

Partial Relinquishment Report

on

EL 4/2010 – EVANDALE

Reporting Period: 14 September 2011 – 13 August 2012

Project Operator: ABx4 Pty Ltd

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Date: 6 September 2012

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CONTENTS

1	ABSTRACT.....	2
2	INTRODUCTION	3
3	REVIEW OF PREVIOUS WORK	5
4	EXPLORATION COMPLETED DURING THE REPORTING PERIOD	6
5	DISCUSSION OF RESULTS	7
6	CONCLUSIONS AND RECOMMENDATIONS	8
7	ENVIRONMENT	9
8	REFERENCES	10

MAPS

Map 1 – Location Map of EL 4/2010 “Evandale”	4
Map 2 – Overview Map of EL 4/2010 with proposed relinquishment area outlined in red	6

NOTE: All Garmin maps use WGS – 84

1 ABSTRACT

Objective:

Exploration Licence (EL) 4/2010 “Evandale” 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 was 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.

Work undertaken in relinquished area

1. Detailed mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Desktop review - driving along public roads in search of bauxite outcrops and examination of the geology of the area.

Results:

No bauxite outcrops were seen whilst traversing on public roads in the area being relinquished.

The landscape based on visual observation and mapping did not seem prospective for finding bauxite.

ABx4 Pty Ltd (**ABx4**) is partially relinquishing 113sq km as seen on Map 2. The partial relinquishment focuses on removing towns, settlements, rivers, mountains and exclusion areas from the current tenement. Many of these areas are unlikely to have bauxite and those areas with bauxite would have significant constraints on future development.

The majority of the land usage in the tenement is agricultural land with land categories between 3 and 7. Gaining access to farming properties was very successful. All landowners contacted by ABx4 allowed the drill rig to operate on their property and no problems were encountered.

2 INTRODUCTION

Exploration Rationale

Exploration Licence (EL) 4/2010 “Evandale” 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 was to determine the quality and quantity of the bauxite in the area using an RC drill rig mounted on a light 12 tonne truck.

Geological Setting

In the Evandale 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.

The bauxite has formed in the lower areas of central Tasmania between two massive plateaus of dolerite. The large valley is made up of dolerite, young volcanics, recent sediment and some sandstone which have been extensively laterised. There is a small amount of older volcanics in the bauxite areas which are believed to be the source rock for the bauxite.

Tenement Information

EL 4/2010 “Evandale” was granted on and from 14 September 2010 for a period of 5 years to ABx4 Pty Ltd (ABx4).

