

First Annual Report
on
EL 5/2010 – POWRANNA

Reporting Period: 14 September 2010 – 13 August 2011
Project Operator: ABx4 Pty Ltd
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Date: 12 August 2011

COORDINATES ARE WGS84 (GDA94/MGA55)

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1 ABSTRACT

Objective:

Exploration Licence (EL) 5/2010 “Powranna” was applied for in order to facilitate an exploration program to discover economically viable deposits of bauxite associated with Tertiary Volcanics, in an area with old penneplained surfaces preserved as plateaus. The goal of the program is to determine the quality and quantity of the bauxite in the area using an RC drill rig mounted on a light Mitsubishi 12 tonne truck.

Methodology:

1. Detailed geological mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Systematic sampling of natural outcrops and exposures in road cuts of lateritic weathering profile.
3. Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive quartz, loss on ignition and other analyses as required in bauxite search.
4. Drill testing of zones with best potential defined by work under 1, 2. and 3, by an RC drill rig mounted on a light Mitsubishi truck to get samples representing the whole lateritic weathering profile (from upper-most iron rich zone through alumina rich zone down into mottled and pallid saprolite zone).
5. Systematic drill testing at close spacings to obtain data for resource estimation in the best target areas defined by programme under 4.

Results:

Over the reporting period only 3 holes were drilled in the Powranna Tenement for a total of 32m.

Recommendations for future work:

Recommendation for future work include further:

- Detailed geological mapping, including geomorphological mapping and study of satellite images to define the areas with the best potential for bauxite.
- Systematic sampling of natural outcrops and exposures in road cuts of lateritic weathering profile.
- Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive quartz, loss on ignition and sieving (+0.26mm) at 260 microns as required in the bauxite search.
- Drill testing of zones with best potential with an RC drill rig mounted on a light six wheel truck to get samples representing the whole lateritic weathering profile (from upper-most iron rich zone through alumina rich zone down into mottled and pallid saprolite zone).
- Systematic drilling at close spacings to obtain data for preliminary resource estimation in the best target areas defined by program.

ABSTRACT Cont

- Systematic sampling and drilling at waypoints with best bauxite potential.
- Detailed analysis of assay results to determine assaying strategy for future drilling.

2 INTRODUCTION

Exploration Rationale

Exploration Licence (EL) 5/2010 “Powranna” was applied for in order to facilitate an exploration program to discover economically viable deposits of bauxite associated with Tertiary Volcanics, in an area with old peneplained surfaces preserved as plateaus. The goal of the program is to determine the quality and quantity of the bauxite in the area using an RC drill rig mounted on a light Mitsubishi 12 tonne truck.

Geological Setting

In the Powranna area, the occurrences of bauxite are located in areas with Tertiary basaltic volcanics.

Study of geomorphology based on a digital terrain model led the company’s geologist to the conclusion that Tertiary basaltic volcanics are preserved on remnants of old surface which form larger plateaus or smaller ‘mesas’.

Bauxite was formed during the Tertiary period when tropical climate prevailed (high rainfall and relatively high temperatures). Bauxite is present in the upper part of the ancient lateritic / saprolitic weathering profile. Except for the lateritic crust, ancient lateritic / saprolitic weathering profile is easily eroded because weathered rocks are soft.

However, under protective cover of Tertiary basaltic volcanics, large tonnages of bauxite may have been preserved. This concept is being tested by drilling.

Tenement Information

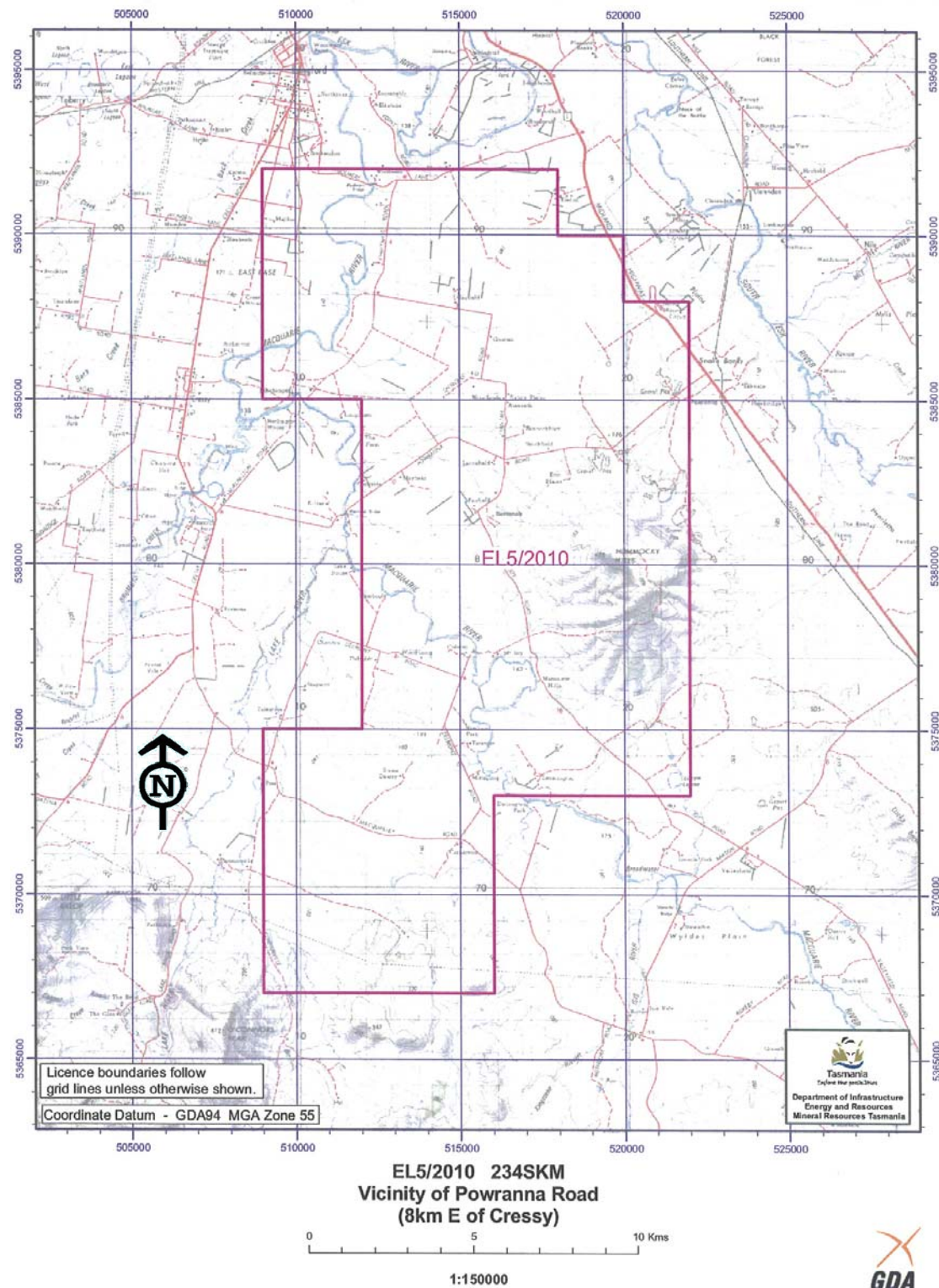
EL 5/2010 “Powranna” was granted on and from 14 September 2010 for a period of 5 years to ABx4 Pty Ltd (ABx4).

This is the First Annual Report for the reporting period 14 September 2010 - 13 August 2011 incorporating the results of work completed during the first year of tenure.

Total area of the Licence is 234 sq km and its Mineral Category is 1 – Metallic Minerals and Atomic Substances.

Location

The Powranna Tenement is located from the edge of Launceston to Campbelltown where there is a rail line which connects all the ports of Tasmania to each other. Ports and rail way lines in Tasmania are generally under capacity and the Tenements are often over the working railway lines. EL 5/2010 is close to the City of Launceston which could offer a wide range of services and skilled work force.

