

Final Report
on
EL 5/2010 – POWRANNA

Reporting Period: 14 September 2010 – 13 September 2012
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NOTE: All Garmin maps use WGS – 84

APPENDICES

Appendix A: Surface Locations

Appendix B: Down-hole Survey

Appendix C: Down-hole Geochemistry

Appendix D: Surface Samples Connor's Target

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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 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.

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).

Summary of Results:

The Powranna tenement EL 5/2010 was applied for to cover part of the large lateritic plateau which occurs through the centre of the midlands. After drilling and exploration on foot, bauxite could not be located on the tenement and potential bauxite target areas were minimal. ABx4 Pty Ltd (**ABx4**) has therefore decided to relinquish the entire tenement so it can focus on other tenements which have more potential.

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 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.

Geological Setting

Bauxite in Tasmania has been historically identified by H.B Owen in 1954 and was further explored by CRA exploration in the 1960's. The bauxite is formed in the area between the Dolerite Plateaus called the tertiary basin. Bauxite mineralization is generally confined to hills, ridges, plateaus, and channels of bauxitised volcanoclastic. The bauxite was formed during the Lower Tertiary period when volcanism commenced and extreme tropical climatic conditions prevailed – at the boundary between the Cretaceous Era and the onset of the Tertiary Era which is often referred to as the K-T boundary commonly associated with the extinction of the dinosaurs, approximately 60 million years ago. The bauxite occurs on the old lateritic surface, where the processes of laterisation in the Tertiary period has removed silica from the rock, leaving mainly Aluminium and Iron rich minerals behind.

Tenement Information

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

This is the Final Report for the reporting period 14 September 2010 - 13 September 2012 incorporating the results of work completed during the first two years of tenure.

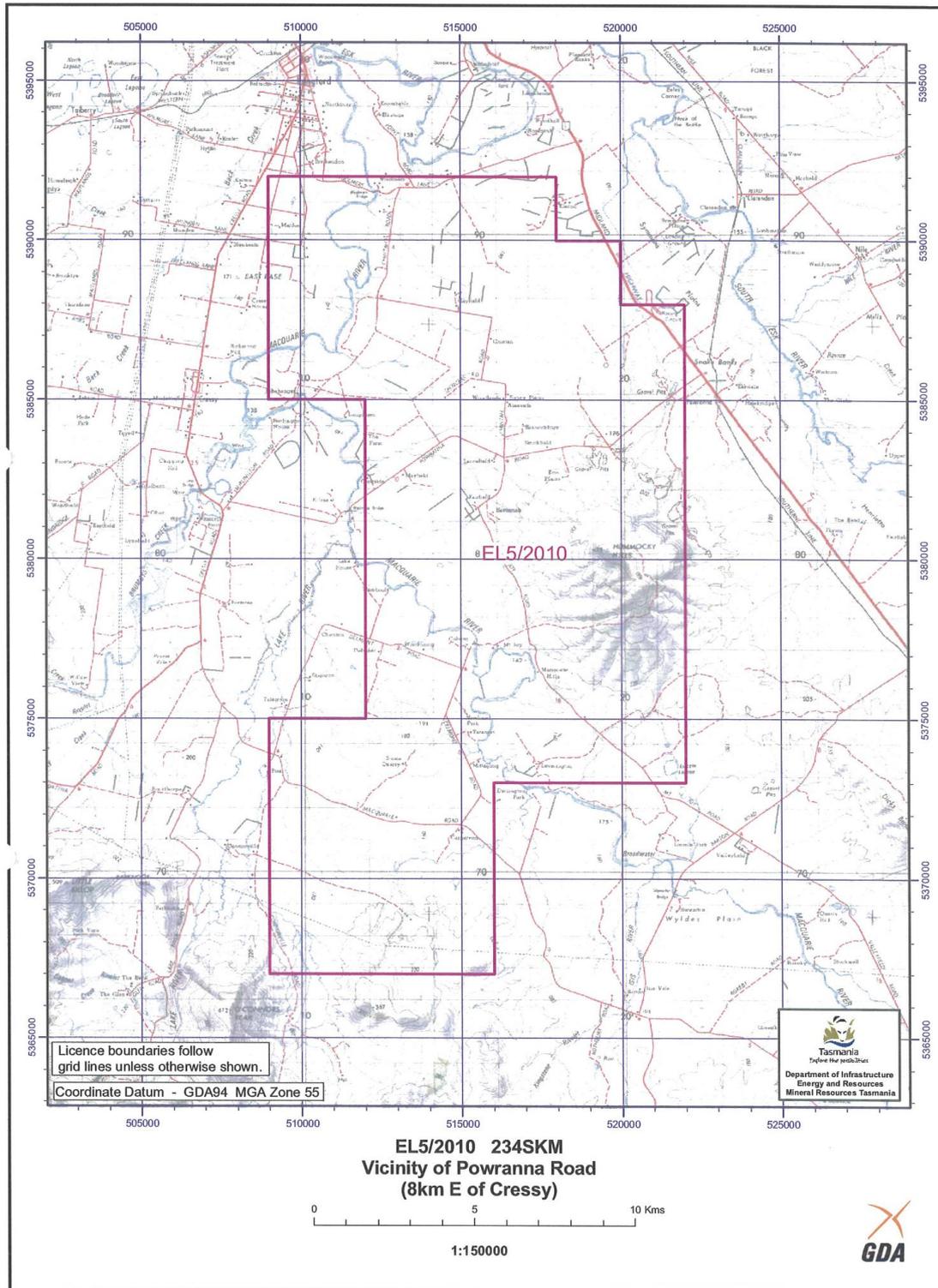
Total area of the Licence is 234sq km and its Mineral Category is 1 – Metallic Minerals and Atomic Substances. The entire tenement area will be relinquished.

