

Partial Relinquishment Report

on

EL 9/2010 – DELORAINE

Reporting Period: 14 September 2011 – 13 August 2012

Project Operator: ABx4 Pty Ltd

Address: Level 2, 131 Macquarie Street, Sydney, NSW, 2000

Authors: Tamara Coyte and Jacob Rebek

Date: 4 September 2012

PAGE INTENTIONALLY LEFT BLANK

CONTENTS

1	ABSTRACT.....	3
2	INTRODUCTION	4
3	REVIEW OF PREVIOUS WORK	6
4	EXPLORATION COMPLETED DURING THE REPORTING PERIOD	7
5	DISCUSSION OF RESULTS	8
6	CONCLUSIONS AND RECOMMENDATIONS	9
7	ENVIRONMENT	10
8	REFERENCES	11

MAPS

Map 1 – Location Map of EL 9/2010 “Deloraine”.....	5
Map 2 – EL 9/2010 relinquishment areas marked by red outline	7

NOTE: All Garmin maps use WGS – 84

1 ABSTRACT

Objective:

Exploration Licence (EL) 9/2010 “Deloraine” 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 56sq km of EL 9/2010. The relinquishment focuses on removing towns, settlements, rivers, mountains and exclusion areas from the current tenement. These areas are unlikely to have bauxite and would constrain any potential developments.

2 INTRODUCTION

Exploration Rationale

Exploration Licence (EL) 9/2010 “Deloraine” 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 penepained 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 Deloraine 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.

The bauxite mineralization in the Deloraine tenement is generally confined to hills, ridges and plateaus of bauxitised volcanoclastic deposits. There are multiple different forms of bauxite in Tasmania which results in different geochemical characteristics in individual deposits.

Tenement Information

EL 9/2010 “Deloraine” was granted on and from 14 September 2010 for a period of 5 years to ABx4 Pty Ltd (**ABx4**).

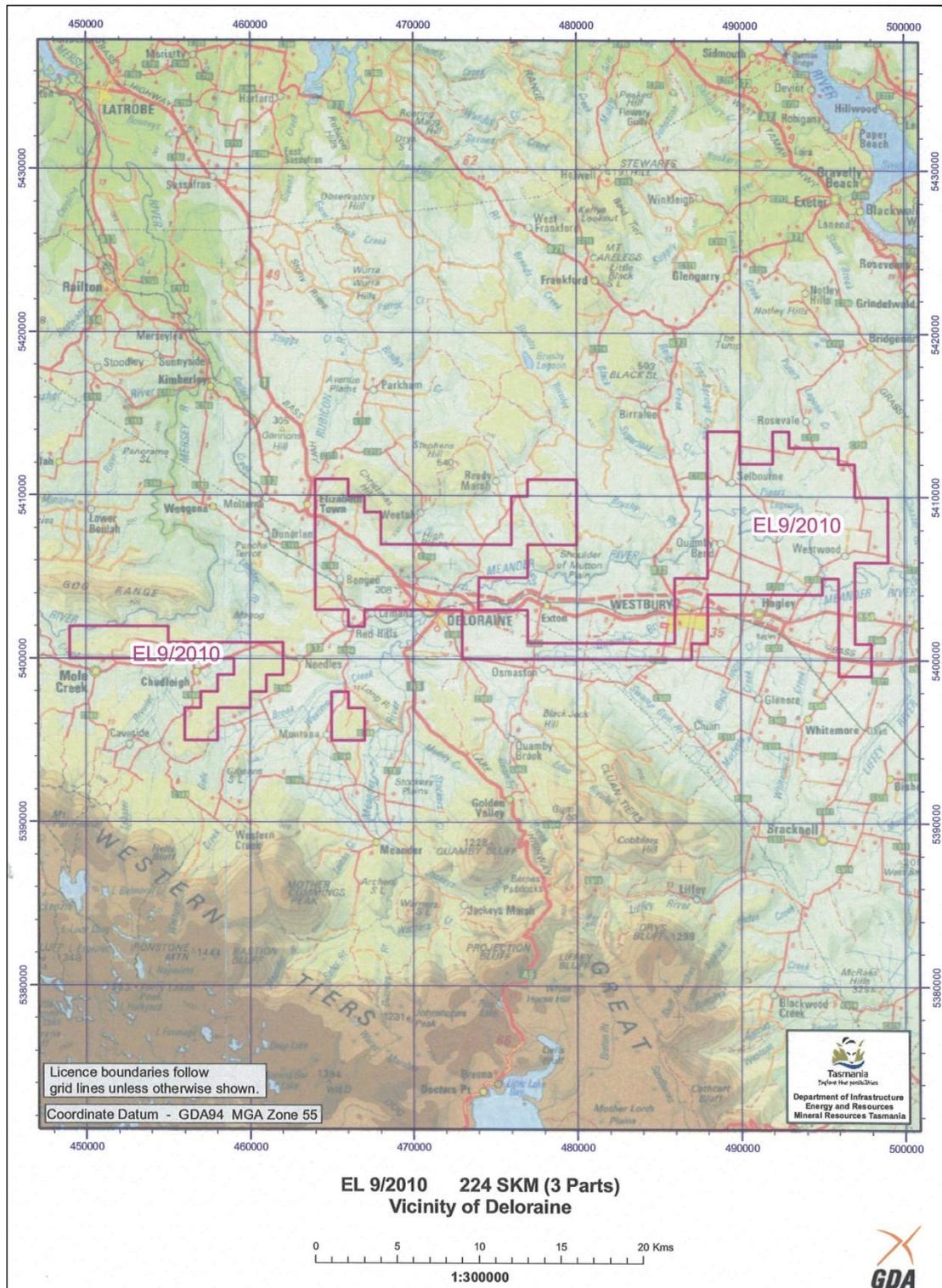
This is the Partial Relinquishment Report for the reporting period 14 September 2011 - 14 September 2012 incorporating the results of work completed over the last two years of tenure.

