

Partial Relinquishment Report

on

EL 3/2012 – ROSS

Reporting Period: 11 September 2012 – 10 September 2013

Project Operator: ABx4 Pty Ltd

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Date: 11 September 2013

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1 ABSTRACT

Objective:

Exploration Licence (EL) 3/2012 “Ross” was applied for by ABx4 Pty Ltd (**ABx4**) 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 location of potential bauxite deposits prior to assessing quality and quantity of the bauxite in the area using an RC drill rig mounted on a light 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. Planning of drilling programs on outcrops considered to be of sufficient quality to be quantified.

Results:

Extensive exploration was carried out in the Windfall Target area (see Map 3) via traversing along public roads, no bauxite outcrops were located during this process. This portion of EL 3/2012 is therefore being relinquished.

Poatina Road, Baskerville and Bracknell portions of the tenement (as seen in Map 2 and Map 3) were explored mostly along public roads to ascertain whether red soils observed on satellite images were bauxitic or in fact Iron rich laterites. Most areas visited in the relinquished areas were lateritic and have now been relinquished.

In total, ABx4 is relinquishing 70sq km of the tenement with the focus on removing towns, settlements, rivers and mountainous areas from the current tenement boundaries. Many areas are being relinquished as they are unlikely to have bauxite due to increased amounts of erosion. In the other areas it would not be practical to explore because it would constrain any potential developments if bauxite was found.

2 INTRODUCTION

Exploration Rationale

Exploration Licence (EL) 3/2012 “Ross” 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.

Geological Setting

In the Ross tenement 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’.

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 lateritised. There is a small amount of later volcanics in the bauxite areas which are believed to be the source rock for the bauxite.

Tenement Information

EL 3/2012 “Ross” was granted on and from 11 September 2012 for a period of 5 years to ABx4. This is the Partial Relinquishment Report for the reporting period 11 September 2012 – 10 September 2013 incorporating the results of work completed during the first year of tenure.

Total area of the original licence is 174sq km and its Mineral Category is 1 – Metallic Minerals and Atomic Substances. ABx4 however is relinquishing 70sq km of the tenement bringing the total area to 104sq km.