Location

The Powranna tenement is located in the central midlands of Tasmania 3km south of Longford. The tenement is located within 1km of an active rail way and is only 66km away by road from Bell Bay which has a large operating port.

The majority of the land usage in the tenement is agricultural land between Categories 4-6. What's left of remnant forest is mostly under reserve or has many endangered species. Gaining access to farming properties was 100% successful, all landowners contacted by ABx allowed access to their property and when requested, allowed the drill rig operate on their property with only the usual concerns. There have been no access issues for the whole time the lease was granted.

INTRODUCTION Cont



Map 1 – Location Map of EL 5/2010 “Powranna”

Tenure, including joint venture details and title transfers

EL 5/2010 “Powranna” is 100% owned by ABx4 which is a fully 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

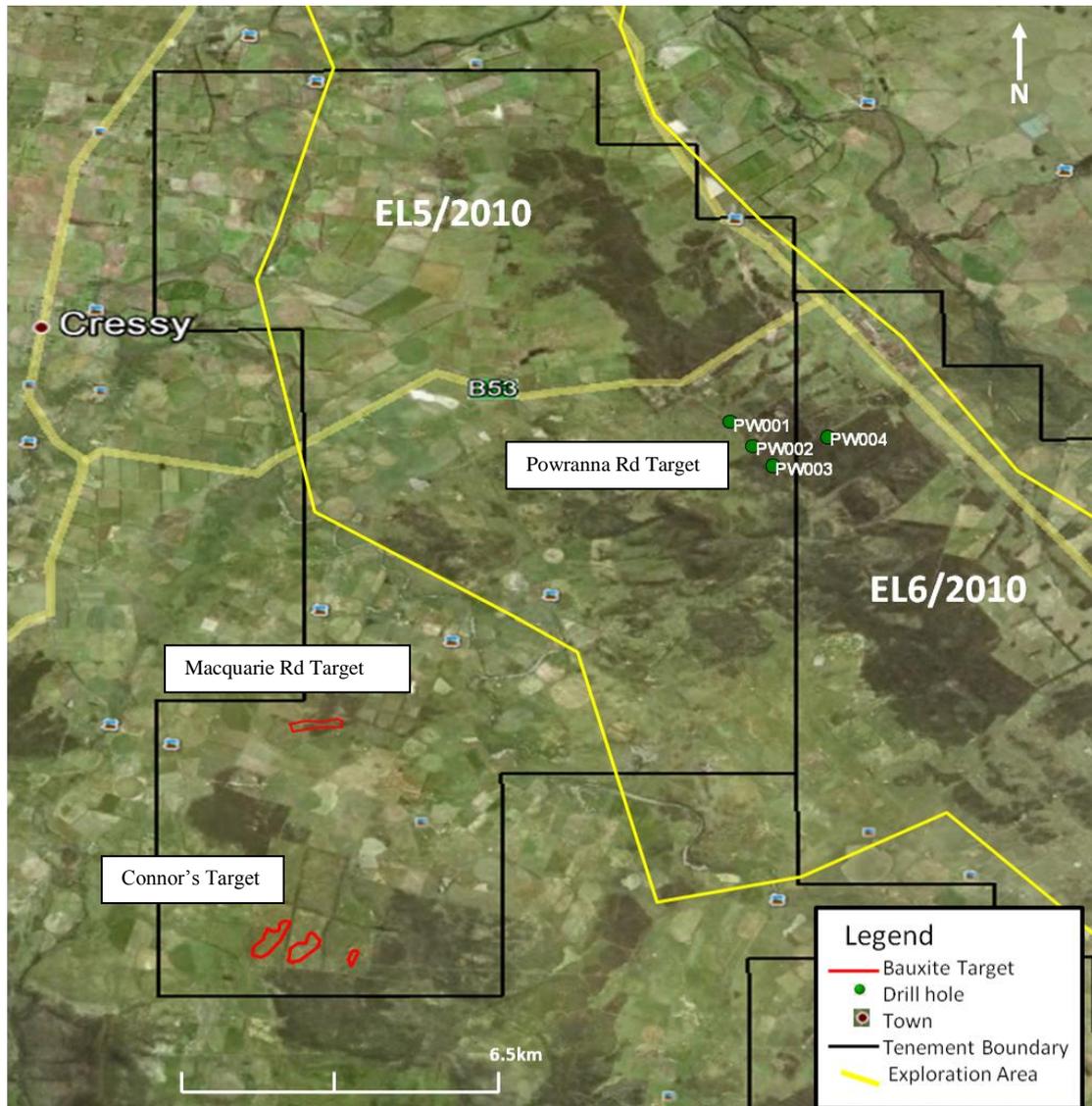
Three holes were drilled on the Powranna Road Target and further reconnaissance on foot was undertaken on Macquarie Road and Connor's Target where surface samples were taken. Bauxite could not be located on the tenement and potential bauxite target areas were minimal. ABx4 has therefore decided to relinquish the entire tenement so it can focus on other tenements which have more potential.