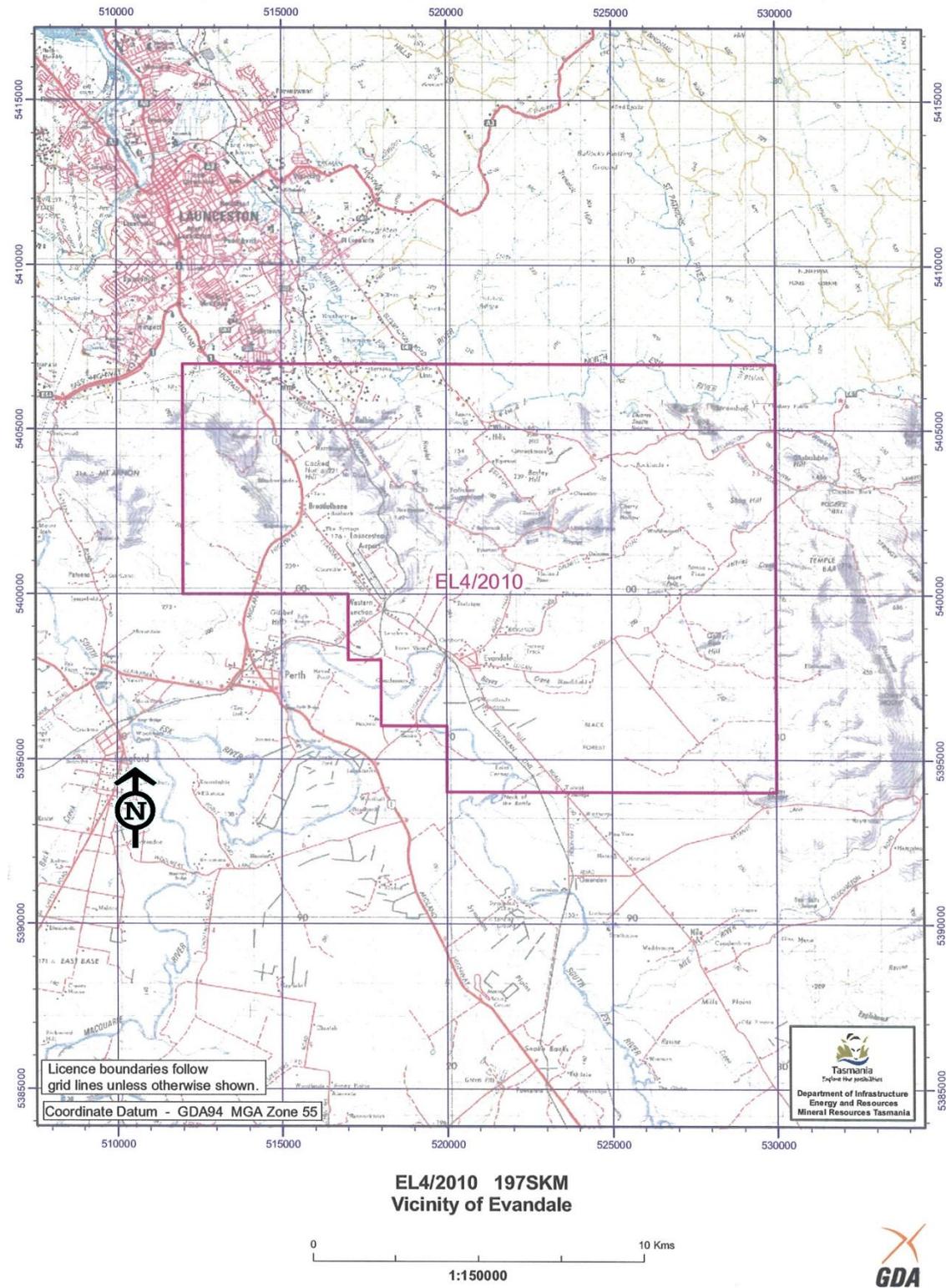
This is the Partial Relinquishment Report for the reporting period 14 September 2010 - 14 September 2012 incorporating the results of work completed over the last two years of tenure.

The original area of the licence is 197sq km. ABx4 however is relinquishing 113sq km to bring the remaining total area to 84sq km. The Mineral Category for EL 4/2010 is 1 – Metallic Minerals and Atomic Substances.

Location

The Evandale 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 4/2010 is close to the City of Launceston which could offer a wide range of services and skilled work force.

INTRODUCTION Cont



Map 1 – Location Map of EL 4/2010 “Evandale”

Tenure, including joint venture details and title transfers

EL 4/2010 “Evandale” is 100% owned by ABx4 which is a wholly owned subsidiary of Australian Bauxite Limited.

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement

- H.B. Owen, 1954, Bauxite in Australia, Bulletin 24
- F. Blake (1959). Longford 1:6336000 geological map, Geological survey of Tasmania - Department of Mines

During First Year of Tenure

Only mapping and desktop review was undertaken in the first year of tenure over the relinquished areas.

