

First Annual Report
on
EL 4/2013 – Tunross West 1

Reporting Period: 10 September 2013 – 9 September 2014
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Date: 1 September 2014

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Map datum used in maps above are AGD66, GDA94 and WGS 84, respectively.

1 ABSTRACT

Objective:

Exploration Licence (EL) 4/2013 “Tunross West 1” was applied for in order to facilitate an exploration program to discover economically viable deposits of bauxite. 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, exposures in road cuttings and specialist bauxite analyses to determine total and available alumina, reactive silica and loss on ignition and other analyses required for bauxite search.
3. Drill testing of selected areas by a 4WD-mounted drill rig or equivalent.

Results

No bauxite was observed during the 2-day field trip in August 2014, which covered the main thoroughfares within the Tunross West 1 tenement including areas of mapped Jurassic dolerite. Since the bauxite prospectivity of the area was deemed to be very low, exploration did not advance to further stages.

Recommendations for future work:

A recommendation was made to management to relinquish EL 4/2013 Tunross West 1 based on results of exploration and management accepted the recommendation.

2 INTRODUCTION

Exploration Rationale

ABx4 Pty Ltd - the holder of Category 1 Exploration Licence EL 4/2013 - is the wholly owned subsidiary of Australian Bauxite Ltd. Australian Bauxite Limited (ABx) (ASX: ABX) 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.

Exploration Licence (EL) 4/2013 “Tunross West 1” was applied for in order to facilitate an exploration program to discover economically viable deposits of bauxite. 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 is generally associated with Tertiary (basaltic) volcanics and/or Jurassic dolerite (H.B. Owen, 1954).

On the Lake River sheet of the 1:50,000 Geological Atlas Series, Jurassic dolerite is mapped throughout most of the Tunross West 1 tenement along with various sedimentary units.

Tenement Information

EL 4/2013 “Tunross West 1” was granted on and from 10 September 2013 for a period of 5 years to ABx4 Pty Ltd (ABx4).

This is the Final Report for the reporting period 10 September 2013 – 9 September 2014 incorporating the results of work completed during the first year of tenure.

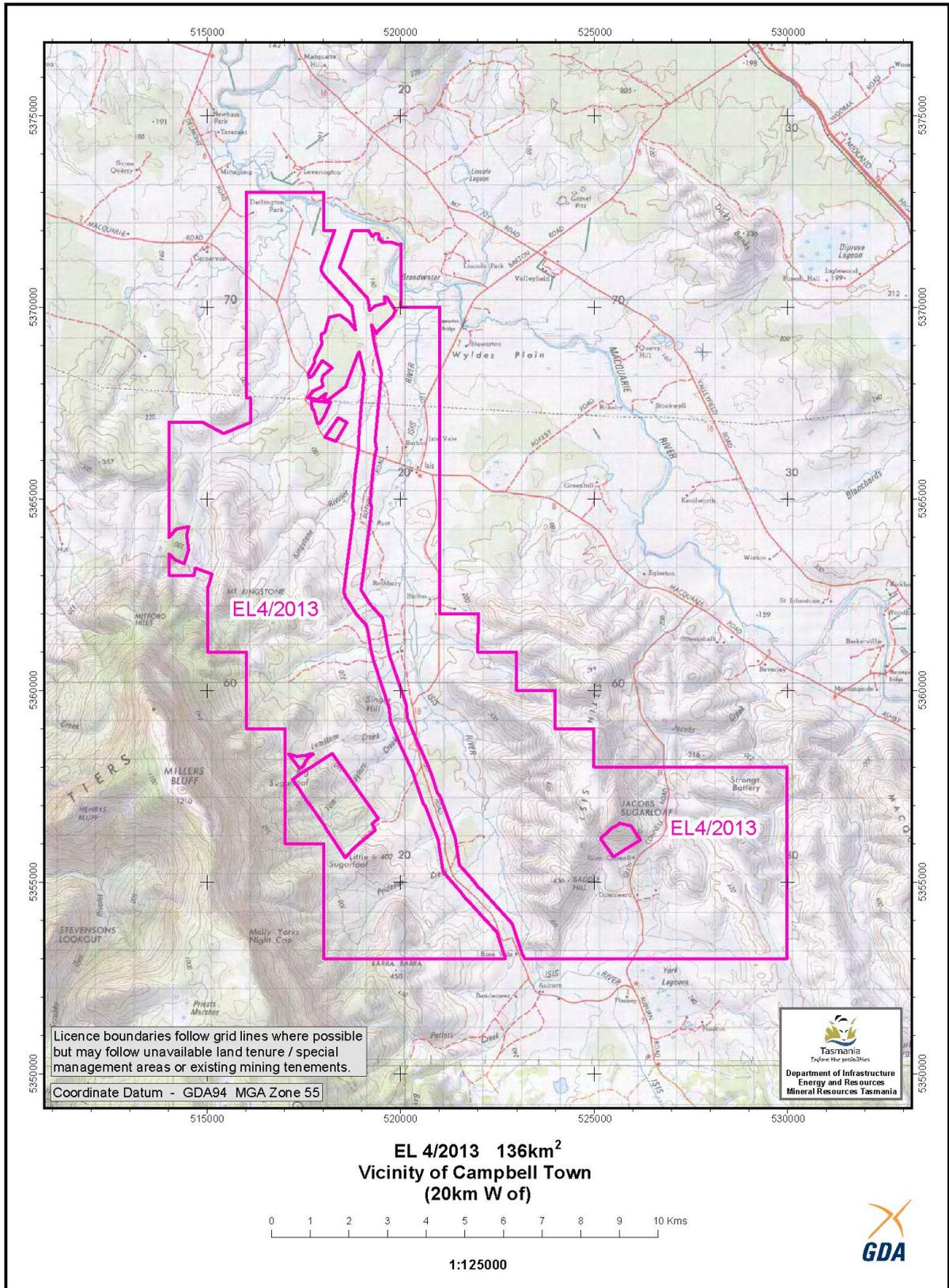
Total area of the Licence is 135 sq km and its Mineral Category is 1 – Metallic Minerals and Atomic Substances.

