

**Annual Tenement Report
EL 28/1988 – Mount Zeehan
December 2020 to December 2021**

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On behalf of
Lottah Mining Pty Ltd
PO Box 62
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SUMMARY

Over the reporting period, 1 diamond drillhole (TH007) was completed for 278.4m by edrill using helicopter assistance. The hole intersected serpentinised ultramafics with potential minor Ni mineralization. The core was processed however is currently awaiting submission for assay.

At the time of reporting, preparation for a downhole EM survey for TH007 is underway, with tracks being cut for EM loops and a ground IP survey.

In the following tenement year (2021-22), the downhole EM survey for TH007 is planned to be completed, as well as a ground IP survey. These two electrical surveys will then be used for diamond drill targeting. Samples for TH007 will also be submitted for assay.

The exploration commitment for the 2020-21 tenement year was \$145,000, which has been surpassed at \$178,837.05 inc. GST. The work commitment has however been delayed due to a number of issues relating to Dundas Mining Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) which is now in Receivership. These issues included staffing and funding.

Receivers were appointed on 26 November 2021 and have taken control of all operations, the Receivers are supported by the secured creditor of Dundas Mining Pty Ltd. The planned geophysics surveys are not likely to be completed until early 2022 and exploration for the purpose of extending the Avebury Mine Ni inventory will resume in a more effective manner moving forward under the control of the Receivers.

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Exploration Work Type	Filename	File format
Report	EL281988_202112_01_Report.pdf	pdf
Drilling	EL281988_202112_02_SL_1.xls	xls

	EL281988_202112_03_DS_1.xls	xls
	EL281988_202112_04_DL_1.xls	xls
	EL281988_202112_05_Lithologycodes.xls	xls
File Verification Listing (<i>this file</i>)	EL281988_202112_FileListing.xls	xls

INTRODUCTION

Exploration Rationale

The primary objective of Lottah Mining Pty Ltd (as operant of Allegiance Mining Pty Ltd's tenements) is to add to their nickel inventories as part of the Avebury Nickel Mine re-start project.

Location and Access

EL28/1988 covers 25 square kilometers and is located approximately 9 Km to the south-west of Zeehan (see Figure 1 below). Access to the license area is generally remote with helicopter supported programs generally required.

