

Partial Relinquishment Report

on

EL 37/2010 – WESTBURY

Reporting Period: 7 November 2011 – 6 November 2013

Project Operator: ABx4 Pty Ltd

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

Authors: Tamara Coyte

Date: 22 October 2012

PAGE INTENTIONALLY LEFT BLANK

CONTENTS

| | | |
|---|--|----|
| 1 | ABSTRACT | 3 |
| 2 | INTRODUCTION | 4 |
| 3 | EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE | 6 |
| 4 | DISCUSSION OF RESULTS | 10 |
| 5 | CONCLUSIONS AND RECOMMENDATIONS | 11 |
| 6 | ENVIRONMENT | 12 |
| 7 | REFERENCES | 13 |

MAPS

| | |
|---|---|
| Map 1 – EL 37/2010 land tenure map | 5 |
| Map 2 – EL 37/2010 relinquishment areas marked by red outline | 8 |

TABLES

| | |
|---|---|
| Table 1 – Coordinates for area to be Relinquished | 9 |
|---|---|

1 ABSTRACT

Objective:

Exploration Licence (EL) 37/2010 “Westbury” 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. Mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Detailed desktop review; analysis of geology, topography and geophysical maps and data.

Results:

A detailed study of geological mapping and of satellite images was conducted to define the areas with the best potential for bauxite. A detailed study has been conducted on reviewing past literature; focusing on bauxite and geological structure of the area. Driving on public roads and viewing regional geology in distant hill sides has been undertaken to determine the best areas for bauxite forming by analysing erosional patterns and looking for escarpments exposing red soil. No specific localities were identified and explored in the areas to be relinquished.

No bauxite outcrops have been identified traversing on tracks and 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 77sq km of EL 37/2010, bringing the remaining sub-block total to 179sq km. The relinquishment focuses on removing, socioeconomically sensitive and less prospective areas from the tenement. These areas are unlikely to have bauxite and/or could constrain any potential developments.

2 INTRODUCTION

Exploration Rationale

ABX4 Pty Ltd the holder of Category 1 Exploration Licences EL37/2010a wholly owned subsidiary of Australian Bauxite Ltd. Australian Bauxite Limited (ABx) (ASX: ABZ) is an exploration company that holds the core of the Tasmanian Bauxite Province with all tenements selected on 3 principles:

- **Quality** – good quality bauxite with potential for significant resource tonnages;
- **Proximity** – easy access to infrastructure connected to export ports; and
- **Accessibility** – free of socio-environmental or native title land constraints.

Land within the tenement is consist of freehold agricultural land with some state forest and plantations. Bauxite targets are located mostly on freehold land.

EL 37/2010 “Westbury” 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

Bauxite mineralization is generally confined to hills, ridges, plateaus, and channels of bauxitised volcaniclastic which drape the paleo-topography. 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