Tenure, including joint venture details and title transfers

EL 4/2013 “Tunross West 1” is 100% owned by ABx4 which is a 100%-owned subsidiary of Australian Bauxite Limited.

Location

Tunross West 1 is located 18km west/south-west of the Conara railway junction and Midland Highway, both capable of transport to either Hobart or Bay Port. Tunross West 1 is located just 50km south of Launceston which could provide a wide range of services and skilled work force.



Map 2. Location map of EL 4/2013 “Tunross West 1” (pink outline).

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement Period

A search of historic literature found that there are no records of bauxite exposures, outcrops, resources etc., within the Tunross West 1 area. However, it is known that work was done in the nearby Campbell Town / Conara area - about 18km to the east - by H.B. Owen in his book "Bauxite in Australia", 1954 (Bulletin 24).

Of all the historic exploration licences previously covering the Tunross West 1 area, only (Category 1) EL6/1981 - held by Victor Petroleum & Resources Ltd - made references to bauxite exploration. The EL6/1981 Renewal & Progress Report (1981) contains a broad review of bauxite resources throughout its tenement area (much of the Tasmanian midlands) and made references to the work of H.B. Owen mentioned above.

During the life of the licence

This is the first year of the exploration licence; all activities to date are outlined within this report.

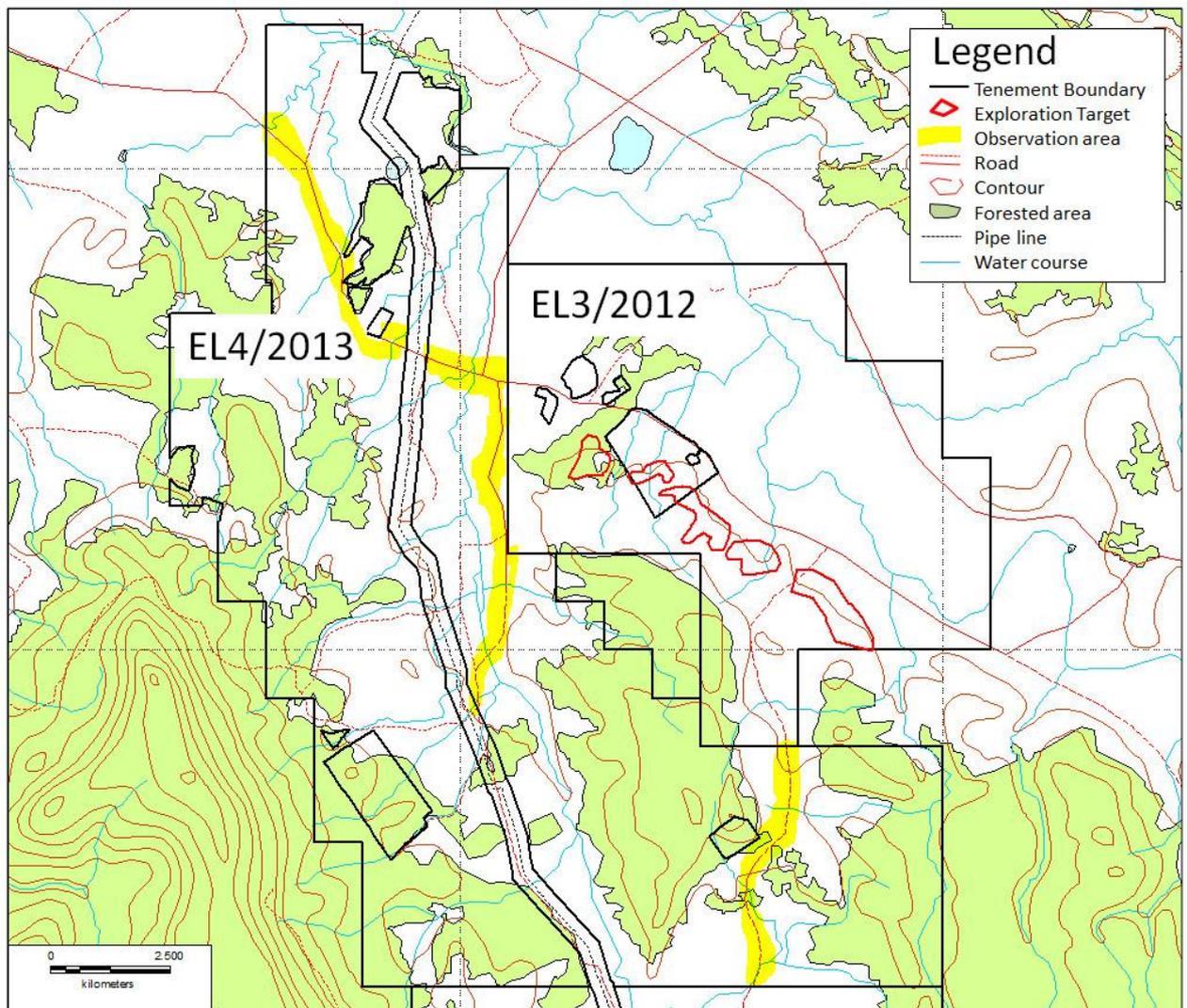
4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

During First Year of Tenure

A desktop review was initially undertaken based on Google Earth satellite imagery and available geological maps in order to identify exploration targets.

A 2-day field trip took place in August 2014 in which ABx4 geologists traversed the main thoroughfares of EL4/2013 in search of bauxite exposures. No bauxite occurrences were observed during this trip.