INTRODUCTION Cont

Map 1 – EL 5/2010 Powranna Location Map

Tenure, including joint venture details and title transfers

EL 5/2010 “Powranna” is 100% owned by ABx4 which is a 100% owned subsidiary of Australian Bauxite Limited.

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement

There are no recorded historical references for bauxite in the Powranna Tenement.

During current Tenement

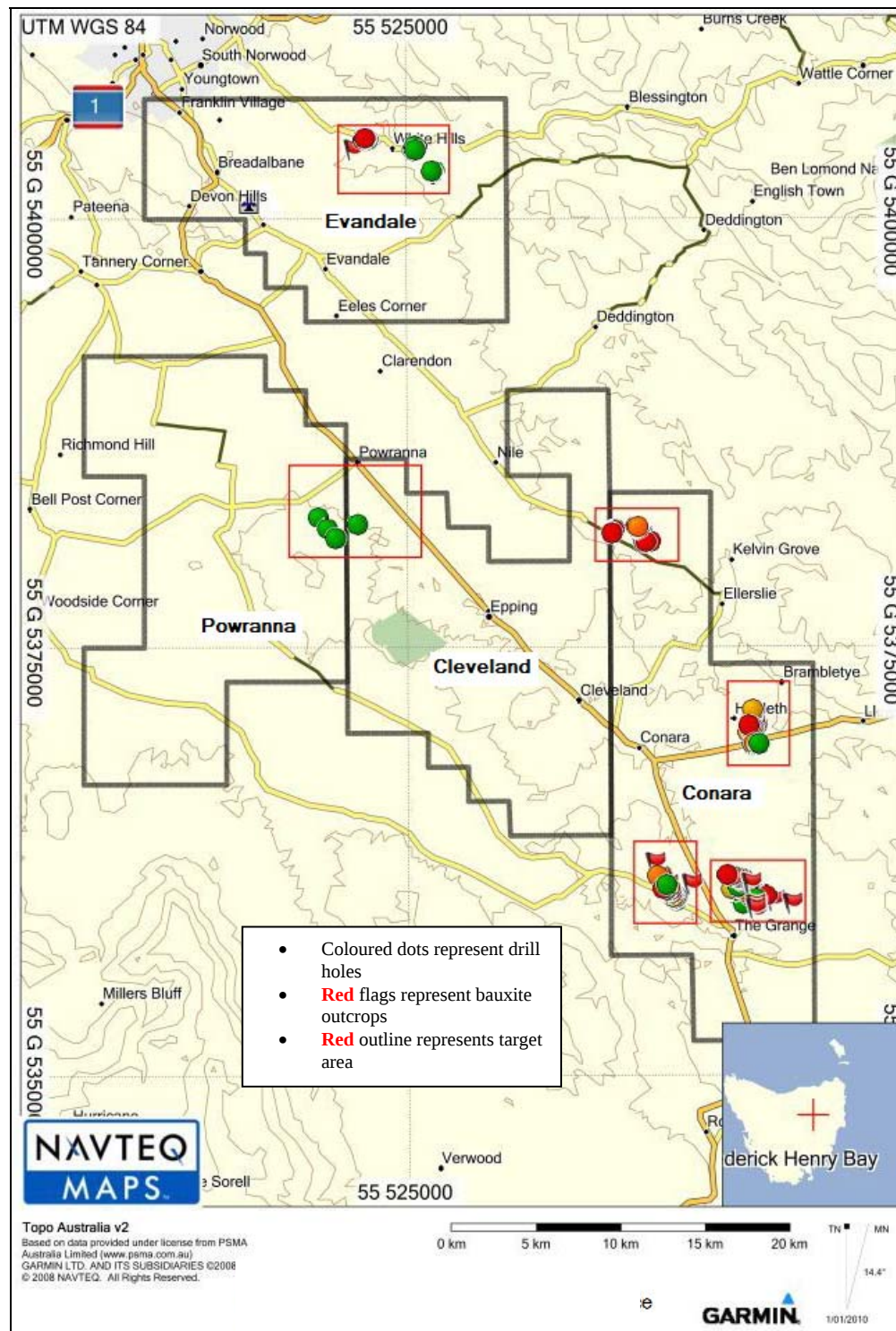
This is the first year of exploration in EL 5/2010.

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

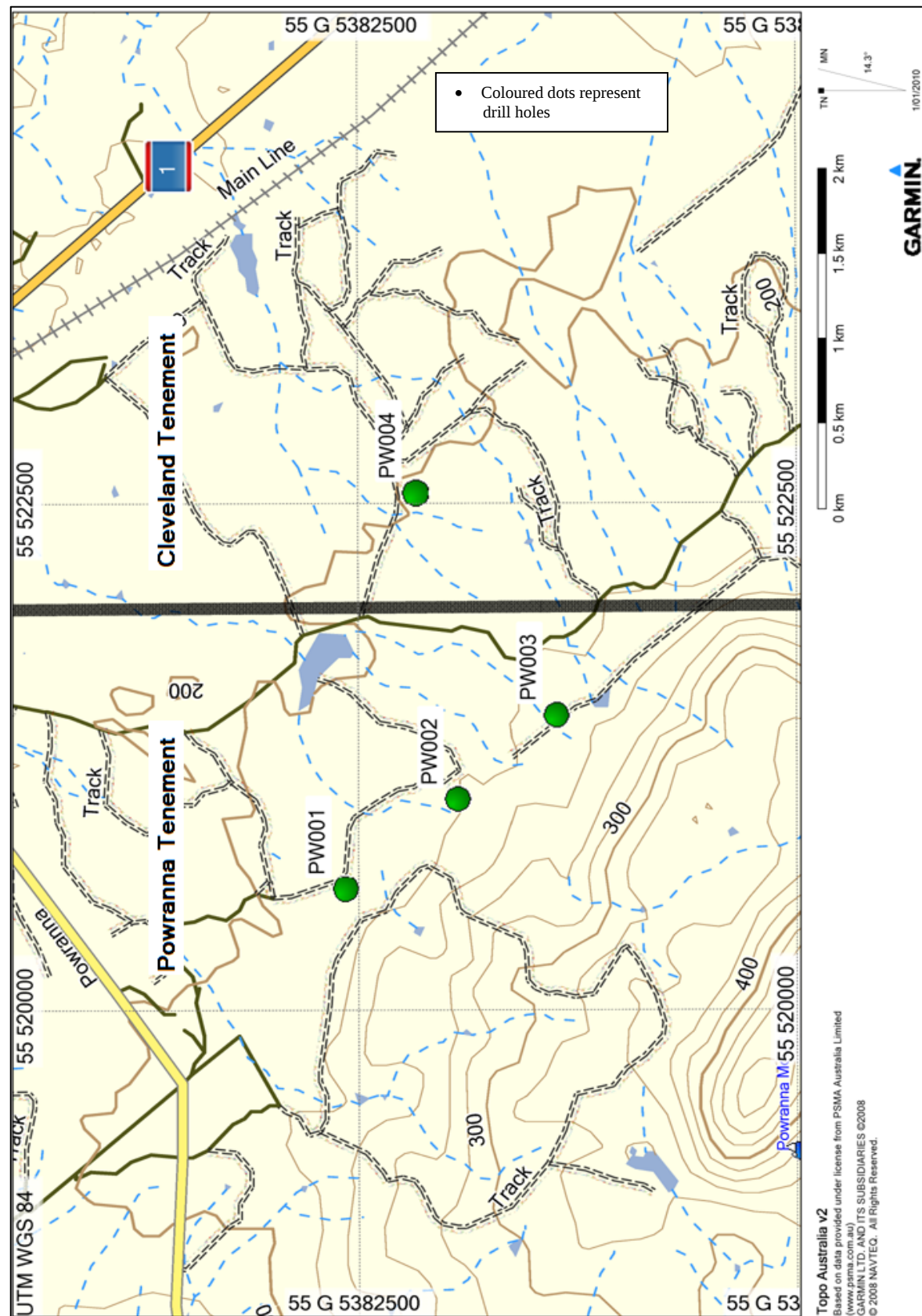
Literature Review

- There are no recorded historical references for bauxite in the Powranna Tenement.