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 –EL 5/2010 Powranna, showing drill holes, bauxite targets and the exploration area

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont

Summary of Exploration Undertaken

In October 2010 a drilling program was organized which drilled 4 holes into the Powranna Target totalling 46m using an RC drill rig mounted on a light Mitsubishi 12 tonne truck (only holes PW001-003 were drilled on the Powranna tenement for 32m). These holes were to test the large plateaus of laterite which had formed in the central region of Tasmania. The 4 holes intersected the laterite profile but failed to intersect bauxite mineralisation. The laterite in this area is most likely associated with sediments.

On foot exploration was completed on the southern edge of the tenement (see Map 2). Three large lateritic plateaus were sampled in multiple locations at surface. Results were very negative and did not have enough Aluminium to be considered bauxite (see Table 2).

Powranna Road Target

In October 2010, 4 holes were drilled into the Powranna target totalling 46m. Holes PW001-003 were drilled in the Powranna tenement. These holes were to target the large plateaus of laterite which had formed in the central region of Tasmania. The 4 holes intersected a laterite profile rich in clay quartz and iron but very poor in alumina. The composition of the laterite suggests it's derived from tertiary sediments. No hint of bauxite was found at this location.

A total of 13 samples were sent to the lab for sieved analysis and an extra 4 samples were assayed whole. A typical assay at Powranna is: 0.6% Available Alumina (avl Al₂O₃), 28.6% Reactive Silica (rx SiO₂), 27% Total Alumina, 38.2% Total Silica and 19.85% Iron oxide. All the Alumina in the samples is bound up in clay minerals such as kaoline.



Map 3 – Drill holes PW001-004 at Powranna Rd Target

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont

Table 1 - Assay results from Hole PW001- Sieved at 0.26mm

From	To	Al ₂ O ₃ avl	Rx SiO ₂	Al ₂ O ₃	SiO ₂	Fe ₂ O ₃	TiO ₂	LOI	Recovery
0	1	0.3	18	16.35	32.9	39	1.6	9.51	30%
1	2	0.4	16.7	15.35	28.7	43.6	1.4	10.32	37%
2	3	0.6	28.6	27	38.2	19.85	1.76	12.6	45%
3	4	0.6	20.8	21.2	28.9	35.8	1.24	12.25	28%
4	5	0.8	20.6	21.3	28.5	37.4	1.08	11.08	34%
5	6	0.9	30.2	28.9	38.3	18.55	1.56	12.13	51%

The complete set of assay results can be found in Appendix C.