Tenure, including joint venture details and title transfers

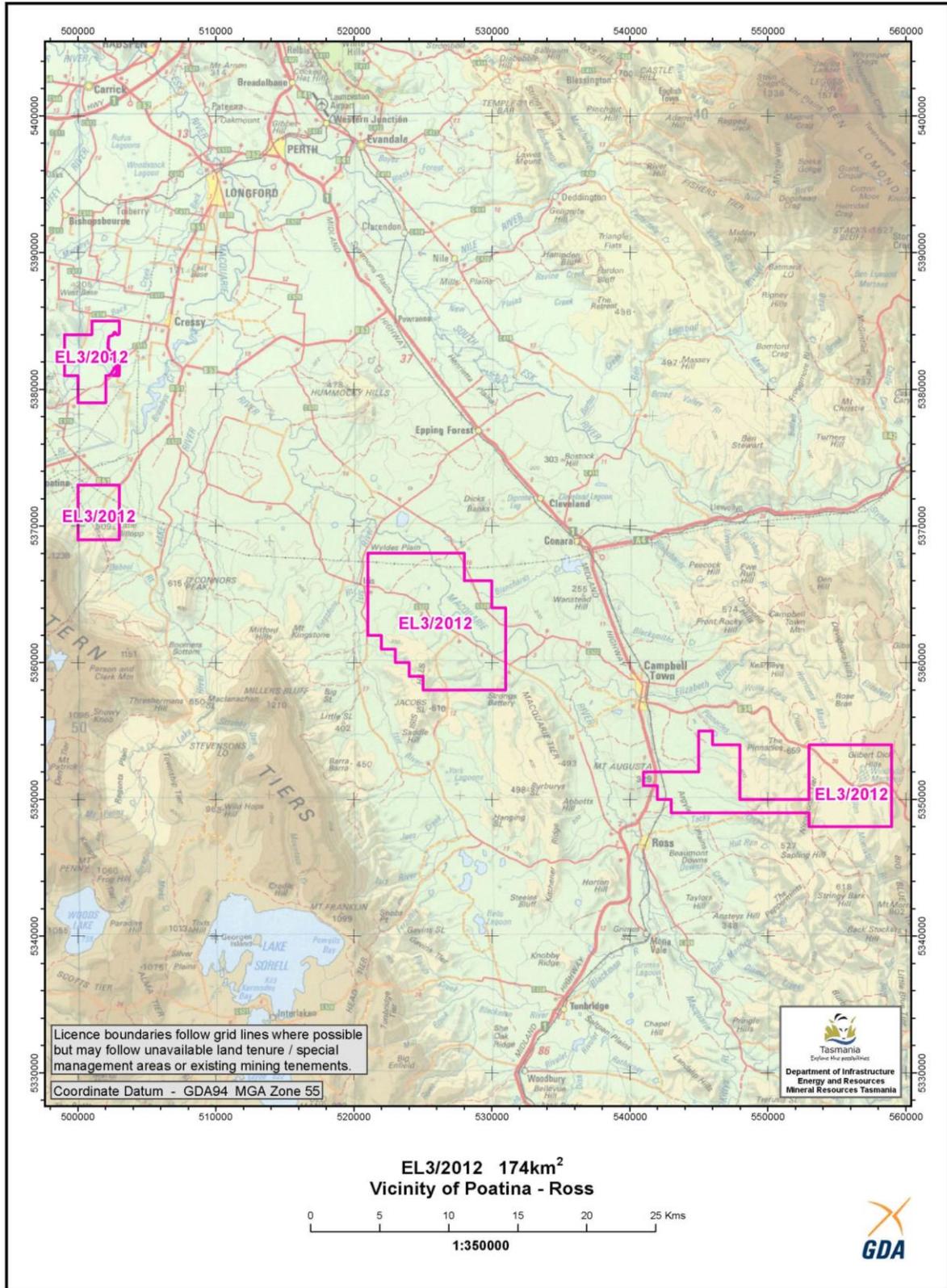
EL 3/2012 “Ross” is 100% owned by ABx4 which is a 100% owned subsidiary of Australian Bauxite Limited.

Location

The Ross tenement is comprised of 4 separate area units, the second largest located 10 km to the south-east and 10 km directly west of the town of Campbell Town the other two lesser areas are located in a 10 km radius to the west of Cressy (45 km to the north-west of Campbell Town). The tenement is approximately 90km from the large operating port at Bell Bay and the Midlands highway passes through the centre of the tenement. The Ross tenement is ideally located for both rail and road transport to the port. EL 3/2012 is close to the City of Launceston which could offer a wide range of services and skilled work force.

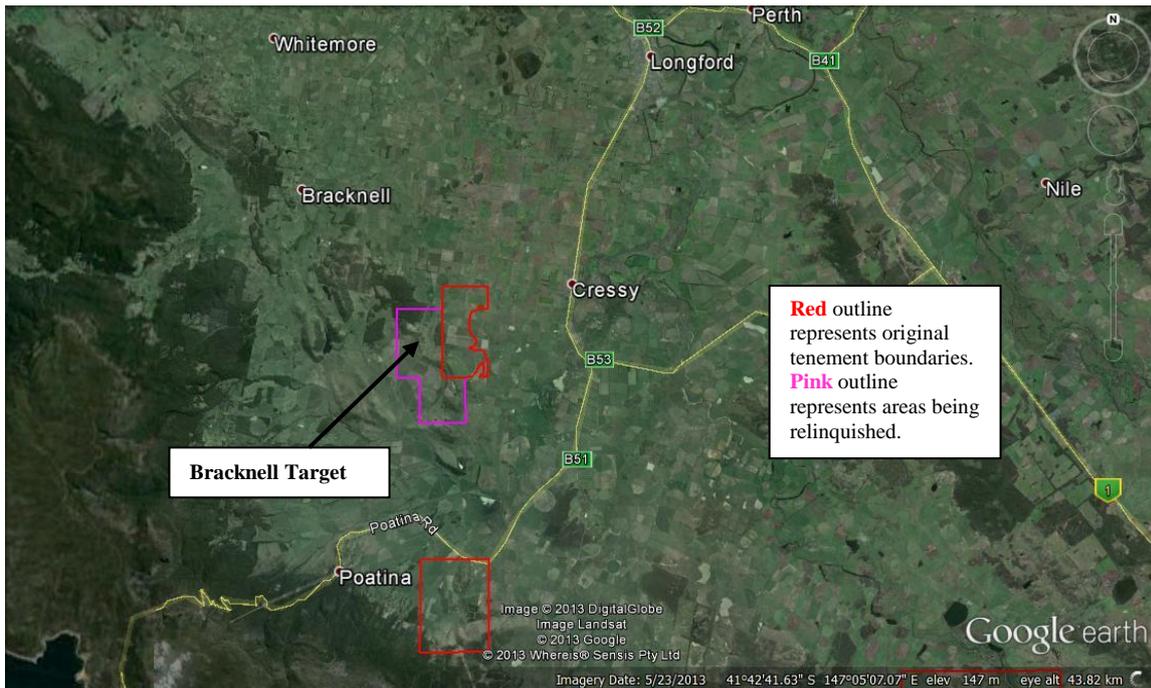
The majority of the land usage in the tenement is agricultural land with land categories 4-6, with some small private reserves and natural forest.