Total area of the original licence is 224sq km. ABx4 however is relinquishing 56sq km to bring the total remaining area to 168sq km. The Mineral Category of EL 9/2010 is 1 – Metallic Minerals and Atomic Substances.

Location

EL 9/2010 is located around the town of Deloraine (Map 1) 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 Deloraine Tenement is only 42km from Devonport Port. EL 9/2010 is close to the city of Launceston and could offer a wide range of services and skilled work force.

INTRODUCTION Cont



Map 1 – Location Map of EL 9/2010 “Deloraine”

Tenure, including joint venture details and title transfers

EL 9/2010 “Deloraine” is 100% owned by ABx4 which is a fully owned subsidiary of Australian Bauxite Limited.

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement

Exploration for Bauxite was conducted by C.R.A Exploration Pty Limited (**CRA**) in the late 1960s and early 1970s. CRA decided to relinquish its tenement in central northern Tasmania as no worthwhile results were obtained.

Two reports were composed by CRA:

1. Miss S.E. Close, Feb 1970, Scintillometer Search for Bauxite, Northwest Tasmania, *CRA Exploration Pty Limited*
2. Miss S.E. Close, June 1971, Final Report on Bauxite Search, Devonport E.L. 36/70 Tasmania, *CRA Exploration Pty Limited*

The following is an extract from the second report, summarizing CRA's findings:

Final Report on Bauxite Search, Devonport E.L. 36/70 Tasmania

Final testing of this area in central northern Tasmania was carried out using a Gemco Model 210A auger drill. A total footage of 1148 feet was drilled in 57 holes and 206 samples were sent to Zinc Corporation for Al_2O_3 , SiO_2 and Fe_2O_3 analysis.

Drilling was concentrated on the two most promising areas, near Sassafras and near Deloraine, although all areas of soil over basalt within the E.L. were tested.

CONCLUSION

It is recommended that the E.L. be relinquished before the renewal date of 24th June, 1971. A memo has already been written to this effect.

No worthwhile results were obtained. Most of the 206 samples contained less than 30% total alumina, while 8 contained between 30 and 40% total alumina, but were also high in Fe_2O_3 and SiO_2 . The higher values occurred in holes B20 and B25.

GENERAL DISCUSSION

As stated before, the drilling was carried out on all the areas of soil over basalt within the E.L. These have been described in preceding reports.

During current Tenement (first year of tenure)