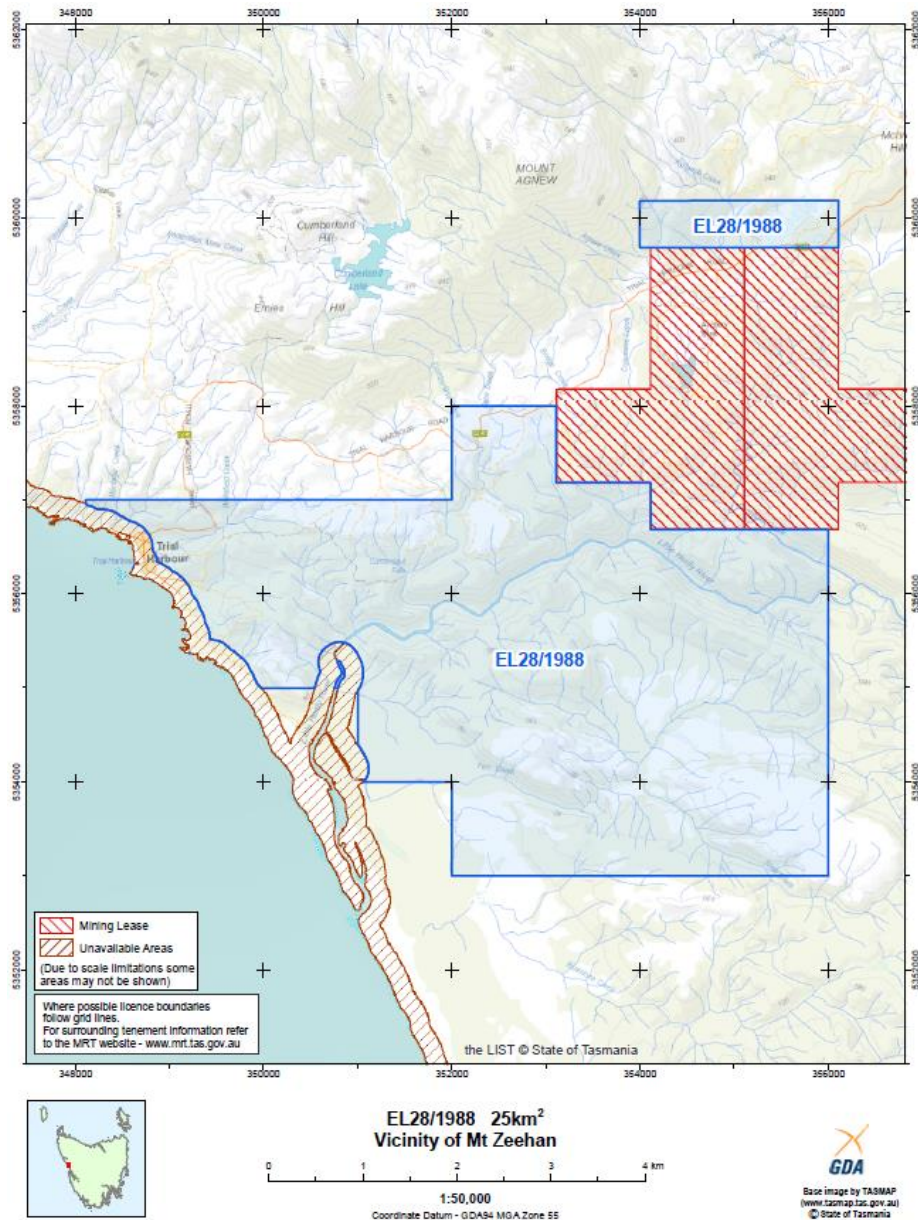


Figure 1. EL28/1988 lease map. Note Avebury mine lease in dashed red.

Land Status and Usage

Land usage within the tenement area is currently listed as dominantly Future Potential Production Forest (Crown) with a belt of Regional Reserve along the coastline.

Tenure

The Mount Zeehan tenement, EL 28/1988, is a Category 1 exploration license, held by Allegiance Mining Pty Ltd and managed by Lottah Mining Pty Ltd.

Geology

A series of comprehensive summaries of the regional and deposit specific geology have been outlined in numerous previous reports (e.g., MacDonald, 2019).

SUMMARY OF PREVIOUS WORK

Prior to Current Tenement

Complete examinations and summaries of historic work carried out on the tenement area have been outlined in previous reports.

During Current Tenement

Lottah has carried out comprehensive literature and tenement reviews during the current tenement (e.g., MacDonald, 2019).

EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Diamond Drilling

One diamond drillhole was completed (TH007) to a depth of 278.4m. The drill rig was transported to the drill site using a helicopter, and drillers were required to walk in from the wastewater treatment ponds at Trial Harbour. HQ and NQ drilling gear was used, and downhole surveys were completed approximately every 30m. The hole was cased with PVC to EOH for later use in downhole geophysics.

The hole was designed to test faulting within serpentinite for Ni mineralization. It intersected entirely mafic and ultramafic rocks with variable levels of serpentinization and minor sulfide content, mostly as pyrrhotite (1-5%) between 96 and 122.5m.

TH007 has been logged and sampled but is yet to be assayed. Collar information is provided in Table 1 and a summary log in Table 2. Select core photos are shown in Figure 2, and activities map in Figure 3.

Table 1. Collar information for TH007.

DHID	Easting	Northing	Dip	Azimuth (Mag)	RL	Depth
TH007	350197	5355905	70	346	100	278.4

Table 2. Summary log for TH007.