INTRODUCTION Cont

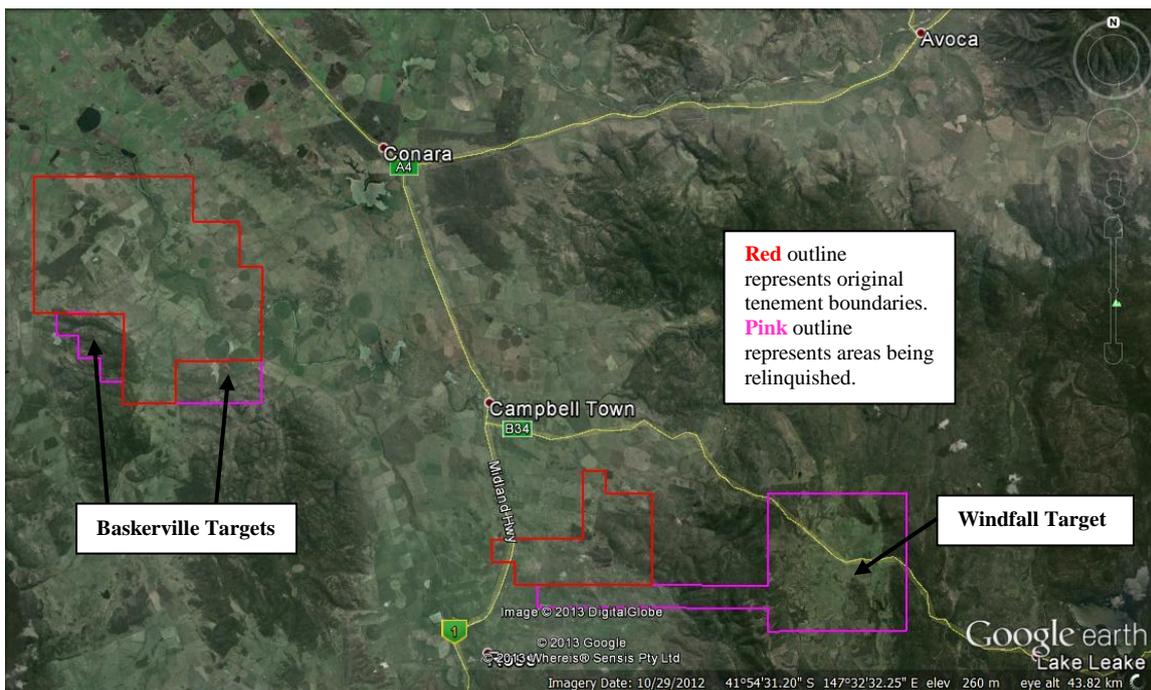


Map 1 – Location Map of EL 3/2012 “Ross”

INTRODUCTION Cont



Map 2 – EL3/2012 relinquishment areas marked by pink outline



Map 3 – EL3/2012 relinquishment areas marked by pink outline

ABx4 is partially relinquishing 70sq km of the tenement as seen on Map 2 and Map 3 by pink outlines with the focus on removing towns, settlements, rivers and mountainous areas from the current tenement. Many of these areas are unlikely to have bauxite because of increased amounts of erosion. In the other areas it would not be practical to explore because it would constrain any potential developments if bauxite was found.