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

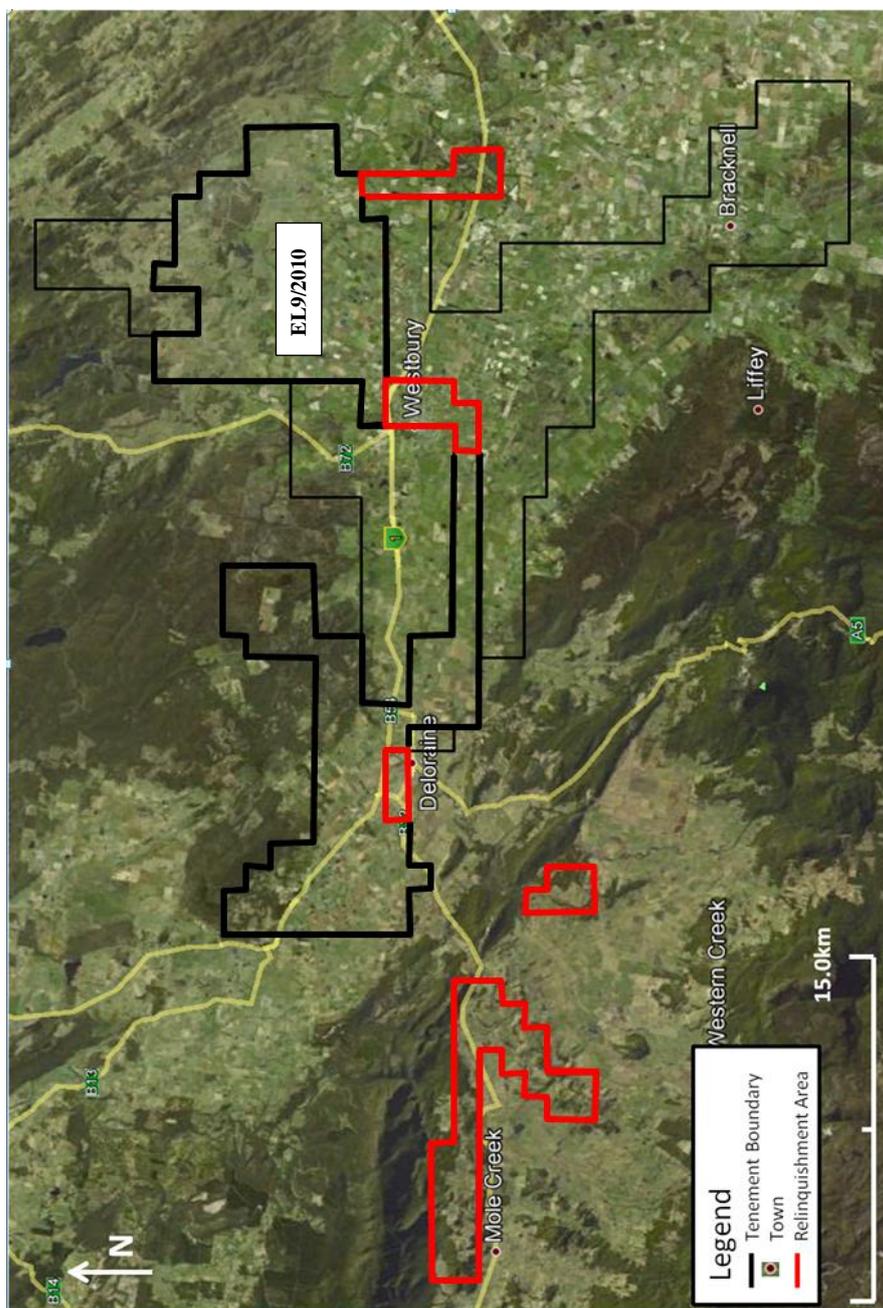
4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Literature Review

Two reports were composed by CRA:

- Miss S.E. Close, Feb 1970, Scintillometer Search for Bauxite, Northwest Tasmania, *CRA Exploration Pty Limited*
- Miss S.E. Close, June 1971, Final Report on Bauxite Search, Devonport E.L. 36/70 Tasmania, *CRA Exploration Pty Limited*

Area to be relinquished:



Map 2 – EL 9/2010 relinquishment areas marked by red outline

5 DISCUSSION OF 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.

6 CONCLUSIONS AND RECOMMENDATIONS

Bauxite potential in the areas being relinquished seems minimal.

ABx4 proposes to relinquish 56sq km of EL 9/2010 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:

No surface disturbing operations were undertaken over the areas being relinquished.

Traversing was undertaken only on existing tracks and public roads.

Surveys (archaeological, botanical):

No surveys were undertaken over the areas being relinquished.

Rehabilitation:

No rehabilitation was required over the areas being relinquished as only desktop review was undertaken.

Traversing was undertaken only on existing tracks and public roads.

8 REFERENCES

Miss S.E. Close, Feb 1970, Scintillometer Search for Bauxite, Northwest Tasmania, *CRA Exploration Pty Limited*

Miss S.E. Close, June 1971, Final Report on Bauxite Search, Devonport E.L. 36/70 Tasmania, *CRA Exploration Pty Limited*

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

T.Coyte, J.Rebek, August 2011, First Annual Report on EL 9/2010 Deloraine, *ABx4 Pty Ltd*