

Partial Relinquishment Report

on

EL 12/2012 – Scottsdale

Reporting Period: 12 December 2012 - 11 December 2013

Project Operator: ABx4 Pty Ltd

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1 ABSTRACT

Objective:

Exploration Licence (EL) 12/2012 “Scottsdale” 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.

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. Exploration has been focused on exploring targets identified during desktop studies. Numerous bauxite targets have been explored on foot and driving on tracks.

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 relinquishing 46sq km of EL 12/2012, bringing the remaining sub-block total to 82sq km. The relinquishment focuses on removing less prospective areas from the tenement.

2 INTRODUCTION

Exploration Rationale

ABx4 Pty Ltd the holder of Category 1 Exploration Licences EL12/2012 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 12/2012 “Scottsdale” 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 volcanoclastic 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.

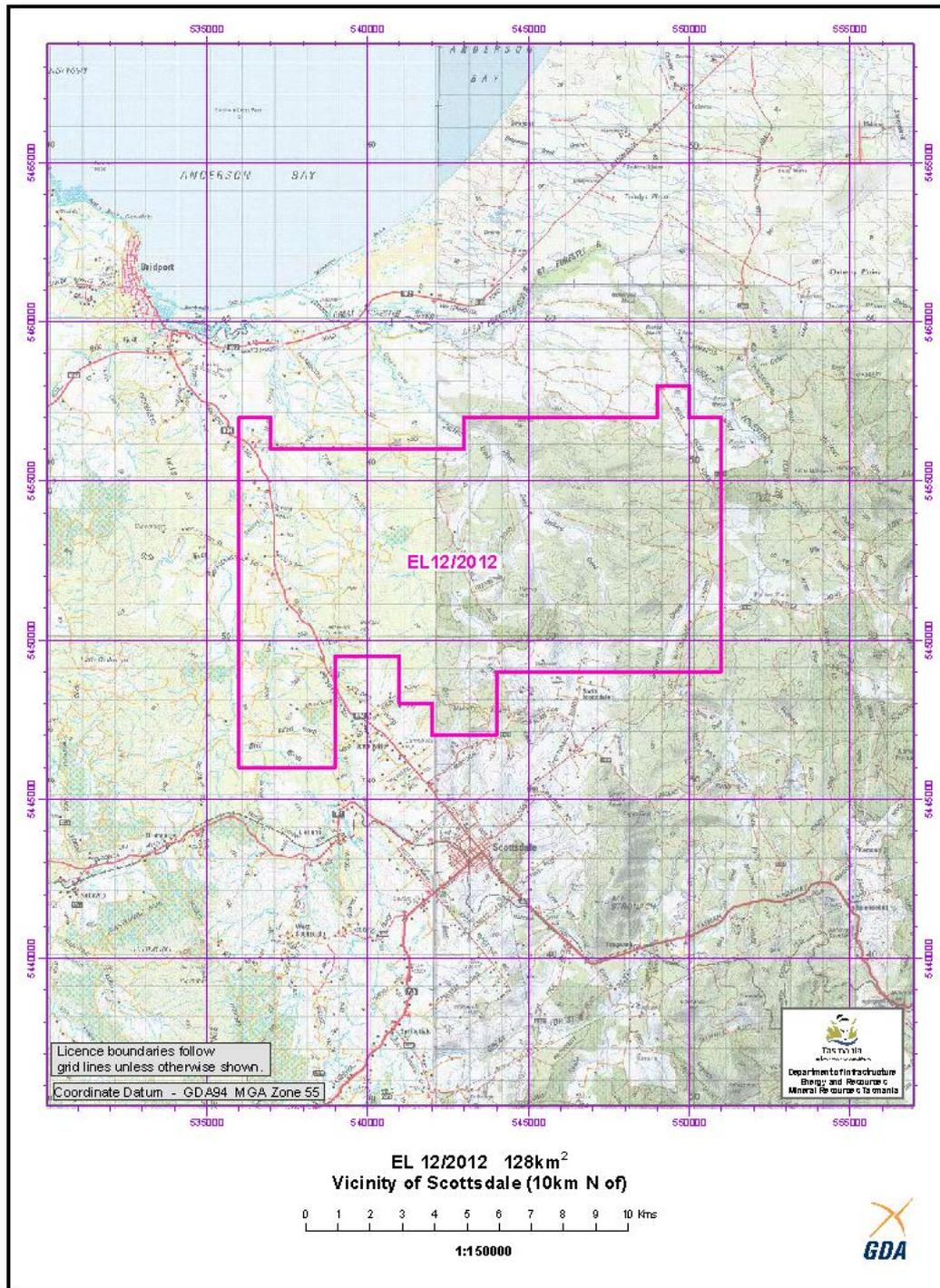
Tenement Information