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement

Historical references for bauxite in the Ross Tenement are reported by H.B. Owen in his book “Bauxite in Australia”, 1954, which was the basis for Initial exploration of the area

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

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Literature Review

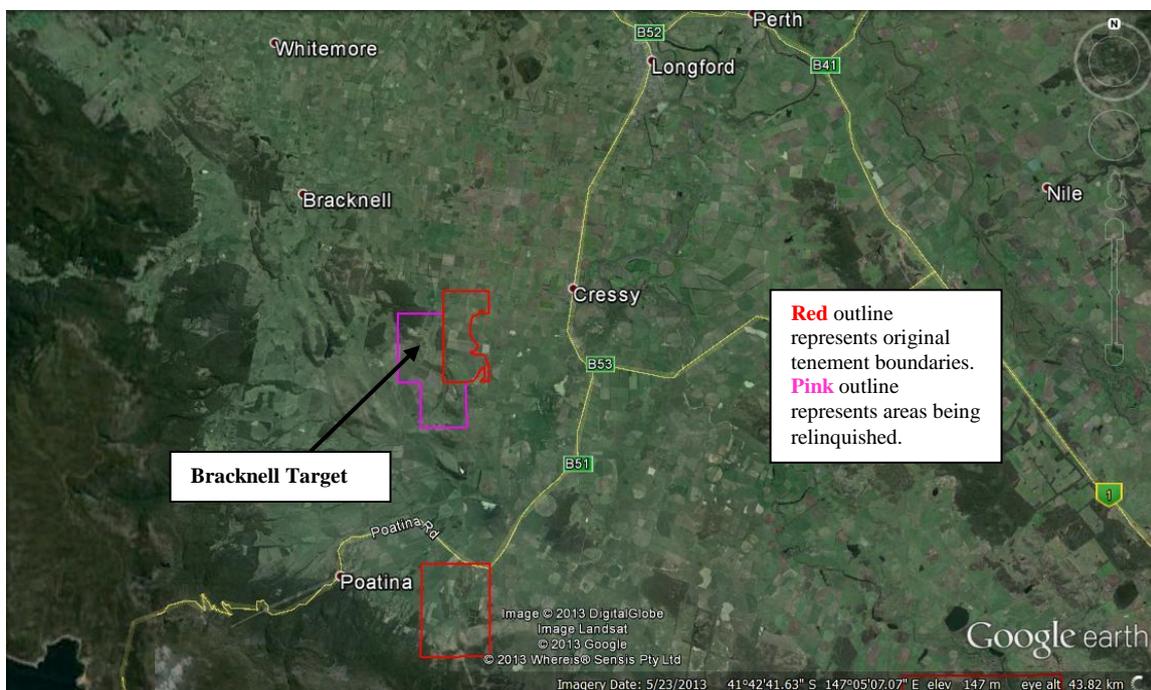
- H.B. Owen, 1954, Bauxite in Australia, Bulletin 24

Bauxite Targets and Proposed Relinquishment Area

Extensive exploration was carried out in the Windfall Target area (see Map 3) via traversing along public roads, no bauxite outcrops were located during this process. This portion of EL 3/2012 is therefore being relinquished.

