

Lottah Mining Pty Ltd

Annual Report

on

Exploration Licence 14/2014

For the period

14/09/2015 – 14/09/2016

Prepared by:

A Rae

Lottah Mining Pty Ltd

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For

Lottah Mining Pty Ltd

15 Anglesea St

Wivenhoe, Tasmania 7320

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 on EL14/2014 during September 2015 - September 2016.

1.2 Role in the Regulation Process

This document fulfils the role of an Annual Report on EL14/2014 for the period September 2015 - September 2016, as required under Section 28 of the *Mineral Resources Development Act 1995*.

1.3 Datum

Geocentric 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

1 x Lottah Mining Pty Ltd – Wivenhoe Field Office

EXECUTIVE SUMMARY

This report covers exploration activities completed on EL14/2014 Mt Montgomery. The EL forms part of a tenement package prospective for Magnetite and Tungsten mineralisation around the House Top Granite in NW Tasmania.

Exploration completed on the Mt Montgomery EL over the last 12 months includes compilation of historic exploration, reconnaissance, geological mapping and the commencement of a gravity survey.

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2 INTRODUCTION

The Blythe River Iron Project (BRIP) consists of a number of small to medium size magnetite skarn deposits located in NW Tasmania. 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.

This report contains field observations made on the geological nature of Lings' Farm and the Burns' Property. Lings' Farm and the Burns' Property is located roughly 5km south-west Penguin (figure 3), situated on EL14/2014 (Figure 1). The area has a history of small iron workings which outcrop at surface (Figure 3).

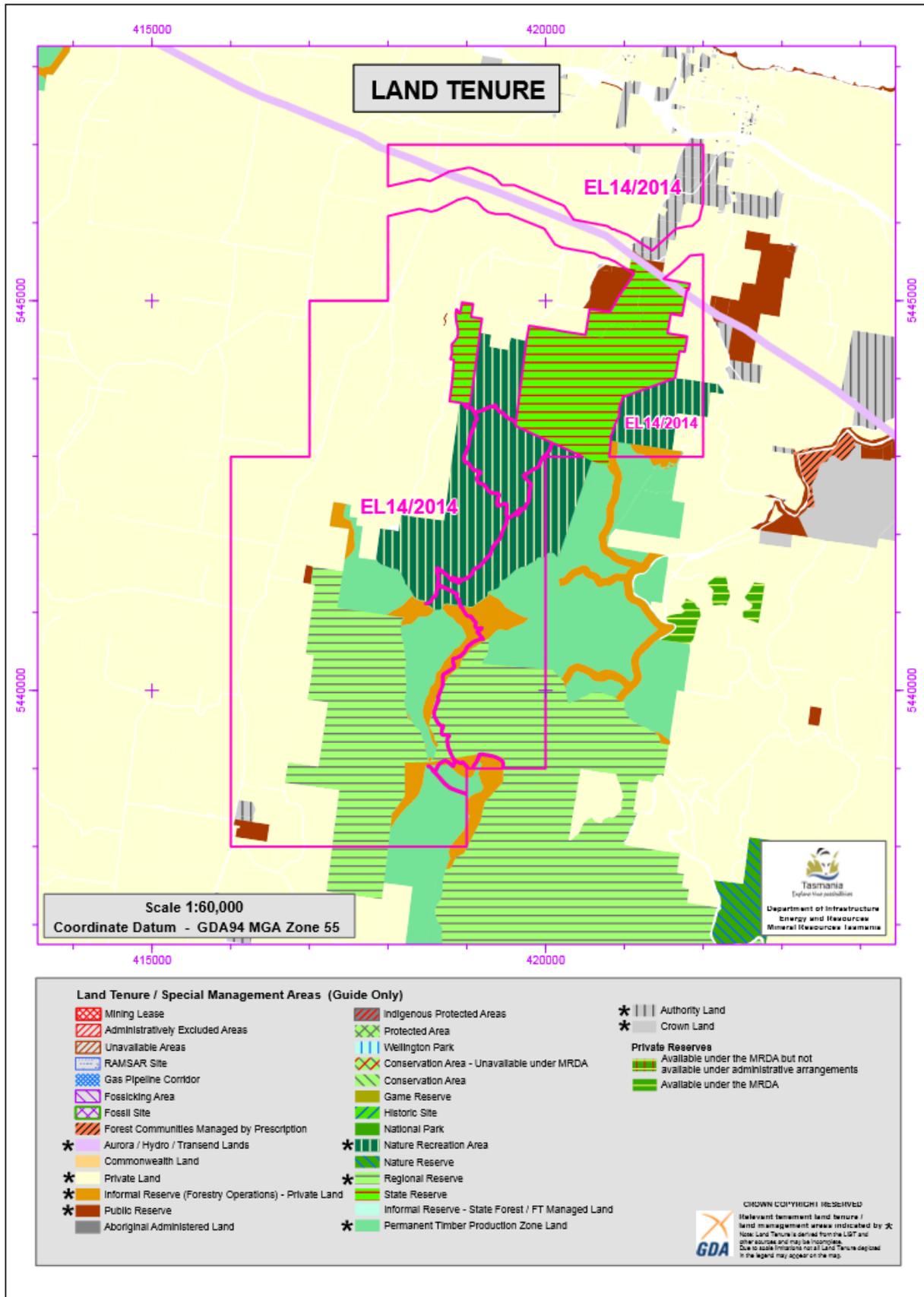


Figure 1. EL14/2014 Land Tenure.