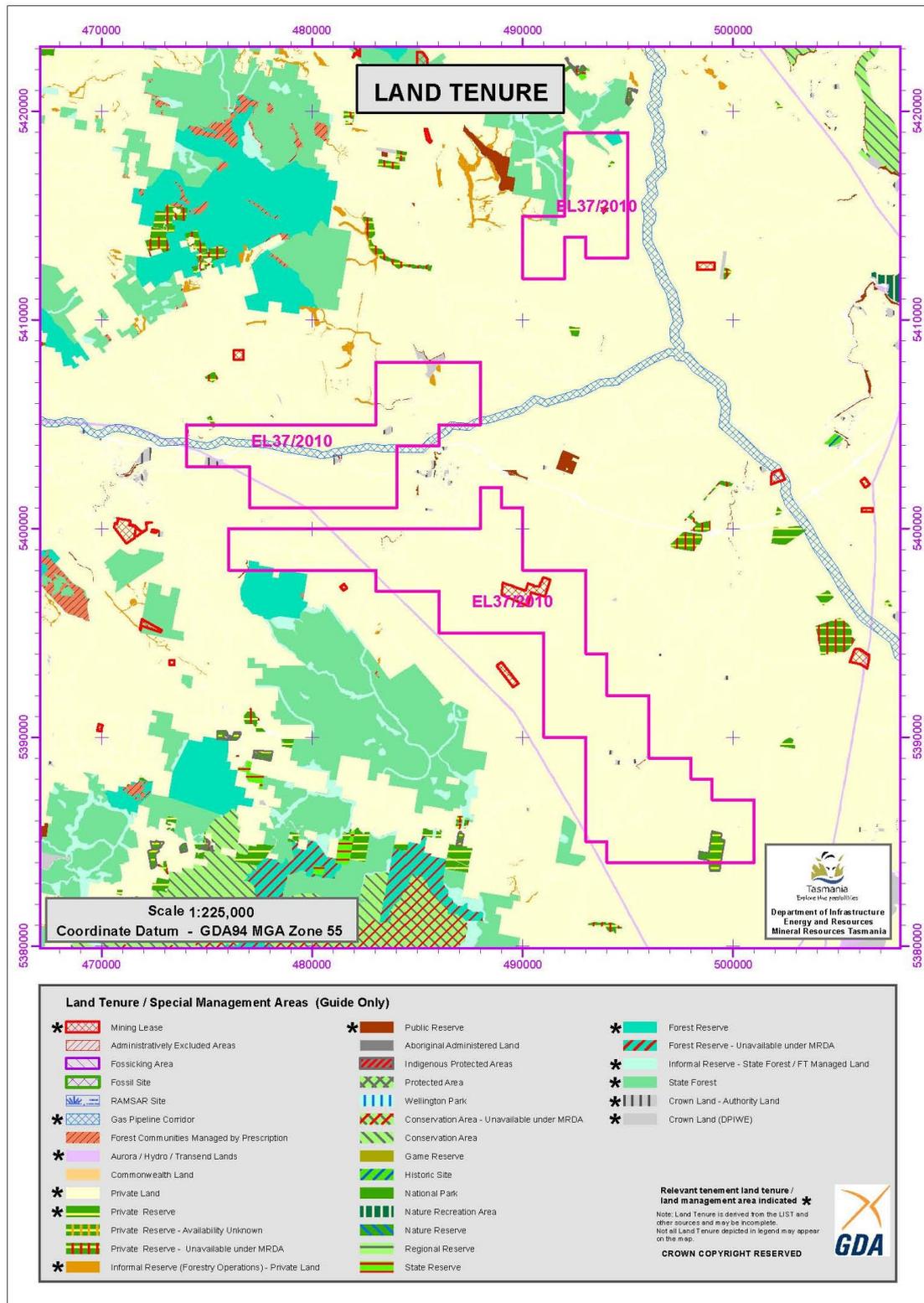
EL 37/2010 “Westbury” was granted on and from 7 November 2011 for a period of 5 years to ABx4. This is the Partial Relinquishment Report for the reporting period 7 November 2012 - 6 November 2013 incorporating the results of work completed over the first year of tenure.

Total area of the original licence is 179sq km. ABx4 however is relinquishing 77sq km to bring the total remaining area to 102sq km. The Mineral Category of EL 37/2010 is 1 – Metallic Minerals and Atomic Substances.

Location

The Westbury tenement is centred on the town of Westbury and is approximately 68km from Bell Bay and 114km from Burnie which are both large operation ports. There is also a railway siding just south of Hagley next to the highway and away from residential areas. The Westbury tenement is ideally located for both rail and road transport to the port.

EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE Cont



Map 1 – EL 37/2010 land tenure map

Tenure, including joint venture details and title transfers

EL 37/2010 “Westbury” is 100% owned by ABx4 which is a fully owned subsidiary of Australian Bauxite Limited.

EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE Cont**3 EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE****Prior to Current Tenement**

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

- Owen H.B, (1954), *Bauxite in Australia*, Bulletin 24
- Owen H.B (1946). *Rosevale, Country Devon, Tasmanian*. Bureau of Mineral Resources

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.

Bauxite in Tasmania has been historically identified by H.B Owen in 1954 and was further explored by CRA exploration in the 1960's.

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.

EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE ContGENERAL 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

Work undertaken in area to be relinquished

1. Mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Detailed desktop review; analysis of geology, topography and geophysical maps and data.

A detailed study of geological mapping and of satellite images was conducted to define the areas with the best potential for bauxite. A detailed study has been conducted on reviewing past literature; focusing on bauxite and geological structure of the area. Driving on public roads and viewing regional geology in distant hill sides has been undertaken to determine the best areas for bauxite forming by analysing erosional patterns and looking for escarpments exposing red soil.

Literature Review

Two reports were composed by CRA:

- Close, S.E. (1970). *Recommendations for Testing E.L. 36/70, Devonport, Tasmania*. CRA Exploration Pty Ltd.
- Close, S.E. (1970). *Scintillometer Search for Bauxite, Northwest Tasmania*. CRA Exploration Pty Ltd.