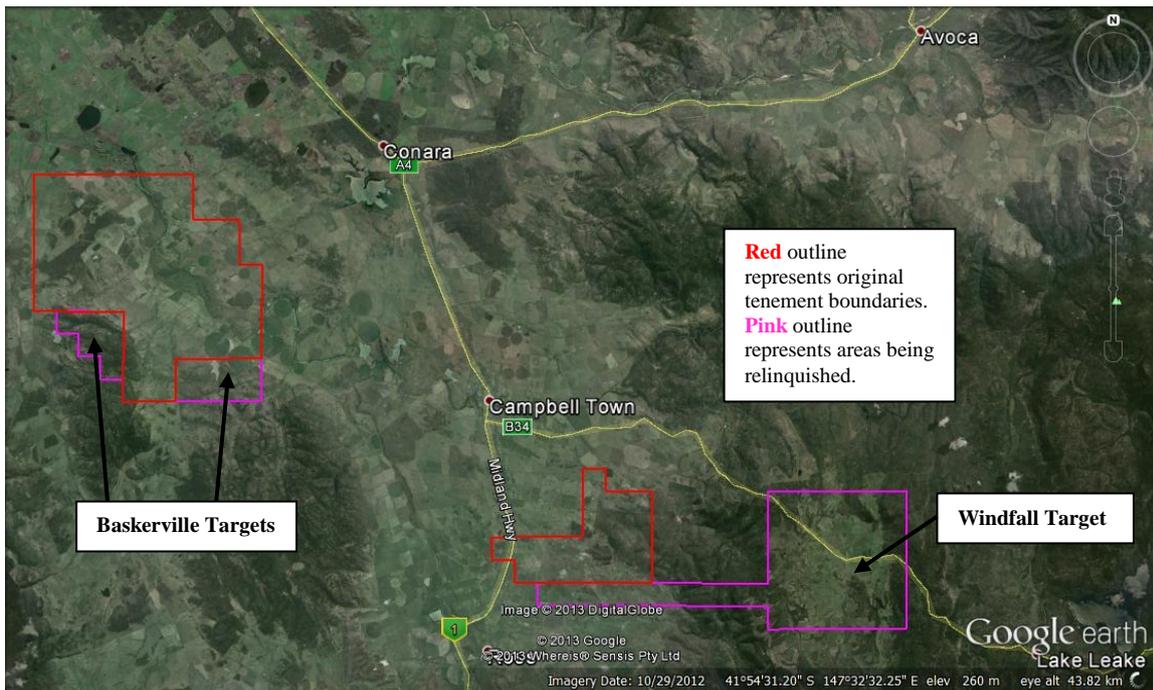
Poatina Road, Baskerville and Bracknell portions of the tenement (as seen in Map 2 and Map 3) were explored mostly along public roads to ascertain whether red soils observed on satellite images were bauxitic or in fact Iron rich laterites. Most areas visited were lateritic and have been partially relinquished.

In total, ABx4 is partially relinquishing 70sq km of the tenement with the focus on removing towns, settlements, rivers and mountainous areas from the current tenement boundaries. Many areas are being relinquished as they are unlikely to have bauxite due to increased amounts of erosion. In the other areas it would not be practical to explore because it would constrain any potential developments if bauxite was found.



Map 4 – EL3/2012 relinquishment areas marked by pink outline

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont



Map 5 – EL3/2012 relinquishment areas marked by pink outline

5 DISCUSSION OF RESULTS

No bauxite outcrops were encountered whilst traversing on public roads in the areas being relinquished.

The landscape based on visual observation and mapping did not seem prospective for finding bauxite and red soils were in fact Late tertiary Age Hematite Lag Gravels of possible glacial origin.

EXPLORATION COMPLETED DURING THE REPORTING PERIOD Cont**6 CONCLUSIONS AND RECOMMENDATIONS**

Extensive exploration was carried out in the Windfall Target area (see Map 3) via traversing along public roads, no bauxite outcrops were located during this process. This portion of EL 3/2012 is therefore being relinquished.

Poatina Road, Baskerville and Bracknell portions of the tenement (as seen in Map 2 and Map 3) were explored mostly along public roads to ascertain whether red soils observed on satellite images were bauxitic or in fact Iron rich laterites. Most areas visited were lateritic in origin and these have been relinquished from the tenement.

In total, ABx4 is partially relinquishing 70sq km of the tenement with the focus on removing towns, settlements, rivers and mountainous areas from the current tenement boundaries. Many areas are being relinquished as they are unlikely to have bauxite due to increased amounts of erosion. In the other areas it would not be practical to explore because it would constrain any potential developments if bauxite was found.

In conclusion no further work is recommended in the areas being relinquished.

7 ENVIRONMENT

Surface Disturbing Operations:

No surface disturbing operations were undertaken in the areas being relinquished. Only exploration on foot and traversing on existing tracks was undertaken.

Surveys (archaeological, botanical):

No surveys were undertaken in the areas being partially relinquished.

Rehabilitation:

No rehabilitation was required during the first year of tenure.

8 REFERENCES

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