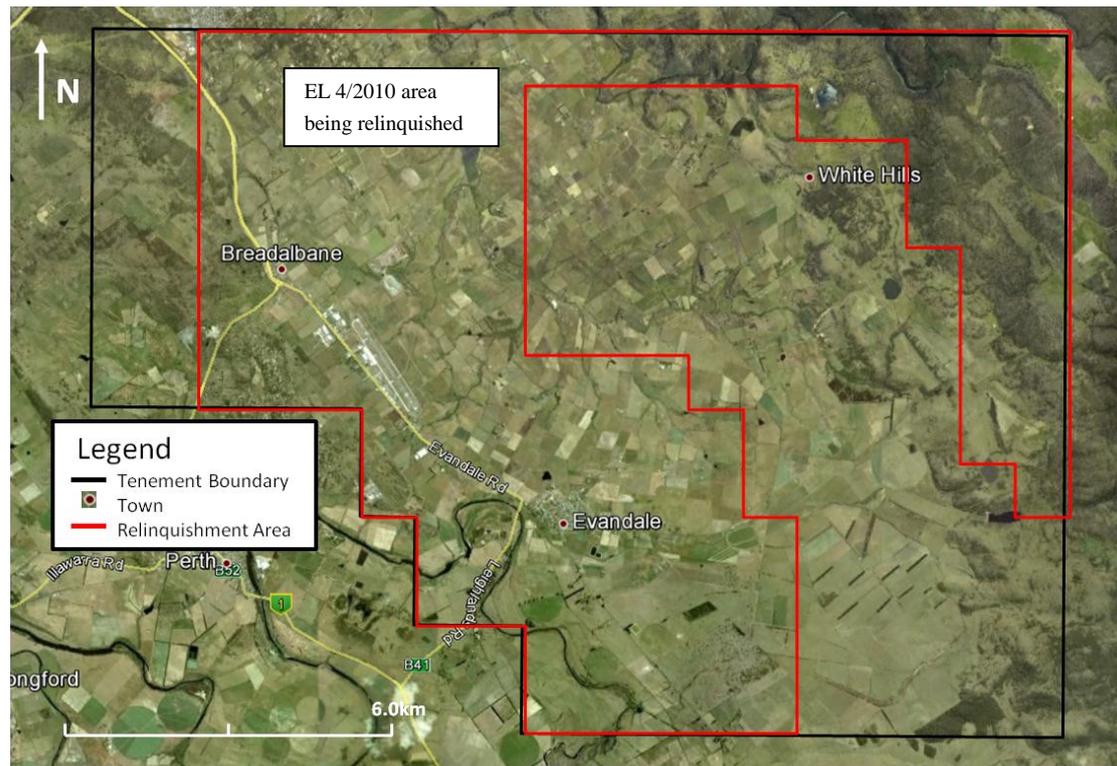
4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Literature Review

H.B. Owen, 1954, Bauxite in Australia, Bulletin 24

F. Blake (1959). Longford 1:6336000 geological map, *Geological survey of Tasmania -Department of Mines*

Area to be Relinquished



Map 2 – Overview Map of EL 4/2010 with proposed relinquishment area outlined in red

ABx4 proposes to relinquish 113sq km of EL 4/2010 in order to focus exploration on the most prospective zones for finding bauxite. The partial relinquishment focuses on removing towns and settlements, rivers and mountains and exclusion areas from the current tenement. Many of these areas are unlikely to have bauxite and those areas with bauxite would have significant constraints in any potential developments.

The majority of the land usage in the tenement is agricultural land with land categories 3-7.

5 DISCUSSION OF RESULTS

No bauxite outcrops were seen whilst traversing on public roads in the area.

The landscape based on visual observation and mapping did not seem prospective for finding bauxite.

6 CONCLUSIONS AND RECOMMENDATIONS

Bauxite potential in the relinquished area seems minimal.

ABx4 proposes to relinquish 113sq km of EL 4/2010 in order to focus exploration on the most prospective zones for finding bauxite. The partial relinquishment focuses on removing towns and settlements, rivers and mountains and exclusion areas from the current tenement. Many of these areas are unlikely to have bauxite and those areas with bauxite would have significant constraints for further development.

7 ENVIRONMENT

Surface Disturbing Operations:

There were no surface disturbing activities in the relinquished area. Only desktop review was undertaken.

Surveys (archaeological, botanical):

No surveys were undertaken over the areas being relinquished.

Rehabilitation:

No rehabilitation was required as no surface disturbing activities were undertaken.

Traversing was undertaken only on public roads.

8 REFERENCES

H. B. Owen (1954). *Bauxite in Australia*, Bureau of Mineral Resources Bulletin no. 24

F. Blake (1959). Longford 1:6336000 geological map, *Geological survey of Tasmania -Department of Mines*

T. Coyte, J. Rebek, First Annual Report on EL 4/2010 August 2011 – Evandale, *ABx4 Pty Ltd*