Regional Exploration Activities



Map 2 –Location of Drill-hole Targets for EL 5/2010 Powranna, showing adjacent tenements held by ABx4

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont

Map 3 – Close up of EL 5/2010 Powranna drill-holes, showing also the drill hole in EL6/2010 Cleveland

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont**Powranna Target****Total holes: 3 (PW001 – PW003)**

In October 2010, 3 holes were drilled in EL 5/2010 Powranna for a total of 32m. These holes were to test the large plateaus of laterite which had formed in the central region of Tasmania. The holes intersected the laterite profile but failed to intersect bauxite mineralisation. The laterite in this area is most likely associated with sediments. Small volcanic deposits in the area could be worth exploring because the laterite profile has been preserved. But exploration on this tenement would be difficult because of the large areas with no tracks.

5 DISCUSSION OF RESULTS

Holes PW001 – PW003 intersected the laterite profile but failed to intersect bauxite mineralisation. The laterite in this area is most likely associated with sediments. Small volcanic deposits in the area could be worth exploring because the laterite profile has been preserved. But exploration on this tenement would be difficult because of the large areas with no tracks.

A review of the assay results can be seen in Appendix B, C and D.

6 CONCLUSIONS AND RECOMMENDATIONS

Over the reporting period 3 holes were drilled in the Powranna Tenement for 32m.

Recommendations for future work include:

- Detailed geological mapping, including geomorphological mapping and study of satellite images to define the areas with the best potential for bauxite.
- Systematic sampling of natural outcrops and exposures in road cuts of lateritic weathering profile.
- Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive quartz, loss on ignition and sieving (+0.26mm) at 260 microns as required in the bauxite search.
- Drill testing of zones with best potential with an RC drill rig mounted on a light six wheel truck to get samples representing the whole lateritic weathering profile (from upper-most iron rich zone through alumina rich zone down into mottled and pallid saprolite zone).
- Systematic drilling at close spacings to obtain data for preliminary resource estimation in the best target areas defined by program.
- Systematic sampling and drilling at waypoints with best bauxite potential.
- Detailed analysis of assay results to determine assaying strategy for future drilling.

7 ENVIRONMENT

Surface Disturbing Operations:

ABx4's surface disturbing operations are minimal.

Drilling is conducted by an RC drill rig mounted on a light Mitsubishi 12 tonne truck. The drill holes were filled immediately after completion.

Existing tracks are used wherever possible. In the event that any specific access is required for drill rigs and/or service vehicles, track construction will be minimised and in accordance with directions of any landowners who may be affected.

Surveys (archaeological, botanical):

A botanical survey was conducted by Philip Milner Consultant Pty Ltd covering the Powranna Road target area for EL 5/2010.

Please refer to Appendix A for the complete Survey.

Rehabilitation:

The drill hole were filled immediately after completion.

All landholders sign a rehabilitation statement at the completion of each program confirming their satisfaction with the rehabilitation completed.

8 EXPENDITURE

Table 1 – Exploration Activity and Expenditure Table for reporting period 14 September 2010 – 13 August 2011

Exploration Category	Description of Activity	Quantity	Expenditure
Office Administration			
Authority Management	Environment		\$3,242
Office Activities			
Field Activities	Geological Mapping		
	Sampling		
	Equipment Hire		
	Accommodation/Field Camp	Days	\$5,522
	Travel	Vehicle Hire	\$923
	Land Holder Liaison		
	Field Supplies		\$2,056
	Other		
	Geophysics		
	Airborne		
	Type	Line kms	
	Ground		
	Type	Line kms	
	Drilling (program cost)		
	RAB/AC	Holes/total metres	
	RC	3 holes for 32 metres	\$12,145
	Diamond	Holes/total metres	
	Other	Holes/total metres	
Laboratory	ME-XRF 13B, Reactive Silica & Available Alumina	12 samples	\$3,139
Salaries / Wages	Employees		
	Contractors	3 personnel Oct 2010	\$9,862
		Grand Total	\$36,889

Note: Office Administration was met by parent company – Australian Bauxite Limited.

Total expenditure for ABx4 Tasmanian tenements from 14 September 2010 – 13 August 2011 was \$425,240. The minimum annual expenditure requirement for all Tasmanian tenements is \$361,000. There is therefore an excess of \$64,240 over the minimum annual expenditure requirements.

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on

EL 5/2010 – POWRANNA

APPENDIX A – BOTANICAL SURVEY

ABx4 Pty Ltd

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
AREA

POWRANNA TARGET AREA
**BOTANICAL & FAUNA HABITAT SURVEY OF PROPOSED DRILL
SITES**

For ABx4 PTY LTD

3rd November 2010



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BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
AREA

Introduction: ABx4 Pty Ltd the holder of Exploration Licences EL4; EL5; EL6; EL7; EL8; EL9; and EL14/2010, a wholly owned subsidiary of Australian Bauxite Ltd is undertaking an exploratory program in an area of the midlands between Launceston and Cranbrook and is undertaking a targeted drilling program in an area to the south of Powranna Road on the property of Tasmanian Feedlots.

The exploration program will involve numerous shallow drill holes which will not require the clearing and/or leveling of drill pad sites and so is expected to have a minimal impact on the ground surface and adjacent vegetation.

A botanical and fauna habitat survey is required of each drill pad site as part of the MRT license conditions to determine any likely impacts on threatened species or threatened vegetation communities.

Objectives: The objectives of this survey were to;

- Undertake a desktop survey to confirm the known biological records and the natural values present in the exploration target areas and in the vicinity.
- Undertake a field survey of the exploration target areas to observe and record the natural values present including the vegetation types and plant communities, the flora and in particular any threatened species and potential habitat for species of threatened fauna.
- Determine the possible impacts of the proposed exploration program on the natural values present and make recommendations on how those impacts can be minimized.

Location of Study Area:



MAP REF: Tasmap 1:25,000, Sheet No. 5238, Nile

BIOREGION: Northern Midlands

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
AREA

POWRANNA TARGET AREA:

The following proposed drill sites are located on the property of Tasmanian Feedlots in Powranna Road.

GRID REFERENCES:

PW1: 520624E – 5382519N

PW2: 521048E – 5381923N

PW3: 521417E – 5382360N

PW4: 521428E – 5381350N

PW5: 521795E – 5381624N

PW6: 522129E – 5381864N

PW7: 522534E – 5382249N (All Grid References MGA Zone 55 GDA94)

Site Description:

The exploration target area is within an area which retains some remnant vegetation and tree cover although the area has had a high level of disturbance which has impacted on the ground stratum vegetation in numerous locations.

Desktop Survey of Natural Values:

The DPIW database “The Natural Values Atlas” was accessed for the known biological records of the locality and environs. Records of threatened species of flora and fauna known to occur within a 5,000 metre radius of the location were also accessed. Data sourced included the vegetation types and plant communities, the occurrence of any threatened vegetation communities, the recorded locations of any threatened species of plants and threatened fauna known or expected to occur in the vicinity.

REFERENCE POINT for the locality: Drill Site No.PW3: GRID REF: 521417E – 5382360N

Desktop Survey Results:

VEGETATION COMMUNITIES:

The following vegetation communities are mapped under the TasVeg mapping program as occurring within 1,000 metres of the study area reference points.