Depth	Geology
0-30m	Oxidised Fe-rich clay regolith and fault breccia

30-75m	Serpentinised cumulate textured peridotite (dunite?)
75-153m	Serpentinised undifferentiated massive ultramafic. 1-5% fine grained sulphide (mostly pyrrhotite, potential pentlandite) between 96-122.5m
153-278.4m	Serpentinised and sericite altered gabbro



Figure 2. Top: Tray 31, 150-154.7m. Pale green serpentinised gabbro grading into gabbro with carbonate veining. Bottom: Strongly serpentinised and carbonate veined ultramafic/mafic.

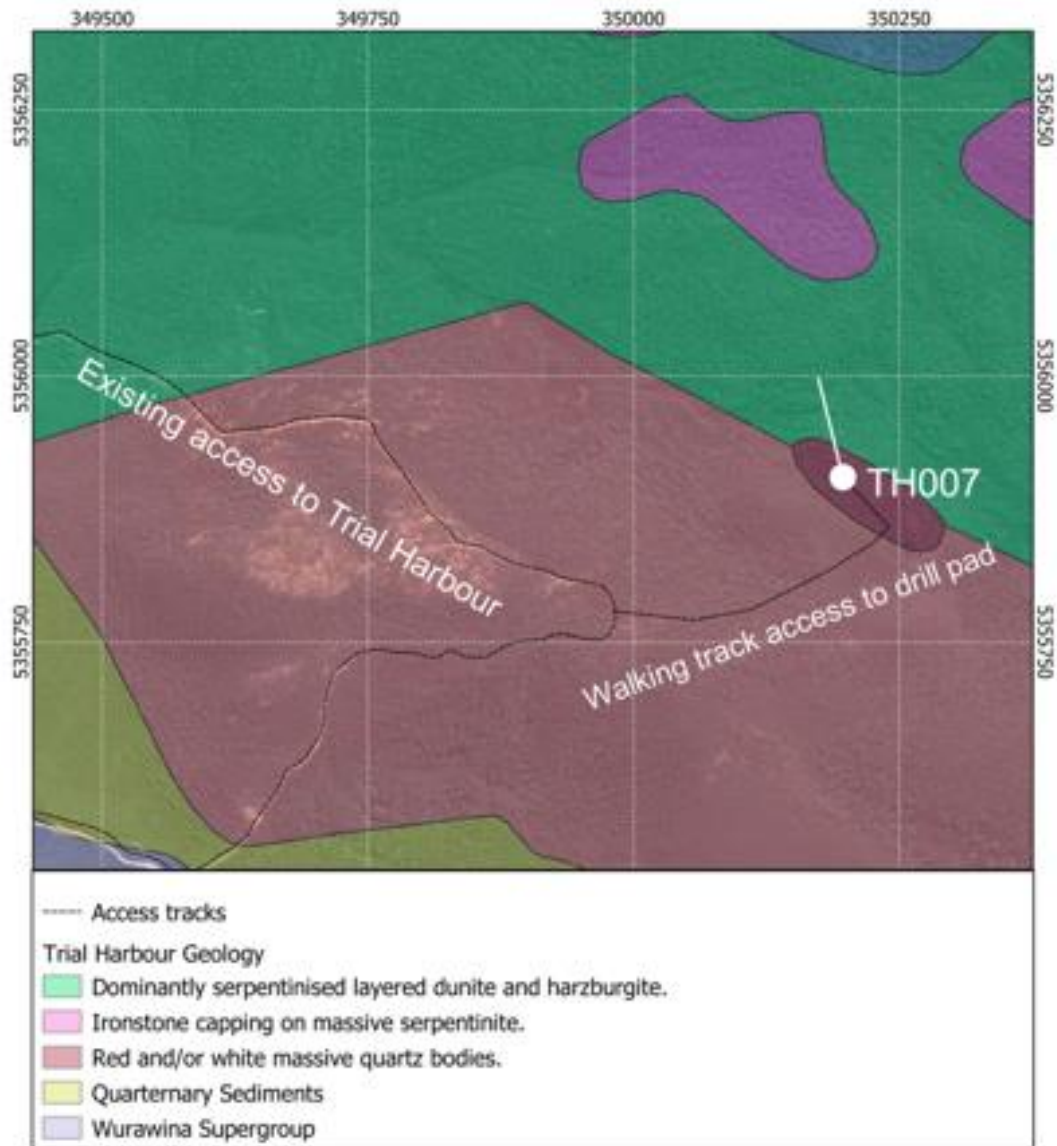


Figure 3. TH007 collar and drill trace with associated access tracks.

