



**FINAL/RELINQUISHMENT REPORT
EXPLORATION LICENCE 4/2012**

For period November 14, 2012 to November 14, 2013

**Delta Materials Pty Ltd.,
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By

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November 27, 2013

ABSTRACT

The objective was to utilize Delta Materials Pty Ltd (“DMPL”) experience gained both in the North America and from the Tippogoree Hills, Bell Bay Project within Exploration Licence 6/2009 (“EL 6/2009) to evaluate Exploration Licence 4/2012 (“EL4/2012) and determine the economic potential for EL4/2012 to host a crushed dolerite quarry suitable for bulk export to the Australian market.

The proposed exploration program on EL4/2012 consisted of geological mapping and drilling to determine whether the evaluated resource was either superior or supplementary to the resources established within EL6/2009.

EL4/2012 was granted to DMPL on November 14, 2012 and the term of the licence was to expire on November 13, 2017. No physical work was conducted on the property since granting of the exploration licence. Therefore, no results can be concluded or recommendations made for work to determine the Exploration Licence’s economic potential for hosting a viable crushed stone aggregate deposit suitable for sea-bulk export to an Australian market.

DMPL has had to reconsider its continued investment in developing a marine export construction aggregate business at Bell Bay as the potential purchasers of aggregates and project investors that DMPL had believed were serious have since advised they have no interest in continuing. DMPL subsequently carried out an extensive search for other interested parties but after no success has decided to relinquish Exploration Licence 4/2012.

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Figures:

1. Map showing granted EL4/2012 - Department of Infrastructure: Energy and Resources, Mineral Resources Tasmania.

1. INTRODUCTION

The objective of the proposed two-phase exploration program was to evaluate the potential of EL4/2012 for hosting a crushed stone quarry suitable for export to the Australian market.

EL4/2012 is underlain by Jurassic age dolerite sills. The project area is located east of the Tamar River estuary within the Tippogoree Hills approximately 2 kilometres east of Long Reach the site of the proposed Gunn's Pulp Mill Site. EL4/2012 (Figure 1) which consists of 8 km² is adjacent to and east of the East Tamar Highway.

EL4/2012 was granted on November 14, 2012 and the licence expires on November 13, 2017. The Licensee is:

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This final and relinquishing report covers the period from November 14, 2012 to November 14, 2013. The purpose of this report is to notify The Director of Mines, Mineral Resources Tasmania that DMPL is filing for a relinquishment of EL4/2012.

2. REVIEW OF PREVIOUS WORK

Prior to the granting of EL4/2012 the area was covered by former Retention Licence 3/1997 ("EL3/1997"). EL 3/1997 was formerly held by B3 (Bell Bay

Bluestone) Pty Ltd. B3 did not conduct any physical exploration work in the project area.

DMPL has not conducted any physical exploration work with EL 4/2012 during the period November 14, 2012 to November 14, 2013. DMPL is relinquishing the exploration licence.

3. EXPLORATION COMPLETED DURING THE REPORT PERIOD

The geological literature and experience gained by DMPL while conducting exploration programs on EL6/2009 indicates that the Tippogoree Hills are underlain by Jurassic age dolerite sills and that the structural setting consists of a set of half-grabens stepping down to the Tamar valley to the west. Deformation appears to be a combination of pull apart rifting and strike slip shearing. This style of deformation has had a major impact on variation in rock quality across the deposit within EL6/2009. The location of major northwest-southeast and northeast-southwest trending faults have influenced negatively the quality of the dolerite within these zones; however the quality outside of these relatively narrow fault zones indicated good quality material suitable for producing crushed stone aggregate.

Unfortunately, no exploration work was conducted by DMPL within EL4/2012 or regionally during the reporting period. No exploration by others was conducted in the Tippogoree Hills.

4. DISCUSSION OF RESULTS

No physical exploration work was conducted by DMPL on EL4/2012 and therefore there are no results to discuss.

5. CONCLUSIONS

No physical exploration work was conducted by DMPL on EL4/2012 and therefore there are no conclusions to discuss. It has not been determined whether EL4/2012 is either superior or supplementary to the resources established within EL6/2009.

6. ENVIRONMENT

No physical exploration work was conducted by DMPL on EL4/2012 and therefore there was no surface-disturbing operation requiring rehabilitation. No archaeological or scientific surveys were conducted.

EXPENDITURES

No exploration programs were conducted on EL4/2012.