VEGETATION COMMUNITY	TasVeg Code / Map colour	EXTENT IN STUDY AREA
<i>Eucalyptus amygdalina</i> Inland Forest & Woodland on Cainozoic Deposits	DAZ / bright green with “x”	The predominant community in the target area
<i>Eucalyptus amygdalina</i> Forest & Woodland on Dolerite	DAD / Bright green with horizontal lines	3 localized areas to the west and s.w of the reference point.
<i>Eucalyptus viminalis</i> Grassy Forest & Woodland	DVG / Medium green	An area of this community extends into the south-west quadrat of the study area.
Lowland Grassland Complex	GCL / bright yellow	Discontinuous extent mainly in the northwestern quadrat of the study area.
Agricultural Land	FAG / cream	Mainly in the south-west quadrat of the study area.

TABLE 1: Vegetation Communities and extent within the study area as per TasVeg mapping program.

Eucalyptus amygdalina Inland Forest and Woodland on Cainozoic Deposits is a community usually dominated by the Black Peppermint *Eucalyptus amygdalina* although other species such as *Eucalyptus viminalis*, *E. pauciflora* or occasionally *E. ovata* are present and can sometime form the dominant canopy species. Dry sclerophyll shrubs, often low or prostrate species, Bracken *Pteridium esculentum* or grasses and graminoids with forb species can dominate the ground stratum depending on the soil type, fertility and depth and the drainage conditions, as well as the additional historical factors of firing and land use. There can be a high diversity of species in the ground layer vegetation although many of the remnants are now degraded.

This community is strongly associated with lateritic sediments in the northern Midlands and in the Fingal Valley and it's main area of distribution is in the northern Midlands. Some outlying localities include the West Tamar, Bridgenorth and Westbury, between Cranbrook and Swansea on the east coast and in the Cressy – Blackwood Creek area.

The community was much more extensive in the northern Midlands at the time of white settlement however much of it has been cleared for agriculture. Large areas on the less fertile soils in the Epping Forest and Powranna areas were cleared in the 1960's following the introduction and widespread use of superphosphate.

The community is of high conservation value and is listed as a threatened native vegetation community under the Tasmanian *Nature Conservation Act 2002*.

Eucalyptus amygdalina Forest and Woodland on Dolerite is more widespread than the former community and is often located on rocky sites in low rainfall areas. The community typically is dominated by uneven aged Black Peppermint less than 25metres in height and with a variable understorey ranging from grassy to shrubby. In this location the two Eucalypt communities occur side by side and each has a similar structure with the dominant trees and a similar composition of species in the ground stratum. It is principally the underlying geology which separates them.

Eucalyptus viminalis Grassy Forest and Woodland is a community which is prevalent through the midlands and often found on rocky dolerite slopes. The understorey is usually grassy although the specific composition is dependent on a sites fire and grazing history. The canopy is generally open with low branched trees between 15 and 25 metres in height.

Lowland Grassland Complex; most of the native and semi-improved pastures through the midlands are mapped as this community but is distinguished from the mapping unit Regenerating Cleared Land (FRG) by having more than 25% of native species. The species composition varies greatly depending on location and disturbance history.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET AREA

E: 520327
N: 5383460

E: 522528
N: 5383460

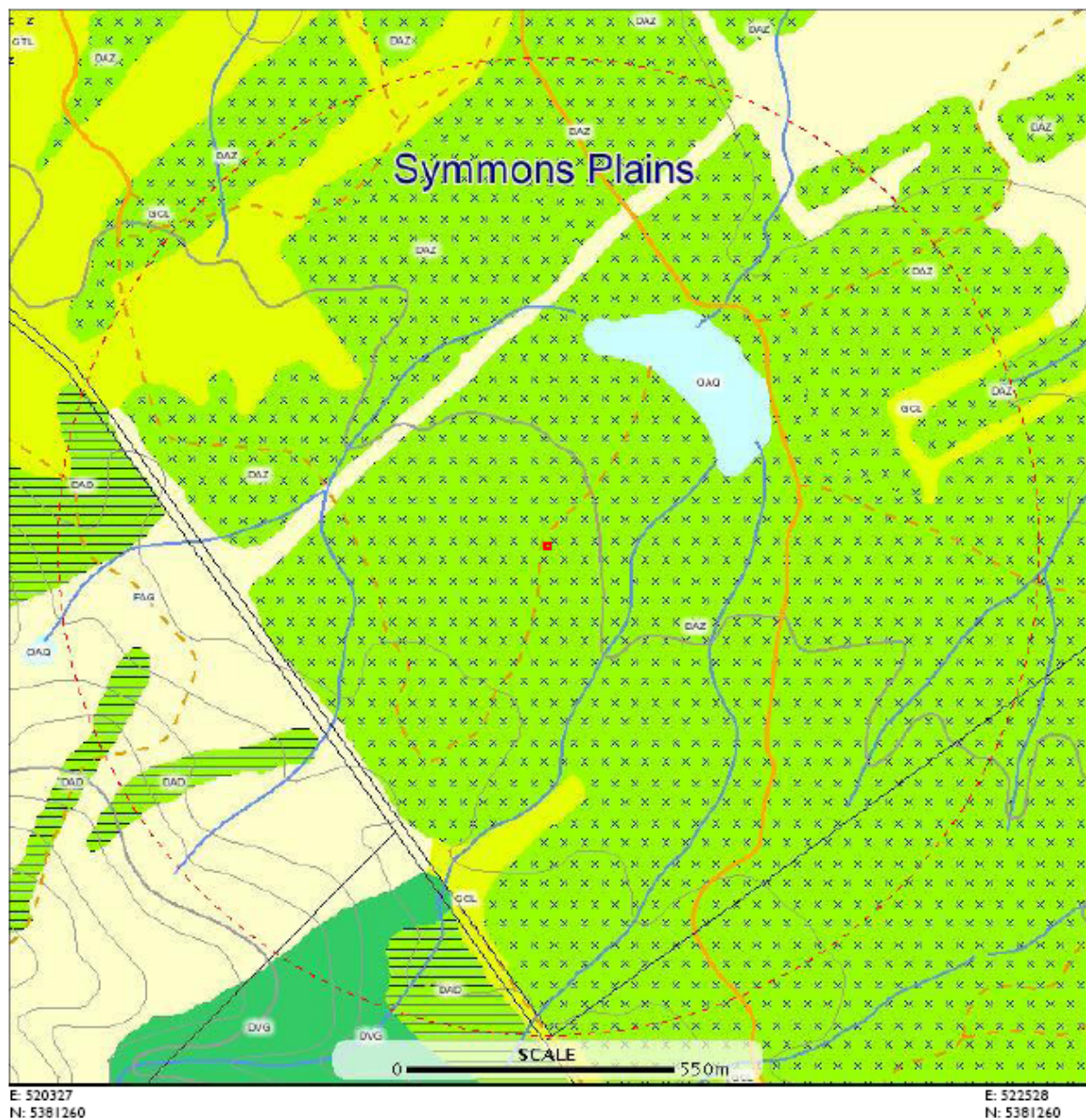


FIGURE 1: Vegetation communities as per TasVeg mapping program within 1,000 metres of reference point Drill Pad Site No. PW3: GRID REF: 541417E – 5382360N.

CODE: DAM*Eucalyptus amygdalina* Inland Forest & Woodland on Cainozoic Deposits,
DAD*Eucalyptus amygdalina* Forest & Woodland on Dolerite
DVG *Eucalyptus viminalis* Grassy Forest & Woodland
FAG Agricultural Land
GCL Lowland Grassland Complex

THREATENED VEGETATION COMMUNITIES:

- The predominant natural vegetation community mapped within the study area is listed as threatened under the Tasmania *Nature Conservation Act 2002*. *Eucalyptus amygdalina* Inland Forest & Woodland on Cainozoic Deposits is listed as a vulnerable community under the Act as it has been subject to extensive clearing and fragmentation throughout the northern midlands and in particular since the 1960's.