Macquarie Road Target

Bauxite-like material was observed on land-holders property on Macquarie Road. It is believed that it would have come from the immediate area. A small target has since been outlined as seen in Map 2. This target had not been explored and has only limited bauxite potential.

Connor's Target

The Connor's Target consisted of 3 large lateritic plateaus, mapped on Lake River 1:50,000 Geological Map which mapped the areas as 'ferricrete including laterite with minor alumina rich areas'. The area was explored on foot and had a strong lateritic profile. The laterite consisted of 3 larger plateaus which were all flat on top and dipping to the north. All the plateaus were around the same elevation and were in contact with Dolerite to the south. The deposit was systematically sampled along the escarpment and along the top of the plateau. The results were disappointing (see Table 2). No further work is recommended in the immediate area.

Table 2 - Assay results from Connor's Target

Sample ID	Easting_GDA84	Northing_GDA84	Al ₂ O ₃ avl	Rx SiO ₂	Al ₂ O ₃	SiO ₂	Fe ₂ O ₃	LOI
TA422	512933	5368467	1.4	4.3	6.21	39.6	44.1	8.49
TA423	512933	5368467	0.3	15.1	6.02	49.3	37.1	5.86
TA424	512605	5368314	0.7	8.2	4.94	56.2	33.5	3.57
TA425	512605	5368314	0.5	9.2	5.12	63.1	27.5	2.44
TA426	512557	5368123	0.8	8	7.52	49.9	38.7	2.11

For the complete set of assay results please see Appendix D.

5 DISCUSSION OF RESULTS

In October 2010, 3 holes were drilled into the Powranna Target on EL 5/2010 totalling 32m using an RC drill rig mounted on a light Mitsubishi 12 tonne truck. 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. Further exploration on this tenement would be difficult because of the large areas with no tracks.

On foot exploration was also completed on the southern edge of the tenement (see Map 2). Three large lateritic plateaus were sampled in multiple locations at surface. Results were very negative and did not have enough Aluminium to be considered bauxite (see Table 2).

6 CONCLUSIONS

The Powranna tenement EL 5/2010 was applied for to cover part of the large lateritic plateau which occurs through the centre of the midlands. After drilling and exploration on foot, bauxite could not be located on the tenement and potential bauxite target areas were minimal. ABx4 has therefore decided to relinquish the entire tenement so it can focus on other tenements which have more potential.

7 ENVIRONMENT

Surface Disturbing Operations:

Only 3 holes were drilled by an RC drill rig mounted on a light 12 tonne truck over the tenement area. These holes caused minimal disturbance, being only 7cm in diameter and drilled to a maximum depth of approximately 13m. There was no track clearing as driving was done on existing tracks. All drill holes were plugged immediately after completion and inert material from the hole was used as backfill.

Surveys (archaeological, botanical):

A botanical survey was conducted by Philip Milner Consultant Pty Ltd covering the Powranna Target Area within EL 5/2010.

Please refer to Appendix E for the complete Botanical Survey.

Rehabilitation:

All drill holes and tracks were fully rehabilitated immediately after drilling. Drill holes were plugged using octo-plugs at a depth of 1.5m and re-filled using innocuous material from the drill hole.

There was no track clearing as driving was done on existing tracks.

8 EXPENDITURE

Table 3 – Exploration Activity and Expenditure Table for reporting period 14 September 2010 – 13 September 2012

Exploration Category	Description of Activity	Quantity	Expenditure
Office Administration			
Authority Management	Environment		\$3,242
	Rent		\$5,065
Office Activities			
Field Activities	Geological Mapping		\$66
	Equipment Hire	Vehicle Hire	\$1,221
	Accommodation/Field Camp	Days	
	Travel		\$7,311
	Field Supplies		\$1,082
	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	
	Surface Samples	5	\$951
Laboratory	ME-XRF 13B, Reactive Silica & Available Alumina	17 samples	\$3,234
	Contractors		\$9,862
Salaries / Wages	Field Assistance		\$115
	Drilling Supervision		\$4,803
		Grand Total	\$49,097

Note: Office Administration and Activities were met by parent company – Australian Bauxite Limited.

9 REFERENCES

Coyte, T; Rebek, J: *EL 5/2010 Powranna First Annual Report, 12 August 2011*, ABx4 Pty Ltd