

First Annual Report
on
EL 5/2013 – Tunross West 2

Reporting Period: 22 October 2013 – 21 October 2014
Project Operator: ABx4 Pty Ltd
Address: Level 2, 131 Macquarie Street, Sydney, NSW, 2000
Authors: Tamara Coyte, Jacob Rebek
Report Prepared By: Thomas Battaglia
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Map datums 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 of Tunross West 2 including areas mapped as Jurassic Dolerite.

Recommendations for future work:

A recommendation was made to management to relinquish EL 4/2013 Tunross West 1 based on results of exploration and a lack of bauxite potential in the area.

An application to surrender the entire tenement area was lodged and subsequently approved on 19 September, 2014.

2 INTRODUCTION

Exploration Rationale

ABx4 Pty Ltd - the holder of Category 1 Exploration Licence EL 5/2013 - 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:

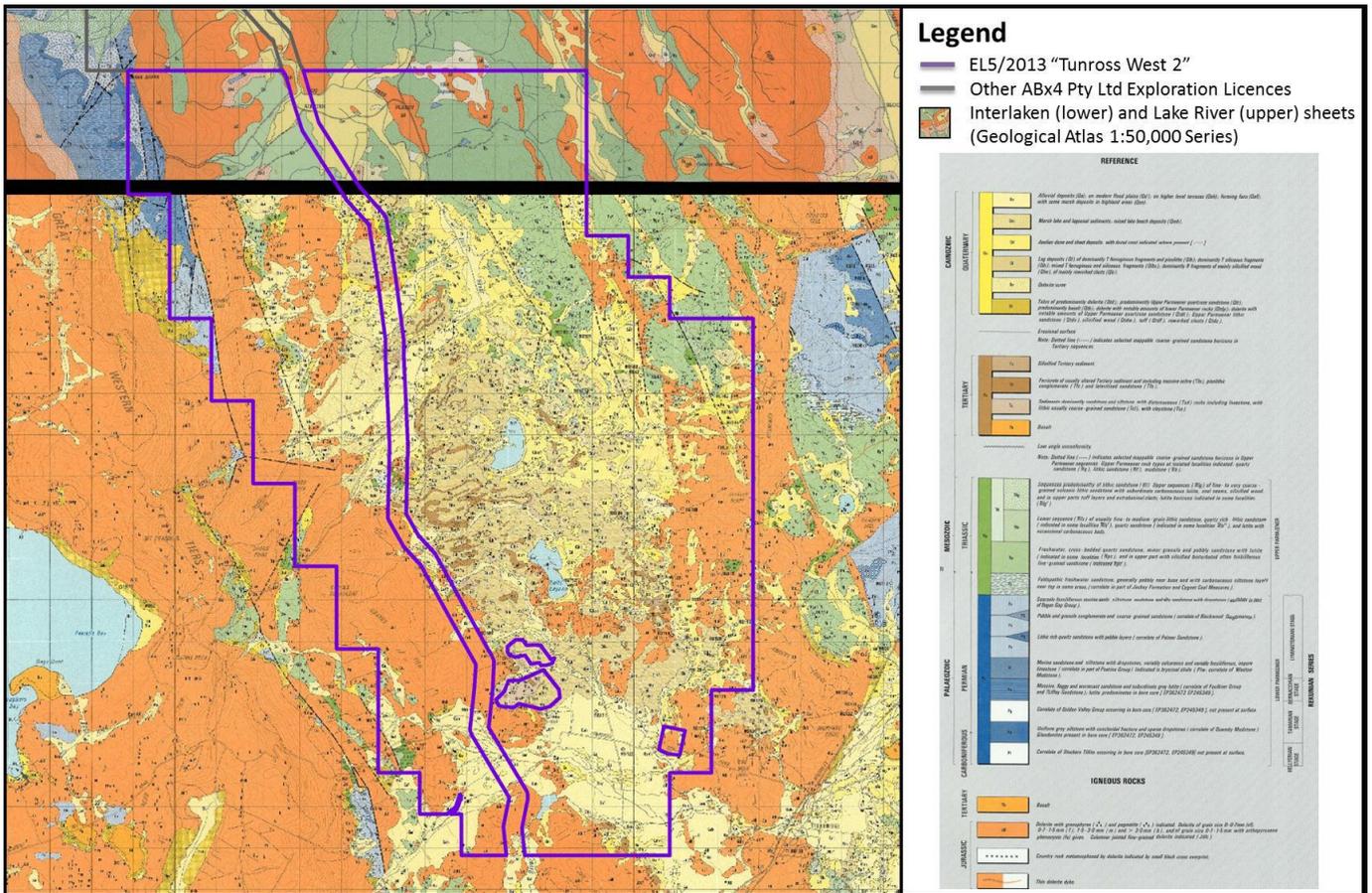
- Quality – good quality bauxite with potential for significant resource tonnages;
- Proximity – easy access to infrastructure connected to export ports; and
- Accessibility – free of socio-environmental or native title land constraints.