VEGETATION COMMUNITIES OF CONSERVATION SIGNIFICANCE

- Although the community *Eucalyptus amygdalina* Forest and Woodland on Dolerite is relatively widespread it mainly occurs on freehold land and is considered to be under-reserved in the state and particularly so in its old-growth condition.
- The same can be said for *Eucalyptus viminalis* Grassy Forest and Woodland which predominantly occurs on private land. It also is considered to be under-reserved across the state, and particularly so in its old-growth condition. Both communities are being targeted for further reservation under the RFA.
- Any native grassland which is in good condition and has a high diversity of species would be of high conservation value.

THREATENED FLORA:

Seven species of threatened flora listed under the Tasmanian *Threatened Species Protection Act 1995* and/or the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* are recorded on the "Natural Values Atlas" database as occurring within 500 metres of the study area reference point.

- *Aphelia gracilis* the Slender Fanwort is listed as being rare in Tasmania. There is one 1991 record from the locality and a further 10 records from within 3,000 metres, one from 1991 and the balance from 2009.
- *Arthropodium strictum* the Chocolate Lily is listed as being rare under the Tasmanian Act with two 1991 records and a further 42 records from within 3,000 metres dated between 1984 and 2009.
- *Brunonia australis* the Blue Pincushion is listed as being rare under the state Act. There is one 1991 record from within 500 metres and a further 49 records from within 3,000 metres dated between 1984 and 2009.
- *Hyalosperma demissum* the Moss Sunray is an endangered species under the Tasmanian Act. There is one 1991 record from the locality and a further 7 records from within 3,000 metres two dated from the early 90's and the balance from 2009.
- *Myriophyllum integrifolium* the Tiny Water-milfoil is considered to be vulnerable in Tasmania. There is one 1991 record and a further 9 from within 3,000 metres, two dated 1991 and the balance from 2009.
- *Siloxerus multiflorus* the Small Wrinklewort is a rare species in Tasmania. There is two 1991 records and a further four from within 3,000 metres, two from 1991 and three from 2009.
- *Triptilodiscus pygmaeus* (syn *Helipterum australe*) the Dwarf Sunray is considered to be vulnerable in Tasmania. There is one 1991 record from the locality and a further two from within 3,000 metres and both from the early 90's.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
AREA

A further 18 species of listed threatened flora are recorded on the database as occurring within 3,000 metres of the study area reference point.

- *Amphibromus macrorhinus* Longnosed Swampgrass is endangered in Tasmania. There is one undated record from the locality.
- *Aphelia gracilis* the Slender Fanwort is a rare species within Tasmania. There are 11 records from the locality, two from 1991 and the balance from 2009.
- *Aphelia pumilio* the Dwarf Fanwort is also listed as being rare in the state with 11 records from the locality, 7 from 2005 and the balance from 2009.
- *Austrostipa scabra* subsp *scabra* Rough Speargrass is provisionally listed as being rare in Tasmania with 4 records from the locality.
- *Caesia calliantha* the Blue Grasslily is listed as being rare under the State Act with one 1984 record and one from 1993 and the balance from 2009.
- *Glycine latrobeana* Clover Glycine *Glycine latrobeana* the Clover Glycine is listed as being vulnerable under the Tasmanian Act and under the Commonwealth Act. There are two records from the locality dated 1984 and 1996.
- *Gratiola pubescens* the Hairy Brooklime is vulnerable in Tasmania with one 1993 record.
- *Haloragis heterophylla* the Variable Raspwort is considered to be rare in Tasmania. There are 14 2005 records on the database.
- *Hypoxis vaginata* var *vaginata* the Sheathing Yellowstar is provisionally listed as being rare in Tasmania. There are 34 records on the data base, most from 2005. (one from 1986 and three from 2009).
- *Leucochrysum albicans* subsp *albicans* the Grassland Paperdaisy is an endangered species both in Tasmania and Nationally. There are two 1984 records from the locality.
- *Leucopogon virgatus* var *brevifolius* the Shortleaf Beardheath is considered to be rare in Tasmania. There are 7 records from the locality all dated from 2009.
- *Poa mollis* the Soft Tussockgrass is listed as being rare with a single record from 1984.
- *Pultenaea humilis* the Dwarf Bushpea is listed as being vulnerable in Tasmania. There are 24 records on the database from the locality. 5 records are pre 2002 and the balance from 2009.
- *Pultenaea prostrata* the Silky Bushpea is considered to be vulnerable in Tasmania. There is a single 1984 record from the locality.
- *Ranunculus pumilio* var *pumilio* the Ferny Buttercup is rare in Tasmania. There are 8 records all from 2005.
- *Stylidium despectum* the Small Triggerplant is a rare species in Tasmania. There are 5 records and all from 2009.
- *Trithuria submersa* the Submerged Watertuft is a rare species in Tasmania with two 2009 records on the database.
- *Viola cunninghamii* the Alpine Violet is rare in Tasmania. There are three 1984 records from the locality.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
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THREATENED FAUNA:

Two species of threatened fauna listed under the above Acts are recorded on the database as occurring within 3,000 metres of the study area. No species have been recorded from within 500 or 1,000 metres of the study area reference point

- The Tasmanian subspecies of Wedge-tailed Eagle *Aquila audax* subsp *fleayi*. The bird is listed as being endangered under both State and Commonwealth Acts and requires large trees within tracts of old-growth forest for nesting. There are two known nest tree sites within the Hummocky Hills within 3,000 metres to the west of the study area reference point. Both records are from the 1980's.
- The Spotted-tailed Quoll, *Dasyurus maculatus* subsp *maculatus* is listed as a rare species under the Tasmanian Act and vulnerable under the Commonwealth Act. There is one record on the database dated about 1995.

The following species of threatened fauna could occur in the locality based on habitat mapping and on the known geographical range of each.

- The Tasmanian subspecies of the Masked Owl *Tyoto novaehollandiae* subsp *castinops* is listed as being endangered in Tasmania and considered to be vulnerable under the Commonwealth Act. There is one record from 1995 and one from 1996 from the locality. This bird requires large tree hollows for nesting and old-growth forest as habitat.
- The White (Grey) Goshawk *Accipiter novae hollandiae* is endangered in Tasmania. The species requires mature wet forest as habitat.
- The Swift Parrot *Lathamus discolor* is listed as endangered both in Tasmania and nationally and inhabits mature Blue Gum forests (*Eucalyptus globulus*) and *Eucalyptus ovata* Forest and requires tree hollows for nesting.
- The Eastern-barred Bandicoot *Parameles gunnii* is relatively widespread in Tasmania but considered to be vulnerable nationally.
- The Tussock Skink *Pseudemoia pagenstecheri* is considered to be vulnerable in Tasmania.
- The Swan Galaxia *Galaxias fontanus* is considered to be endangered in Tasmania and nationally. The species is endemic to Tasmania.
- The Green and Gold Frog *Litoria raniformis* is considered to be vulnerable in Tasmania and Nationally.
- The Catadromus Carabid Beetle *Catadromus lacordairei* is listed as a vulnerable species under the Tasmanian Act.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
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Field Survey:

The field survey was undertaken on Friday the 22nd of October 2010.

Methodology: Each of the proposed drill sites was plotted and surveyed on foot. An area of approximately 20 metres diameter was surveyed around each site.

Vascular plant species were recorded, vegetation communities were observed and cross-referenced with the TasVeg map sourced from the Natural Values Atlas database.

Limitations: This survey was conducted in spring when many species are in flower, however there are numerous species which flower later in the spring such as most of the grasses, and in other seasons. No botanical survey can guarantee that all flora will be observed and recorded in a single survey in one year due to seasonal and annual variation in abundance and the possible absence of flowers and fertile material for identification. Ephemeral species which may have been present includes species of orchids, lilies, herbs, grasses and other graminoids. However all significant species known to occur in the study areas and their environs have been considered in this report.