GEOPHYSICS

Mitre Geophysics was contracted to plan a DHEM survey for TH007, which is to be completed by AGS, targeting off-hole Ni-sulfide mineralization in the serpentinites. At the time of reporting, planning has been finalized (Figure 4 and 5) and access tracks are being cut by Rogers Exploration Services. The DHEM survey will likely occur in the following tenement year.

Following the DHEM survey, a ground IP survey was also planned by Mitre Geophysics to be completed by Fender Geophysics (Figure 6).

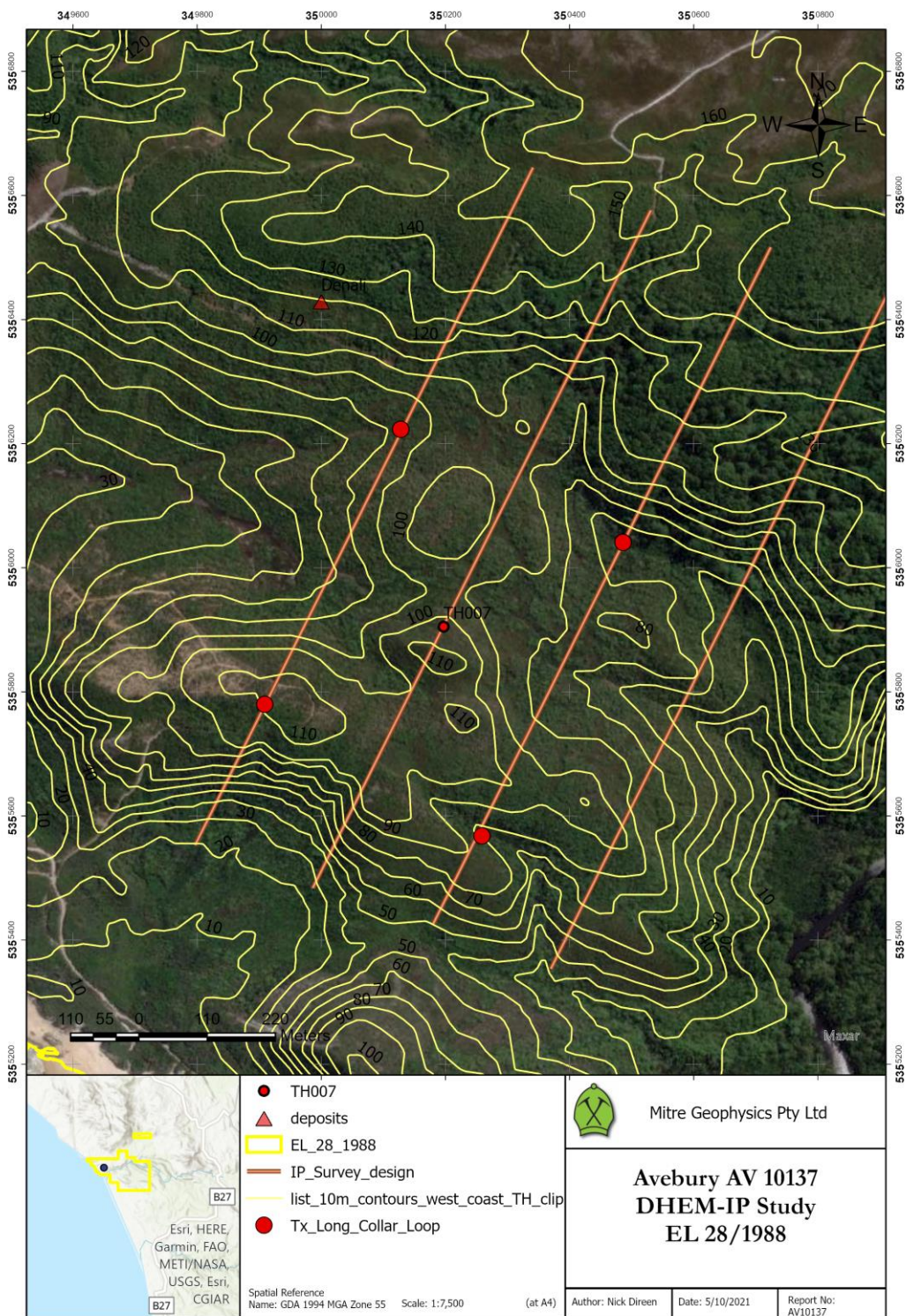


Figure 4. Mitre Geophysics DHEM survey design (long collar loop).