Exploration Licence (EL) 5/2013 “Tunross West 2” 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

The historic work done by H.B. Owen (‘Bauxite in Australia’, 1954) demonstrated that bauxite in Tasmania can be found in both Jurassic Dolerite and Tertiary Basaltic Volcanics. According to Owen, these bauxite deposits - regardless of host rock type - are thought to form either as ‘grouped remnants of former continuous sheet’ or ‘formed in lenticular or pod shaped bodies in localised depressions’.

According to the Interlaken and Lake River sheets of the 1:50,000 Geological Atlas Series, Jurassic Dolerite occurs on the elevated slopes on the north-east and western sides of EL 5/2013 and various types of sedimentary units cover the valley floor between these ridges. Field inspection revealed areas of the valley area was constituted by laterised Tertiary sand, mud and clay.



Map 1. EL5/2013 in purple overlying the Interlaken and Lake River sheets of the 1:50,000 geological atlas series.

Tenement Information

EL 5/2013 "Tunross West 2" was granted on and from 22 October 2013 for a period of 5 years to ABx4 Pty Ltd (ABx4).

This is the First Annual Report for the reporting period 22 October 2013 – 21 October 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.

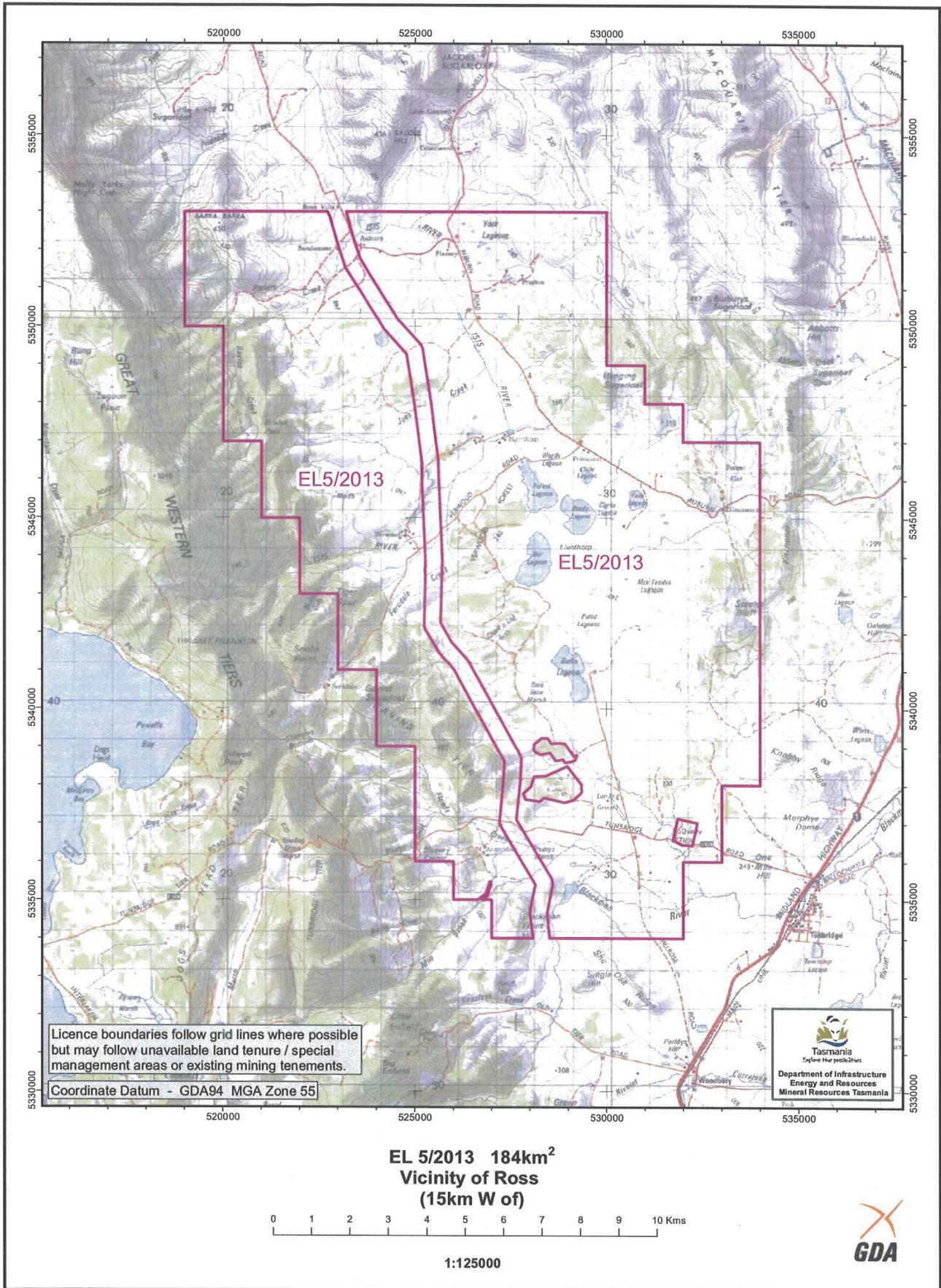
This licence was surrendered in full effective of 19 September 2014.