Geological Maps composed by Mineral Resources Tasmania:

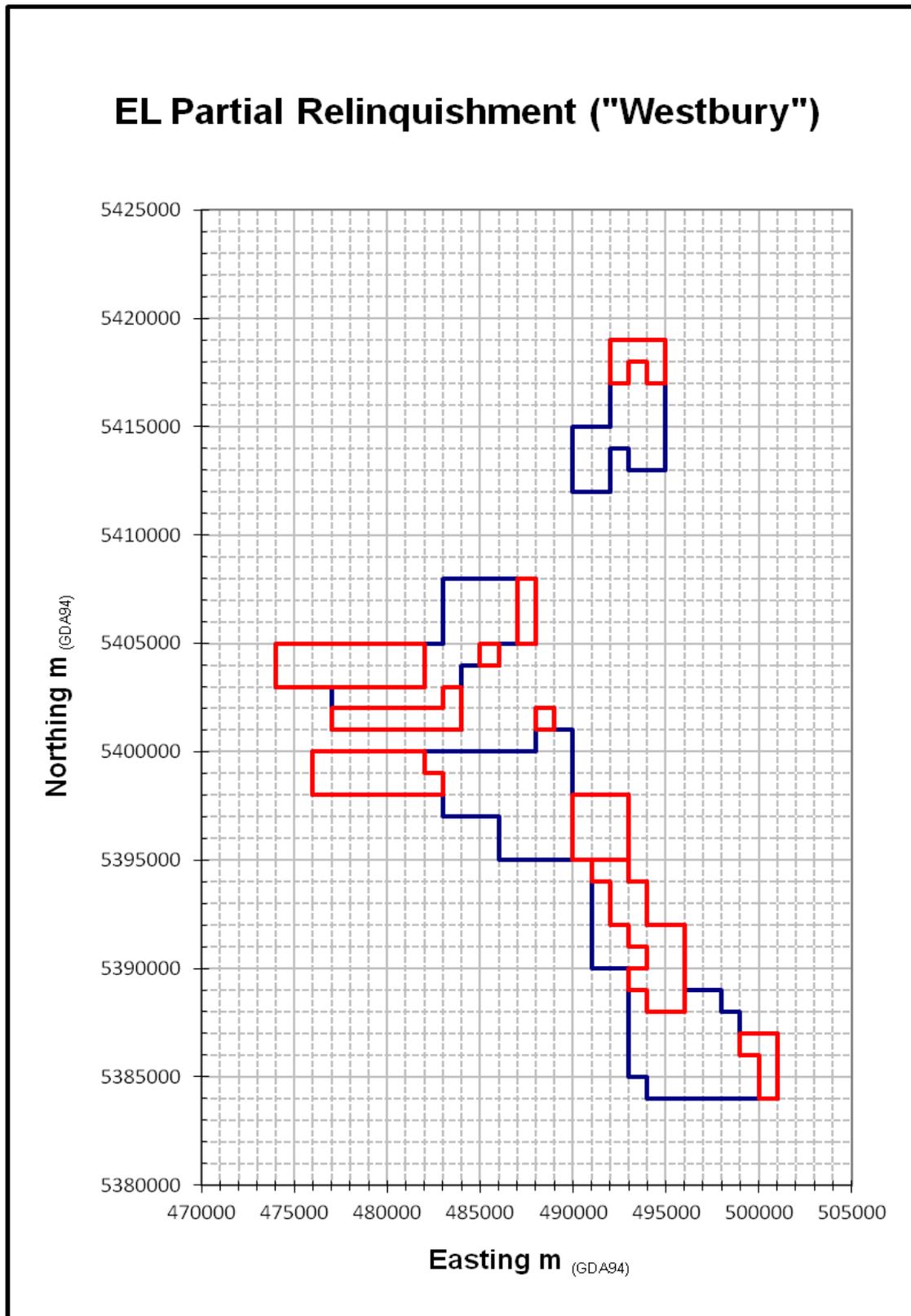
- M. Vicary (Compiler) 2004. *Digital Geological Atlas 1:25000 Series, Sheet 4841 Bridgenorth*. Mineral resources Tasmania.
- M. Vicary (Compiler) 2004. *Digital Geological Atlas 1:25000 Series, Sheet 4838 Liffey*. Mineral resources Tasmania.

Two report composed by H.B. Owen for the Government in 1946 & 1954, which was the basis for Initial exploration of the area.