Field Survey Results:

The field survey and exploration target area is within property owned by Tasmanian Feedlots and is accessed from Powranra Road to the immediate west of the dragway facility. A gravel road extends southwards along the western boundary of the property and then turns east when the southern boundary of the property is reached. Proposed drill sites PW1, PW2 and PW4 (at the corner of the property) are located along the western boundary of the property. PW5, PW6 and PW7 are located alongside the track which extends along the southern boundary of the property. PW3 is located alongside a side track which extends towards the centre of the property.

It was noted during the survey that the private property opposite the entrance to this property in Powranra Road is a protected area with a conservation covenant. The adjoining property located to the south of the property being surveyed is now owned by the Tasmanian Land Conservancy and it is expected that this property would also be covered by a conservation covenant in order to conserve its natural values.

VEGETATION COMMUNITIES:

The predominant vegetation community throughout the area surveyed is confirmed as being *Eucalyptus amygdalina* Inland Forest and Woodland on Cainozoic Deposits as is mapped under the "TasVeg" mapping program. The Black Peppermint *Eucalyptus amygdalina* was the predominant canopy tree over most of the area. The composition of the ground layer vegetation was mainly open/sparse grassland with numerous herbs and forbs and an occasional small shrub. The density of the ground layer vegetation varied from bare or cultivated ground to an even grassy layer depending on the degree of disturbance which has occurred in a location. Some herbs had re-established in areas subject to past disturbance. The ground stratum vegetation has been and is continuing to be cleared, cultivated and disturbed across the property.

The tree density and age class varied greatly across the study area with few mature or old-growth trees present amongst semi mature trees and younger regrowth which has undoubtedly been influenced by land use activities over the years. Some locations had young regrowth of Silver Wattle *Acacia dealbata* probably up to 15 years old which made up much of the smaller understorey trees. The clearing of trees was being undertaken in some locations.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
AREA

eg Vicinity of PW7.

THREATENED VEGETATION COMMUNITIES:

One vegetation community listed under the Tasmanian *Nature Conservation Act 2002* was observed during the field survey. *Eucalyptus amygdalina* Inland Forest on Cainozoic Deposits is distributed across all of the exploration target area and the area covered by this survey. The exploration program as proposed is focused on areas previously disturbed and will not cause further impact on the vegetation community

VEGETATION COMMUNITIES OF CONSERVATION SIGNIFICANCE:

No other native vegetation community was observed in the target during the field survey.

THREATENED FLORA:

Five plant species listed under the Tasmanian *Threatened Species Conservation Act 1995* and/or the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* were observed or recorded during the field survey.

- *Siloxerus multiflorus* the Small Wrinklewort was observed in the vicinity of proposed drill sites PW3 and PW6 and PW7.

PW3: 521417E – 5382360N

PW6: 522129E – 5381864N

PW7: 522534E – 5382153N

And was also recorded at the following locations.

PWA: 521160E – 5381916N

PWB: 521398E – 5382249N

This species is listed as being rare in Tasmania.

There was also extensive colonies of this species along the cleared firebreak on the adjoining TLC property and it appears to favour previously disturbed ground. Some minor repositioning of the above three drill sites may be necessary to avoid damaging these plants. The plant is a small ground hugging plant with relatively bright green leaves and small round button-like and downy looking flowers.

Field staff should ensure that they are able to recognize this plant.

Note photos on the following page.



PHOTO 1: THREATENED FLORA ... *Siloxerus multiflorus* the Small Wrinklewort



PHOTO 2: THREATENED FLORA ... *Siloxerus multiflorus* the Small Wrinklewort

- *Hyalosperma demissum* the Moss Sunray was observed in the vicinity of drill sites PW3 and PW6.
PW3: 521417E – 5382360N
PW6: 522129E – 5381864N
This species is listed as being endangered under the Tasmanian Act.
A few plants were observed along the existing vehicular track and adjacent to previously disturbed ground in the location. A minor repositioning of the drill sites may be necessary to avoid impacting on the plant. The field crew should ensure that they are able to recognize the plant in the field. Note photo on the following page.
Typically it is a small ground herb which forms a compact moss-like mound or cushion. The leaves are a darkish green and the flowers are relatively small but located prominently at the tips of the short stems.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET AREA



PHOTO 3: THREATENED FLORA ... *Hyalosperma demissum* the Moss Sunray

- *Arthropodium strictum* the Chocolate Lily was observed during the survey but not in the vicinity of any of the seven proposed drill sites. This plant is listed as being rare under the State Act.
The proposed drilling program will not impact on this species.
- *Brunonia australis* the Blue Pincushion was also observed during the field survey but did not occur in the vicinity of any of the proposed drill sites.
This plant is listed as being rare under the State Act.
- *Hypoxis vaginata* the Sheathing Yellowstar was observed during the survey in a few locations prone to dampness but was not observed in the vicinity of any of the proposed drill sites.

No other threatened species of plants which have been previously recorded within 3,000 metres of the study area reference point, and referred to in the desktop survey section of this report was observed during the field survey of the target area.

FLORA OF CONSERVATION SIGNIFICANCE:

Other species of particular bio-geographical interest observed during the survey included *Millotia tenuifolia* the Soft Bowflower, *Hydrocotyle callicarpa* the Tiny Pennywort, and the Hairy Hibbertia *Hibbertia hirsuta*.

THREATENED FAUNA:

No species of fauna listed under the above Acts was observed during the field survey.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
AREA

THREATENED FAUNA HABITAT:

No potential habitat for the threatened species of fauna which are known or expected to occur in the locality was observed within the target area. Old-growth trees with hollows may be present elsewhere on the property however no significant trees with hollows were observed during the survey.

ENVIRONMENTAL WEEDS:

Three significant environmental weeds were observed during the field survey.

- Gorse *Ulex europaeus* was observed as an occasional weed throughout the survey area although all plants were relatively small and scattered and will not cause any issue for the proposed drilling program. Dead plants of gorse were also present which is evidence of a current weed management program by the landowner.
- Oniongrass *Romulea rosea* was observed in a number of locations. It is a South African species which has the potential to invade native grasslands and exclude indigenous species. It is a relatively widespread weed in Tasmania.
- Spear Thistle *Cirsium vulgare* is a widespread weed of pasture and disturbed ground throughout Tasmania.

PHYTOPHTHORA: There was no symptomatic field evidence observed of the root pathogen *Phytophthora cinnamomi* during this field survey.

Survey Conclusions:

The exploration target area is located within an area of remnant forest which is listed as a threatened native vegetation community. The community has been subjected to a high level of disturbance, particularly the ground stratum vegetation. The proposed drill sites are located along existing tracks or adjacent to previously disturbed areas and will have no further impact on the community itself.

The vegetation of the northern midlands bioregion has been subject to extensive land clearance in the past mainly for agriculture and the remaining natural vegetation is now of high conservation value and is often the last remaining refuge for numerous species of flora and fauna but particularly so for the ground stratum flora.

Although the exploration target area has been subject to a high degree of disturbance a number of threatened species were present within the survey area which demonstrated that the area is still of relatively high conservation value.

The proposed exploratory drilling program is of a low impact nature involving shallow drill holes which will be located within or adjacent to existing vehicular tracks in most cases. The drilling program as proposed will have a minimal impact of the ground layer vegetation and will not impact on any of the threatened species observed during the survey providing the field crew is aware of and are able to recognize the particular species and position the drill sites and work areas accordingly.

Recommendations:

VEGETATION COMMUNITIES:

The proposed drilling program is located mainly along and within the existing vehicular tracks and so will have a minimal impact on the native vegetation community present and a minimal impact on the ground stratum vegetation. No mature trees will need to be felled to accommodate any of the drill sites.

Ensure the adequate containment within each drill pad site of all silt, dust, sediment and other contaminants resulting from the drilling program to avoid impacting on adjacent soils and ground stratum vegetation.