EL 12/2012 “Scottsdale” was granted on and from 12 December 2011 for a period of 5 years to ABx4. This is the Partial Relinquishment Report for the reporting period 12 December 2012 - 11 December 2013 incorporating the results of work completed over the first year of tenure.

Total area of the original licence is 128sq km. ABx4 however is relinquishing 46sq km to bring the total remaining area to 82sq km. The Mineral Category of EL 12/2012 is 1 – Metallic Minerals and Atomic Substances.

Location

The Scottsdale tenement is centred on the Scottsdale State forest and is approximately 4km north of Scottsdale. 60km to the port of bell bay by road which is a large operating port. There is also a railway through Scottsdale which is currently decommissioned. The Scottsdale tenement is ideally located for both rail and road transport to the port.



Map 1 – EL 12/2012 licence map

Tenure, including joint venture details and title transfers

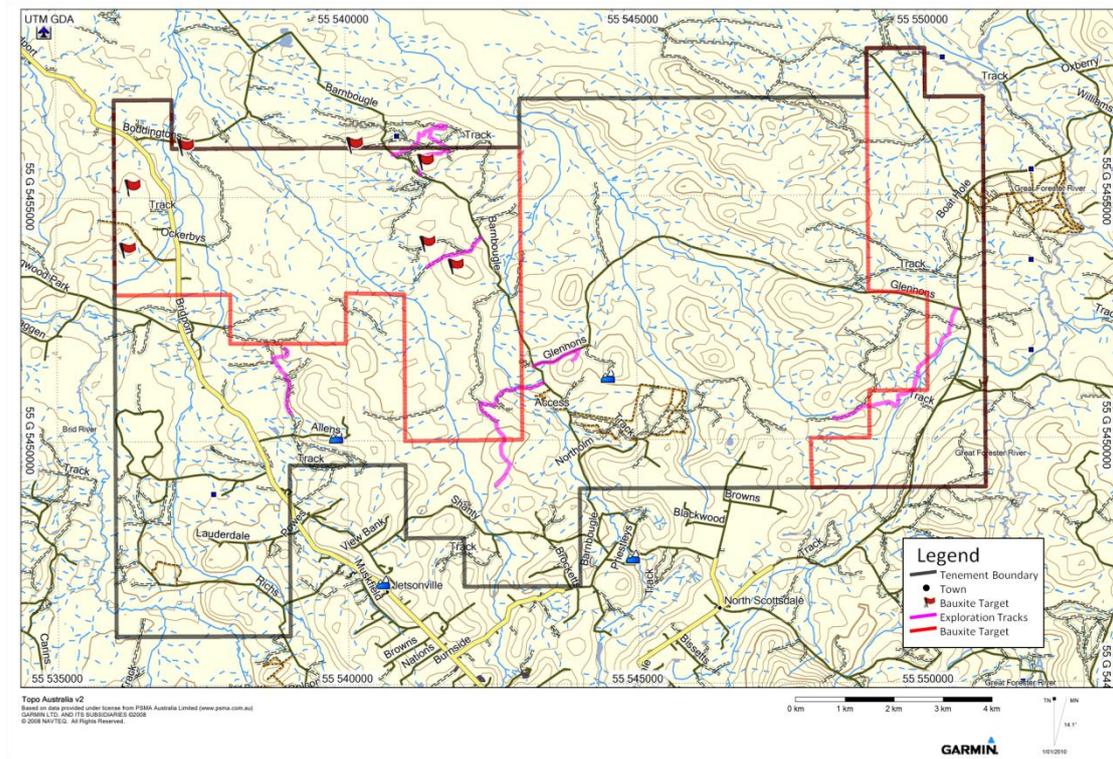
EL 12/2012 “Scottsdale” is 100% owned by ABx4 which is a fully owned subsidiary of Australian Bauxite Limited.

3 EXPLORATION UNDERTAKEN ON THE RELINQUISHED AREA DURING THE LICENCE TENURE

Prior to Current Tenement

No Historical references for bauxite have been identified for the Scottsdale Tenement.