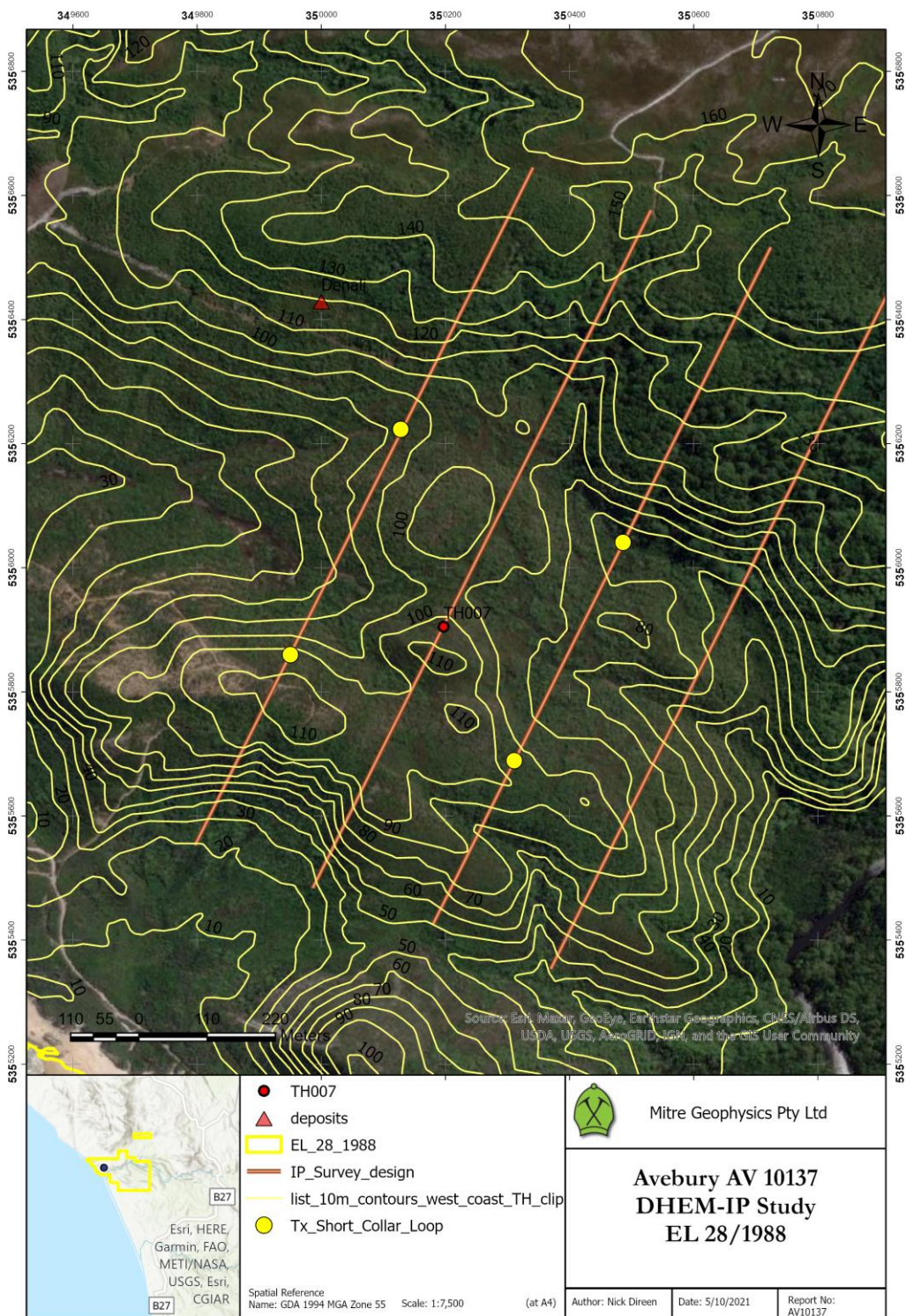


Figure 5. Mitre Geophysics DHEM survey design (short collar loop).