THREATENED VEGETATION COMMUNITIES:

The threatened vegetation community, *Eucalyptus amygdalina* Inland Forest & Woodland on Cainozoic Deposits is present across the survey and exploration target area, however there will be minimal impact on this community with the proposed exploration program and no specific action is required in addition to the recommendations made under vegetation communities (above).

THREATENED FLORA:

Five species of threatened flora were observed during the field survey, however just two of these species were observed in the vicinity of proposed drill sites.

- *Siloxerus multiflorus* the Small Wrinklewort was observed in the vicinity of PW3, PW6 and PW7 and at two other locations between PW2 and PW3. Some repositioning of each of these drill sites may be necessary to avoid impacting on plants of this species. Field staff should ensure that they are able to recognize this plant.
- *Hylaospermum demissum* the Moss Sunray was observed in the vicinity of proposed drill sites PW3 and PW6. Some repositioning of the two drill sites may be necessary to avoid impacting on plants of this species. Field staff should ensure that they are able to recognize this plant.

THREATENED FAUNA:

No species of threatened fauna was observed or recorded during the field survey and no specific action is required.

THREATENED FAUNA HABITAT:

No potential habitat for threatened fauna such as mature trees with hollows was observed during the survey. The exploration program will not impact on any established trees and so will not impact on potential habitat for threatened species of fauna.

As most of the drill sites are located on or adjacent to existing vehicular tracks there will be minimal impact to the ground stratum vegetation and will have little impact on terrestrial species of fauna.

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
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ENVIRONMENTAL WEEDS:

Gorse *Ulex europeus* was observed on this and adjoining properties during the survey however none was observed in the vicinity of proposed drill sites.

Onionweed *Romulea rosea* was observed during the survey although none was observed in the vicinity of proposed drill sites.

As a precautionary measure and in order to prevent the introduction of weeds into weed free areas all equipment and machinery should be subject to a wash-down procedure to remove any soil or mud which could contain weed seeds before being transported into and out of the exploration area.

PHYTOPHTHORA: Accepted protocols in regard to hygiene and wash-down procedures for all machinery and equipment, including the drill rig itself should be followed, to ensure that the pathogen is not inadvertently introduced into disease free locations by way of extraneous soil, mud and gravel adhered to tyres, work-boots and equipment.

Philip Milner

Vegetation Consultant

**Appendix 1:
Vegetation Communities and Species Recorded**

**1. *Eucalyptus amygdalina* Inland Forest and Woodland on Cainozoic Deposits
(TasVeg Code DAZ)**

This is the predominant community throughout the survey area and its main area of distribution is the northern Midlands and the Fingal Valley. The community is listed as being a threatened native vegetation community under the Tasmanian *Nature Conservation Act 2002*. The community has been extensively cleared in the past mainly for agriculture.

DOMINANT TREES	COMMON NAME	FREQUENCY
<i>Eucalyptus amygdalina</i>	Black Peppermint	abundant
<i>Eucalyptus viminalis</i>	White-gum	occasional
UNDERSTOREY TREES AND TALL SHRUBS		
<i>Acacia dealbata</i>	Silver wattle	common
<i>Allocasuarina littoralis</i>	Forest She-oak	occasional
<i>Allocasuarina verticillata</i>	Drooping She-oak	one tree only
MEDIUM SHRUBS		
<i>Banksia marginata</i>	Silver Banksia	uncommon
<i>Bursaria spinosa</i>	Prickly Box	uncommon
<i>Davesia latifolia</i>	Hop Bitterpea	occasional
SMALL SHRUBS		
<i>Astroloma humifusa</i>	Cranberry Heath	common
<i>Bossiaea prostrata</i>	Creeping Bossia	common
<i>Gonocarpus tetragynus</i>	Common Raspwort	occasional
<i>Goodenia lanata</i>	Trailing Native-primrose	common
<i>Hibbertia hirsuta</i>	Hairy Guineaflower	occasional
<i>Hibbertia riparia</i>	Erect Guineaflower	common
<i>Leucopogon virgatus</i>	Twiggy Beardheath	common
<i>Lissanthe strigosa</i>	Peachberry Heath	common
<i>Pimelea humilis</i>	Dwarf Riceflower	occasional
<i>Platylobium obtusangulum</i>	Common Flatpea	occasional
<i>Pultenaea pedunculata</i>	Matted Bushpea	occasional
CLIMBING PLANTS		
<i>Comesperma volubile</i>	Blue Love Creeper	occasional
HERBS & HERB-LIKE PLANTS		
<i>Acaena echinata</i>	Sheeps Burr	occasional
<i>#Brunonia australis</i>	Blue Pincushion	localized
<i>Chrysocephalum apiculatum</i>	Common Everlasting	uncommon
<i>Drosera peltata</i> subsp <i>peltata</i>	Pale Sundew	uncommon
<i>Euchiton collinus</i>	Common Cottonleaf	occasional

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET
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APPENDIX 1 (cont)

HERBS & HERB-LIKE PLANTS (cont)

# <i>Hyalosperma demissum</i>	Moss Sunray	very localized
<i>Hydrocotyle callicarpa</i>	Tiny Pennywort	common
<i>Hypericum gramineum</i>	Small StJohns Wort	occasional
<i>Leptorhynchus squamatus</i>	Scaly Buttons	occasional
<i>Millotia tenuifolia</i>	Soft Bowflower	uncommon
<i>Oxalis perennans</i>	Grassland Woodsorrel	common
# <i>Siloxerus multiflorus</i>	Small Wrinklewort	localized
<i>Viola hederaceae</i>	Ivy-leafed Violet	occasional
<i>Wahlenbergia sp.</i>	A Native Bluebell	occasional

ORCHIDS

<i>Glossodia major</i>	Waxlip	uncommon
<i>Pterostylis nutans</i>	Nodding Greenhood	localized
<i>Thelymitra sp.</i>	A Sun Orchids	uncommon

GRASSES & GRAMINOIDS

# <i>Arthropodium strictum</i>	Chocolate Lily	localized
<i>Austrodanthonia spp.</i>	Wallaby Grasses	common
<i>Centrolepis strigosa</i>	Hairy Bristlewort	uncommon
<i>Dianella revoluta</i>	Spreading Flaxlily	uncommon
<i>Ehrharta stipoides</i>	Weeping Grass	occasional
# <i>Hypoxis vaginata</i> var <i>vaginata</i>	Sheathing Yellow-star	localized
<i>Lepidosperma inops</i>	Fan Sedge	occasional
<i>Lomandra longifolia</i>	Mat-rush	occasional
<i>Poa rodwayi</i>	Velvet Tussockgrass	occasional
<i>Poa labillardierei</i>	Silver Tussockgrass	occasional
<i>Themeda triandra</i>	Kangaroo Grass	occasional
<i>Wurmbea dioica</i>	Early Nancy	occasional

