechnical and hydrological drilling.

The following page provides a brief summary of work activities undertaken by Lottah Mining within this period.

## Summary of completed work 2014-2015

- Developed a drill plan to confirm the existing resource, upgrade the resource to Indicated and / or Measured, define the limits of the mineralisation and provide material for Metallurgical Testing of the material at Rogetta North.
- Incorporated Geotechnical and Hydrological holes requested by GHD Consulting into the drill plan to enable appropriate studies of Geotechnical and Hydrological characteristics to be undertaken as a preliminary step to mine design and to provide information for the DPEMP report.
- Advised on the collection of LIDAR and associate Ortho imagery to provide detailed surface mapping of the area
- Advised, in conjunction with geophysical staff from GHD, on the collection of detailed aero-magnetic data to define the limits of the mineralisation at Rogetta North and other areas of interest to Lottah.
- Reviewed, updated and amended the drill plan as drilling progressed to take actual drill results into account.
- Provided updated geological interpretations of the deposit
- Generated a Digital Terrain Model of the area from Lidar data
- New infrastructure development for transportation and implementation of drill rigs
- Used the Lidar, Magnetic and Ortho imagery to provide an interpretation of the major structural elements in the area. This information has been used to construct the geological/ resource model and the hydrogeological and geotechnical models of the area.
- Used the statistical and geo statistical data to prepare and validate a block model of the deposit

## Data Collection

The basis of most of the data from the 2014 drilling campaign was entered into Expedito's OCRIS data collection database and then consolidated by Expedito into a SQL Server 2012 database running the Expedito Data Model, additional data such as assay results and downhole survey results which were recorded outside of OCRIS were also merged into the database by Expedito.

The OCRIS data manager tool provides consistent coding of data and field validation of data. The Expedito SQL Database ran further validation checks in order to ensure that data was consistent and that all required data had been collected prior to export to a set of files in CSV and or Micromine format which were used by the mine planning and Resource Estimation software, Micromine.

Within Micromine further checks on data consistency, which paralleled the checks in the Expedito database, were run to ensure: all drill collars had coordinates, all drill holes had downhole surveys, downhole files were consistent and downhole surveys were in sequence, downhole data did not exceed the total depth as recorded in the collar file, downhole files had no overlaps and key downhole data such as lithology and sampling had no gaps.

## Estimated Costs

The following table provides a summary of expenditure disbursement for EL18/2007 2014-2015.

Drilling	\$1,218,419.85
Geoscientific Studies	\$822,247.84
Wages and Overheads	\$450,000.00
Feasibility Studies	\$393,678.02
Environmental Studies	\$341,910.00
ALS Laboratory	\$130,000.00
Excavation	\$64,284.00
Aerial Mag Survey	\$40,517.00
Consumables	\$26,576.35
Rental and Bonds	\$15,047.67
Lidar	\$10,983.82
Vehicle Maintenance	\$5,447.60
Total	\$3,519,112.15

*Table 1* Estimated expenditure for EL18/2007.

## Proposed Work Program

Work planned for EL18/2007 is expected to involve a resource estimation of the Hampshire and L13 deposits. Further field exploration of the Hampshire skarn is warranted and will involve ground gravity and magnetics and geological mapping. A proposed expenditure of \$125,000 is expected for the EL.

## References

Whitehouse, G.K. 2015. Lottah Mining Pty Ltd Rogetta North Resource Assessment March 2015.

## Appendices

Digital Data on USB:

Whitehouse, G.K. 2015. Lottah Mining Pty Ltd Rogetta North Resource Assessment March 2015.

MRT Map. <http://www.mrt.tas.gov.au/>