During current Tenement



Map 2 - Map of Bauxite targets and areas explored in area to be relinquished

Work undertaken in area to be relinquished

- Mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
- 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.

Exploration has been focused on exploring targets identified during desktop studies. Numerous bauxite targets have been explored on foot and driving on tracks. Map 2. shows areas explored on road and on foot in the areas to be relinquished. Targets were identified as residual exposures of the tertiary laterites and did not contain bauxite.

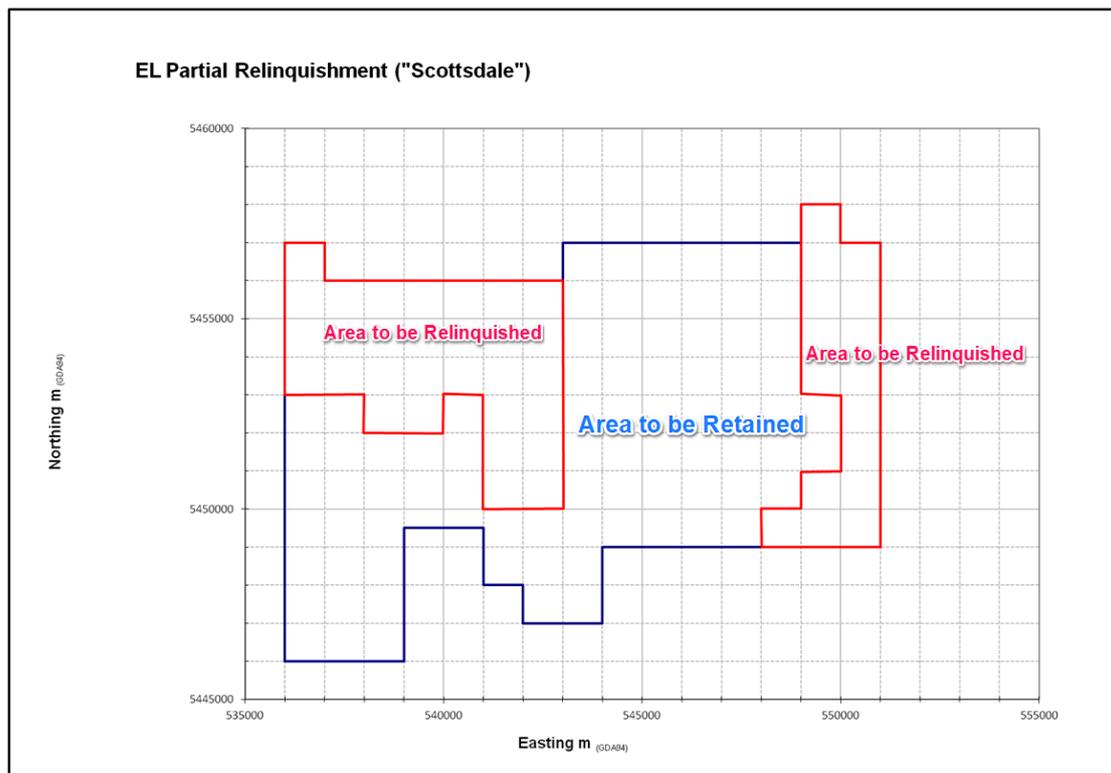
Literature Review

No reports on bauxite have been identified in the Scottsdale Tenement.

Geological Maps composed by Mineral Resources Tasmania:

- McClenaghan, M.P., Vicary, M.J. 2010. Digital Geological Atlas 1:25000 Scale Series, Sheet 5445. Pearly Brook. Mineral resources Tasmania.

Area to be relinquished:



Map 3 – EL 12/2012 relinquishment areas marked by red outline

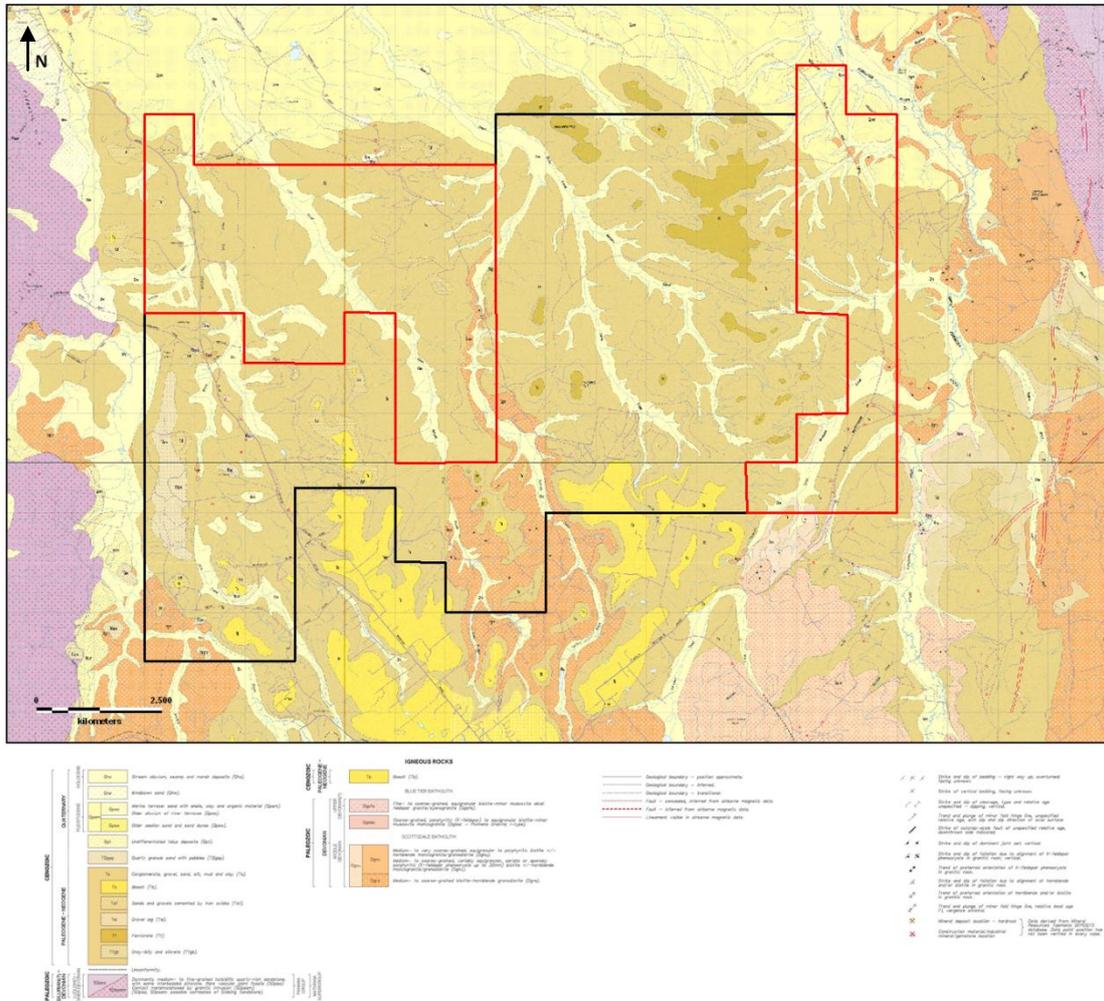
Table 1 – Coordinates for area to be Relinquished

Area to be Relinquished - 46km ² GDA94 MGA Zone 55			
North	East	North	East
5450016	547987	5456000	537000
5449001	548005	5457000	537000
5449000	551000	5457000	536000
5457000	551000	5453000	536000
5457000	550000	5453008	537997
5458000	550000	5452003	537987
5458000	549000	5451993	539980
5457000	549000	5453026	539989
5453022	549001	5452999	540995
5452975	550016	5449993	540995
5450984	550007	5450011	543015
5450975	549001	5456000	543000
5450016	549001		

4 DISCUSSION OF RESULTS

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.



Map 4 - EL12/2012 geological map with tenement outline and area to be relinquished (in Red).

Base map - McClenaghan, M.P., Vicary, M.J. 2010. Digital Geological Atlas 1:25000 Scale Series, Sheet 5445. Pearly Brook. Mineral resources Tasmania.

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 46sq km of EL 12/2012, bringing the remaining sub-block total to 82sq km. The relinquishment focuses on removing less prospective areas from the tenement.

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

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

McClenaghan, M.P., Vicary, M.J. 2010. *Digital Geological Atlas 1:25000 Scale Series, Sheet 5445. Pearly Brook*. Mineral resources Tasmania.