FERNS & ALLIED PLANTS

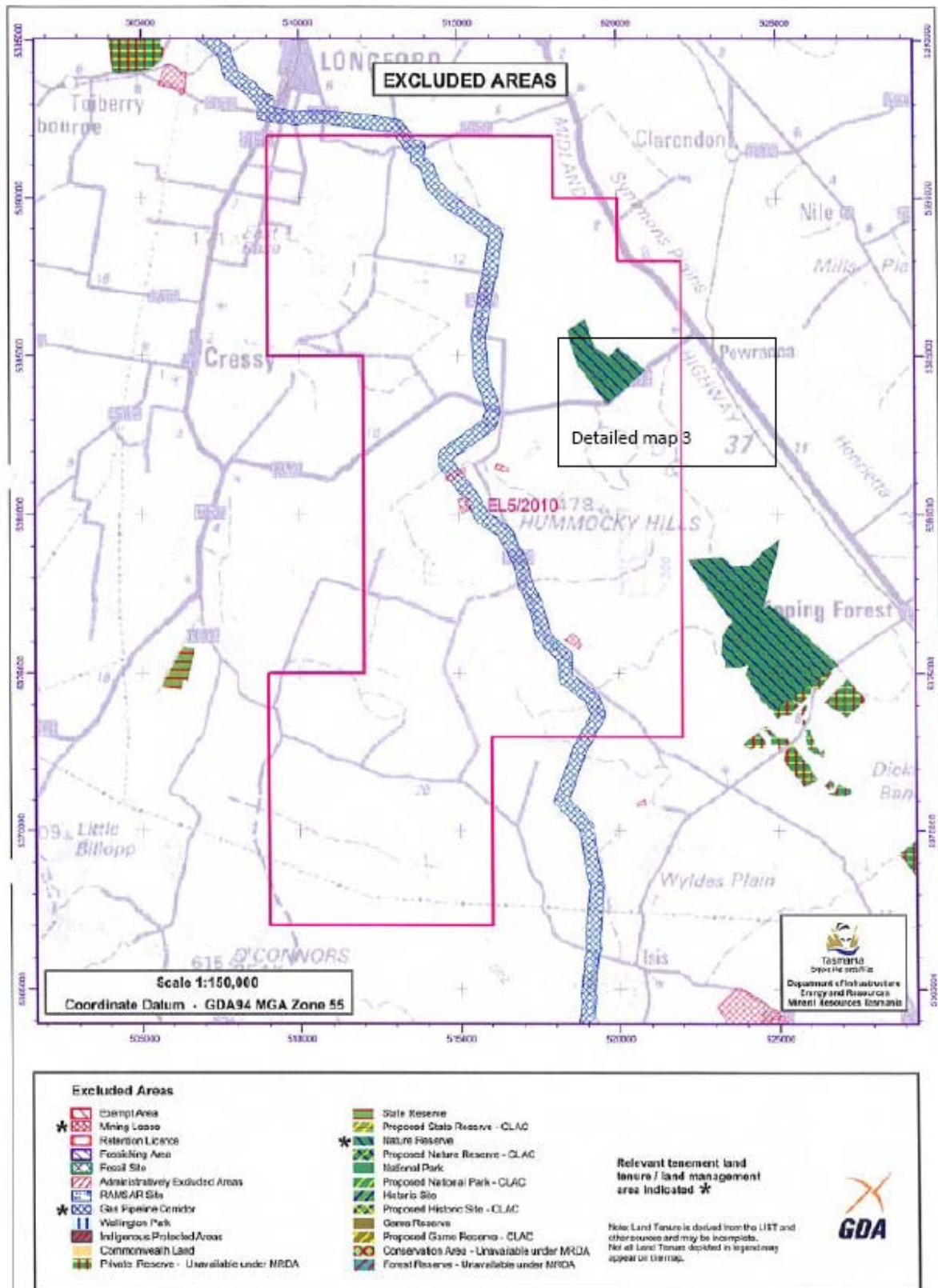
<i>Pteridium esculentum</i>	Bracken	uncommon
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ENVIRONMENTAL WEEDS

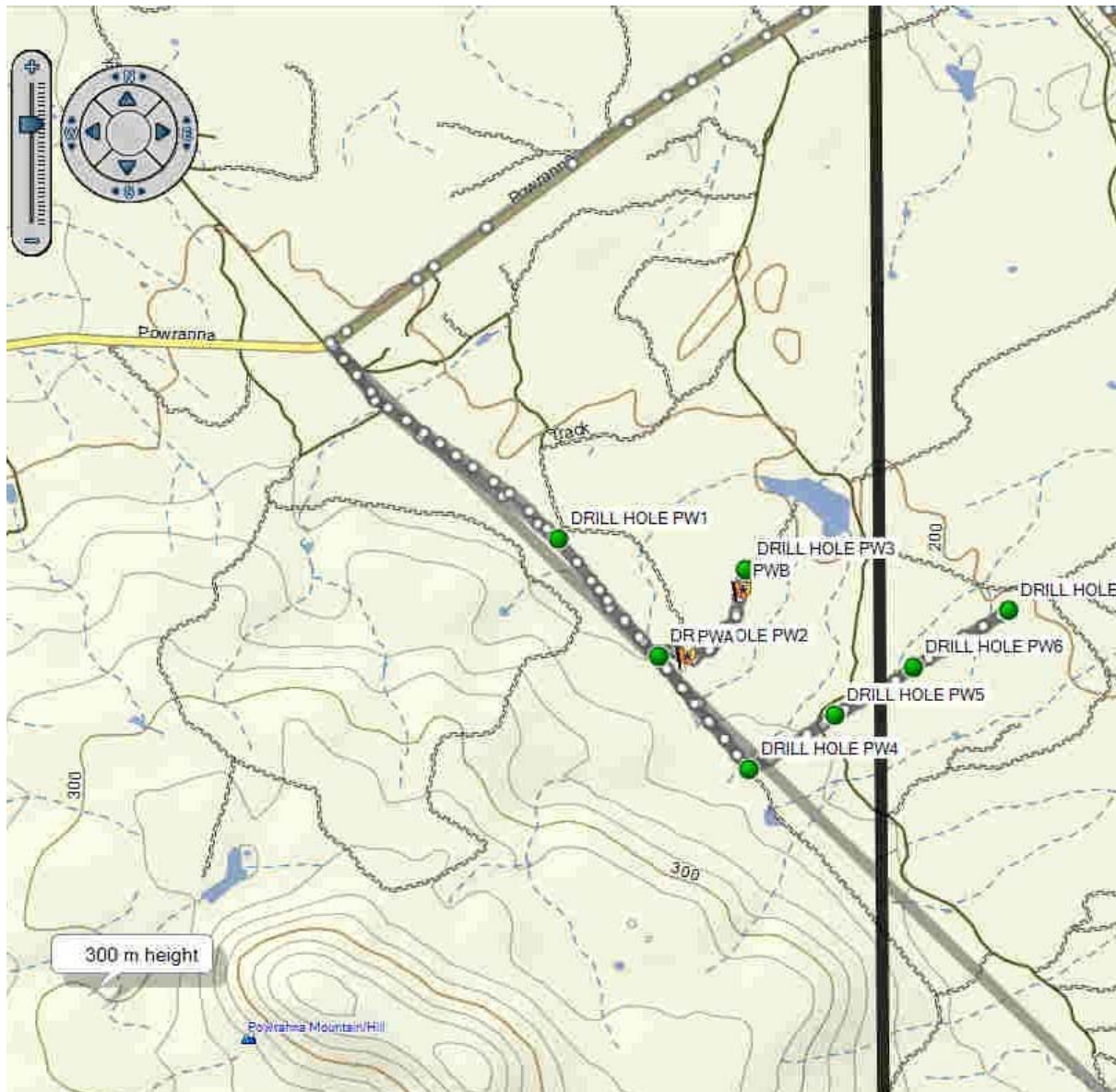
<i>Anagallis arvensis</i>	Scarlet Pimpernel	occasional
<i>Cirsium vulgare</i>	Spear Thistle	common
<i>Hypochoeris glabra</i>	Catsear	occasional
<i>Romulea rosea</i>	Onionweed	occasional
<i>Ulex europaeus</i>	Gorse	occasional

Species listed as threatened.

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BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET AREA



MAP 2: Location of proposed drill holes within survey area

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET AREA



PHOTO 4 Drill Pad Site PW1. Very sparse grassy ground layer next to BMX track



PHOTO 5. Drill Site PW3 next to track showing degree of previous disturbance

BOTANICAL AND FAUNA HABITAT SURVEY FOR ABx4 PTY LTD: POWRANNA TARGET AREA



PHOTO 6 Vicinity of Drill Site PW4 near south-west corner of the property.



PHOTO 7 Vicinity of Drill Site PW7 showing extent of clearing.