3 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 polydeformed quartzwacke, 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-SnWO₃ 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.

4 WORK COMPLETED

Work completed on EL14/2014 included compilation of previous data, reconnaissance, geological mapping and the commencement of a gravity survey.

There are three historic workings/quarries located on the Ling Farm and a further two on the adjoining Burns property. The workings were focussed on small hematite lenses that were situated at/or close to surface. Visually Lings' Pit 1 (figure 9&10) contains the highest grade hematite of the historic sites and historic information corresponds with that. The quarries walls indicate that the vast majority of hematite has been recovered and removed

The gas pipeline (figure 14), an optical fibre cable and power lines run east-west through the centre of Lings Farm in an area restricted from our EL. The restriction zone includes the majority of historic workings on Lings' Farm (including Lings' Pit 1, 2 &3).

The historic workings on the Burns' property (Burns' Pit 1 &2) have little to no hematite bedrock remaining. The loose hematite rocks remaining contain the softer specular hematite in areas (figure 8).



Figure 3. Aerial view of the hematite deposits located 5km south/west of Penguin (between the grey lines is a restricted zone for the gas pipeline).



Figure 4. Outcrop of silica rich sediments from the Proterozoic Oonah formation.

Figure 5. Conglomerate boulder found on Lings' Farm.



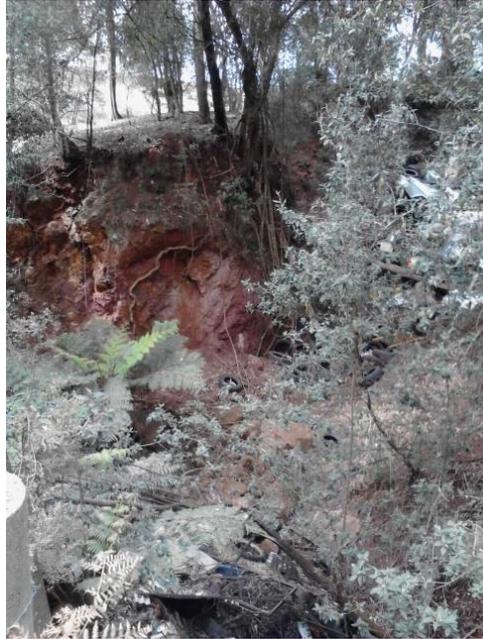
Figures 6 & 7. Burns' Pit 1 with a hematite sample.



Figures 8 & 9. Burns' Pit 2 with a hematite sample.



Figures 10 & 11. Lings' Pit 1 containing the old boiler (located in the restricted area).



Figures 12 & 13. Lings' Pit 2 which crosses into a neighbouring property (has been used as a tip/dump site).



Figures 14 & 15. Lings' Pit 3 and the gas pipeline that runs through the middle of the Lings' property.

5 DISCUSSION

EL14/2014 is a recently acquired tenement for Blythe River Iron Pty Ltd. It is theorised that EL14/2014 will contain small-medium sized hematite and possible magnetite skarns. EL14/2014 is located around the Iron Cliffs hematite deposit. The EL has similar favourable geological settings for the formation of hematite/magnetite deposits as that of the Cuprona deposit. Ground reconnaissance has returned some good results and future actions are currently being planned.

To be able to identify the true size of the deposit/deposits located in the area it is recommended that a gravity survey be conducted. Depending on the previous results a magnetic survey could be conducted to obtain if the area is solely hematite or magnetite is present at depth.

6 PROPOSED WORK PROGRAM

Proposed work for EL14/2014 in the next year will consist of further geological mapping, ground reconnaissance and potential geophysics surveys. Geophysics surveys may include detailed gravity, magnetic and/or seismic surveys. The surveys will better the understanding the nature of the deposit and future work will depend on their results.

7 EXPENDITURE

2015	Q3	\$532.00
	Q4	\$4,894.00
2016	Q1	\$0.00
	Q2	\$9,150.00
	Q3	\$6,700.00
	Total	\$21,276.00

Table 1. Table of expenditure on EL14/2014

A total of \$21,276.00 was spent on EL14/2014 for the year.

A proposed expenditure of \$30,000 for EL14/2014 is predicted for the 2016-2017 year.

8 ENVIRONMENTAL

No Rehabilitation required.

9 REFERENCES

Callaghan, T J, 2011. Combined Annual Report for Blythe River Project EL6/2005, EL15/2006, EL37/2006, EL18/2007, EL53/2007 AND EL25/2009. Unpublished company report for Forward Mining Limited.

Callaghan, T J, 2012. Combined Annual Report for Blythe River Project EL6/2005, EL15/2006, EL37/2006, EL18/2007, EL53/2007 AND EL25/2009. Unpublished company report for Forward Mining Limited