No drilling or surface sampling took place during the first year of tenure.



Map 3. Exploration activities during the current reporting period for EL 4/2013. Yellow shaded areas indicate roads traversed by vehicle.

5 CONCLUSIONS AND RECOMMENDATIONS

Due to the fact that no bauxite was observed during the 2-day field trip in August 2014, which covered the main thoroughfares throughout the Tunross West 1 tenement, the Tunross West 1 area appears to be much less prospective than other ABx4 tenement areas throughout Tasmania.

A recommendation was made to management to relinquish EL 4/2013 Tunross West 1 based on results of exploration and management accepted the recommendation.

6 ENVIRONMENT

Surface Disturbing Operations:

No drilling, surface sampling or any other type of disturbance of the surface occurred over the first year of tenement.

7 EXPENDITURE

Table 1 – Exploration Activity and Expenditure Table for reporting period 10 Sep 2013 – 9 Sep 2014.

Exploration Category	Description of Activity	Quantity	Expenditure
Office Administration			\$50
Authority Management	Tenement management		\$250
Office Activities	Data Processing & Interpretation		\$200
Field Activities	Geological Mapping		
	Equipment Hire	Vehicle Hire	\$230
	Accommodation/Field Camp		\$200
	Land Holder Liaison		
	Field Supplies		\$100
	Travel		
	Other		\$55
	Drilling (program cost)		
	RC		
Laboratory			
Salaries / Wages	Contractors - Geological		\$800
		Grand Total	\$1,885

Note: Office Administration was met by parent company – Australian Bauxite Limited.

8 REFERENCES

Company Report - Onshore 81_1647: Tasmanian Exploration Licence - 6/81 Renewal and Progress Report to November 21, 1981

MRT Document ER8314S0: Geological survey explanatory report, geological atlas 1:50 000 series, sheet 54 (8314S), Lake River