REFERENCES

Leaman, K., 2002. *The Rock which makes Tasmania*. Leaman Geophysics publication, Hobart, Tasmania, Australia.

Boronowski, A.J. and Morrison, K.C., 2010. *Geological Report, Bell Bay Quarry Project*. Delta Materials Pty Ltd report.

KEY WORDS

Exploration Licence 4/2012, Bell Bay Quarry, Dolerite, Crushed Stone Aggregate.

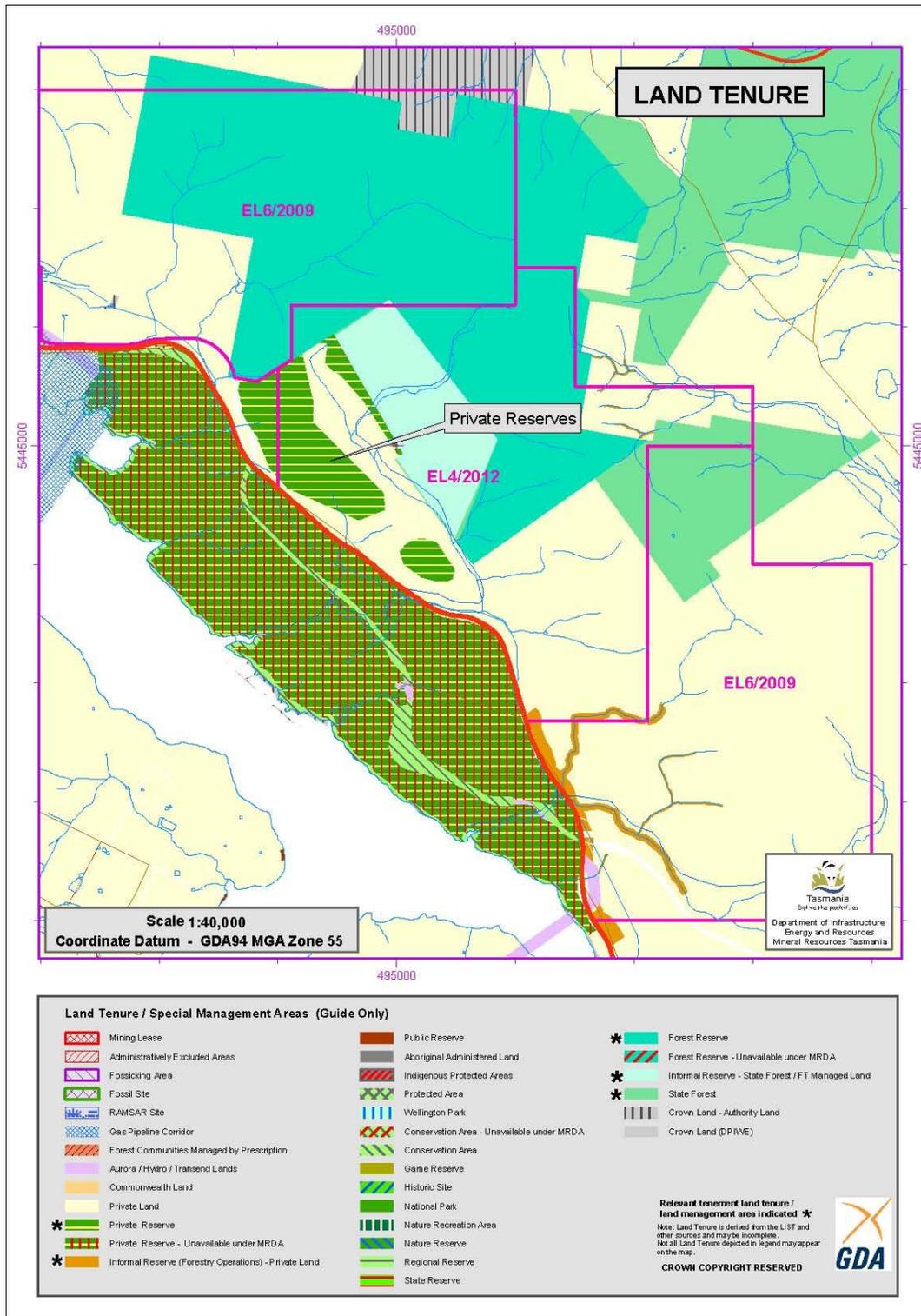


FIGURE 1