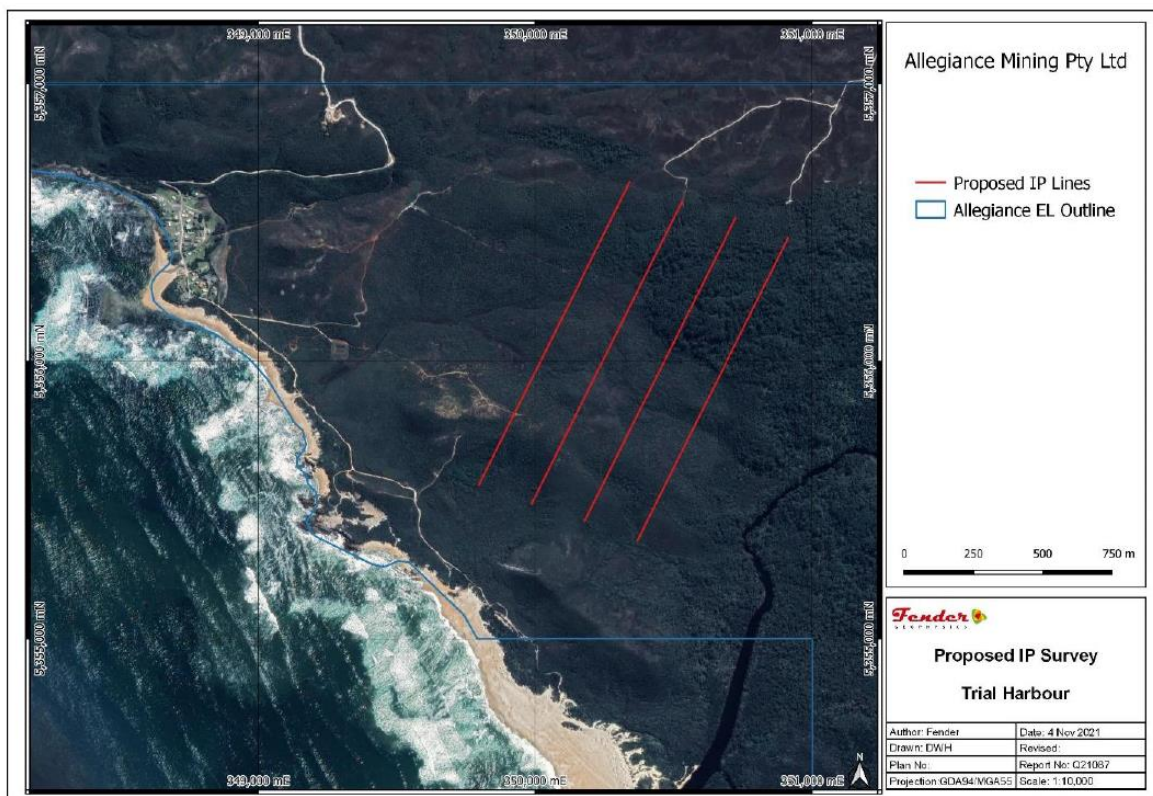


Figure 6. Fender/Mitre Geophysics IP survey design.