- Owen H.B, (1954), *Bauxite in Australia*, Bulletin 24
- Owen H.B (1946). *Rosevale, Country Devon, Tasmanian*. Bureau of Mineral Resources

EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE Cont

Area to be relinquished:



Map 2 – EL 37/2010 relinquishment areas marked by red outline

EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE Cont

Table 1 – Coordinates for area to be Relinquished

| Area to be Relinquished 76km2 GDA94 MGA | | | | | |
|---|---------|---------|--------|---------|--------|
| Northing | Easting | | | | |
| 5402000 | 477000 | 5395000 | 493000 | 5405000 | 486000 |
| 5401000 | 477000 | 5395000 | 491000 | 5405000 | 485000 |
| 5401000 | 484000 | 5394000 | 491000 | 5404000 | 485000 |
| 5402000 | 484000 | 5394000 | 492000 | 5404000 | 486000 |
| 5403000 | 484000 | 5392000 | 492000 | 5405000 | 486000 |
| 5403000 | 483000 | 5392000 | 493000 | | |
| 5402000 | 483000 | 5391000 | 493000 | 5402000 | 489000 |
| 5402000 | 477000 | 5391000 | 494000 | 5402000 | 488000 |
| | | 5390000 | 494000 | 5401000 | 488000 |
| 5400000 | 476000 | 5390000 | 493000 | 5401000 | 489000 |
| 5398000 | 476000 | 5389000 | 493000 | 5402000 | 489000 |
| 5398000 | 482000 | 5389000 | 494000 | | |
| 5398000 | 483000 | 5388000 | 494000 | 5417000 | 492000 |
| 5399000 | 483000 | 5388000 | 496000 | 5417000 | 493000 |
| 5399000 | 482000 | 5389000 | 496000 | 5418000 | 493000 |
| 5400000 | 482000 | 5388000 | 496000 | 5418000 | 494000 |
| 5400000 | 476000 | | | 5417000 | 494000 |
| | | 5405000 | 474000 | 5417000 | 495000 |
| 5395000 | 491000 | 5403000 | 474000 | 5419000 | 495000 |
| 5395000 | 493000 | 5403000 | 477000 | 5419000 | 492000 |
| 5398000 | 493000 | 5403000 | 482000 | 5418000 | 492000 |
| 5398000 | 490000 | 5405000 | 482000 | 5417000 | 492000 |
| 5395000 | 490000 | 5405000 | 474000 | | |
| 5395000 | 491000 | 5403000 | 474000 | 5384000 | 501000 |
| | | 5405000 | 474000 | 5387000 | 501000 |
| 5388000 | 496000 | | | 5387000 | 499000 |
| 5388000 | 496000 | 5408000 | 487000 | 5386000 | 499000 |
| 5392000 | 496000 | 5405000 | 487000 | 5386000 | 500000 |
| 5392000 | 494000 | 5405000 | 488000 | 5384000 | 500000 |
| 5394000 | 494000 | 5408000 | 488000 | 5384000 | 501000 |
| 5394000 | 493000 | 5408000 | 487000 | | |

4 DISCUSSION OF RESULTS

No specific localities were identified and explored in the areas to be relinquished.

No bauxite outcrops have been identified traversing on tracks and roads in the area being relinquished.

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

5 CONCLUSIONS AND RECOMMENDATIONS

Bauxite potential in the areas being relinquished appears to be minimal and hence a low priority for exploration. ABx4 Pty Ltd (ABx4) is partially relinquishing 77sq km of EL 37/2010, bringing the remaining sub-block total to 179sq km. The relinquishment focuses on removing, socioeconomically sensitive and less prospective areas from the tenement. These areas are unlikely to have bauxite and/or could constrain any potential developments.

6 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.

7 REFERENCES

T Coyte, 2012, *First Annual Report EL37/2010 Westbury, 31 October 2012*, ABx4 Pty Ltd

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

H. B. Owen 1946. *Rosevale, Country Devon, Tasmanian*. Bureau of Mineral Resources

M. Vicary (Compiler) 2004. Digital Geological Atlas 1:25000 Series, Sheet 4841 Bridgenorth. Mineral resources Tasmania.

M. Vicary (Compiler) 2004. Digital Geological Atlas 1:25000 Series, Sheet 4838 Liffey. Mineral resources Tasmania.

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

S.E.Close, 1970. *Recommendations for Testing E.L. 36/70, Devonport, Tasmania*. CRA Exploration Pty Ltd.