DISCUSSION

TH007 intersected a suitable host for Ni mineralization (Cambrian mafic/ultramafics), as well as several faults, however the samples need to be assayed to assess mineralization and alteration on a geochemical basis, and it has been previously noted that very low sulfide content in Avebury style mineralization, not logged in drill core, can produce assays up to 1% Ni (McKeown, 1998). Therefore, despite minimal sulfide being logged in TH007, there is still potential for economic Ni mineralization.

Future work

Work in the following tenement year will include,

- Assay of TH007 samples
- Completion of track cutting for geophysical surveys
- Completion of DHEM and ground IP surveys in the vicinity of TH007
- A review of new geophysical data for targeting
- Any rehabilitation required associated with the TH007 drill site and geophysical surveys

CONCLUSIONS

The area within EL28/1988 remains a significant potential source of nickel and will be included in on-going plans for the Avebury mine.

ENVIRONMENT

At the time of reporting, TH007 has been temporarily capped and is not making water. All previously cut tracks are still open and further access tracks for the geophysical surveys are in progress. The TH007 drill pad will be rehabilitated once the DHEM survey is completed. The current state of the TH007 drill pad is shown in Figure 7.



Figure 7. Top: TH007 collar showing PVC casing and temporary plug ready for DHEM.
Bottom: Drone image of the TH007 drill site.

EXPENDITURE

The exploration commitment for the EL28/1988 2020-21 tenement year was \$145,000. Expenditure by Lottah was focused on track cutting, helicopter work and diamond drilling, totaling \$178,837.05 for the year (Table 3, Appendix 1).

Table 3. Expenditure summary for 2020-21 EL28/1988 tenure inc. GST.

Expenditure Category	Cost (\$)
Geology (contract, site)	\$46,844.50
Drilling (edrill)	\$73,974.15
Land Access and gridding (helicopter, track cutting)	\$58,018.40
TOTAL	\$178,837.05

REFERENCES

MacDonald, G., 2019. Dundas Mining Pty Ltd Annual Report on Exploration EL 28/1988 "Mount Zeehan" Dec. 2018 to Dec. 2019.

McKeown, M. V., 1998. A new view of the Zeehan Mineral Field. Allegiance Mining. MRT Doc. 98-4184.

APPENDIX 1. EXPENDITURE BREAKDOWN

Mt ZEEHAN EL28/1988 COSTS					
CONTRACTOR	INVOICE No.	DETAIL	AMOUNT	GST	TOTAL
Darin Evans	DJE 01	Contract Geologist	\$180.00	\$18.00	\$198.00
Darin Evans	DJE 02	Contract Geologist	\$70.00	\$7.00	\$77.00
Darin Evans	DJE 04	Contract Geologist	\$5,255.00	\$525.50	\$5,780.50
Darin Evans	DJE 05	Contract Geologist	\$5,255.00	\$525.50	\$5,780.50
Darin Evans	DJE 06	Contract Geologist	\$735.00	\$73.50	\$808.50
Rogers Expltn Services	Dundas-01	Track Cutting	\$17,800.00	\$1,780.00	\$19,580.00
Rogers Expltn Services	Dun - 001	Track Cutting	\$850.00	\$85.00	\$935.00
Rogers Expltn Services	Dun - 002	Track Cutting	\$8,650.00	\$865.00	\$9,515.00
E Drill	680	Drilling	\$44,803.20	\$4,480.32	\$49,283.52
E Drill	691	Drilling	\$20,896.03	\$2,089.60	\$22,985.63
Tas Helicopters	5863	Heli support	\$12,574.00	\$1,257.40	\$13,831.40
Tas Helicopters		Heli support	\$12,870.00	\$1,287.00	\$14,157.00
Core Trays		Drilling consumables	\$1,400.00	\$140.00	\$1,540.00
Core Bloccks & consumables		Drilling consumables	\$100.00	\$10.00	\$110.00
Sampling consumables		Drilling consumables	\$50.00	\$5.00	\$55.00
Company field assistants		Geotech Support	\$9,200.00	\$0.00	\$9,200.00
Company Geologists		Project Supervision	\$25,000.00	\$0.00	\$25,000.00
TOTAL			\$165,688.23	\$13,148.82	\$178,837.05