Tenure, including joint venture details and title transfers

EL 5/2013 "Tunross West 2" is 100% owned by ABx4 which is a 100%-owned subsidiary of Australian Bauxite Limited.

Location

Tunross West 2 is located 22km south-southwest of the Conara railway junction and 6km west of the Midland Highway (at Ross), with both road and rail capable of transport to either Hobart or Bell Bay Ports. Tunross West 2 is located just 60km south of Launceston which could provide a wide range of services and a skilled work force.



Map 2. Location map of EL 5/2013 "Tunross West 2" (pink outline).

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement Period

No references within literature to bauxite exploration within the Tunross West 2 tenement were found, however, it is known that such work was done in the nearby Conara/Campbell Town area – about 15km to the north-east – by H.B. Owen in his book ‘Bauxite in Australia’, 1954 (Bulletin 24).

During the life of the licence

This is the first and final year of tenure for EL 5/2013 – all exploration activities which have occurred over this period are outlined in this report.

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Literature Review

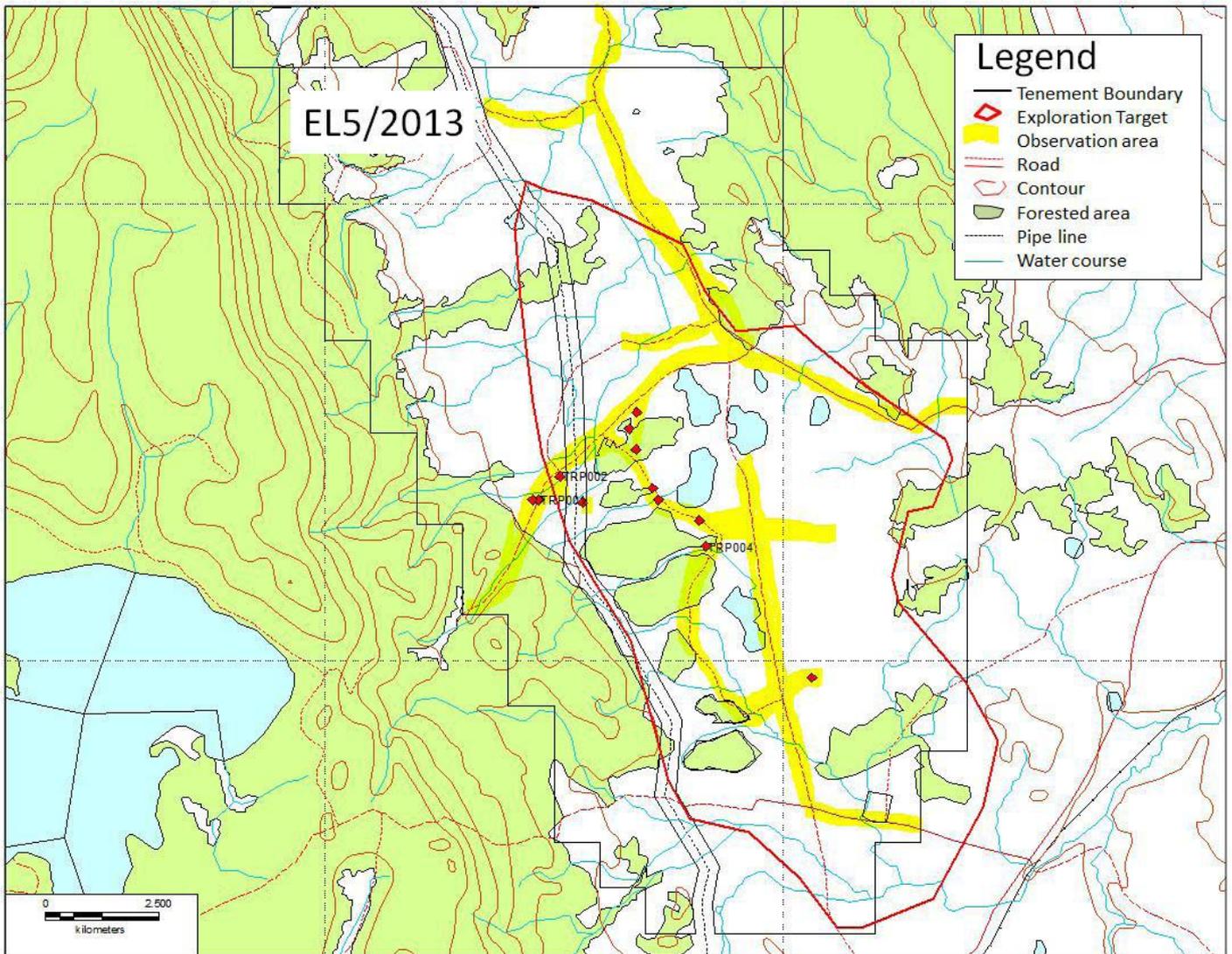
H.B. Owen (1954), 'Bauxite in Australia', Bureau of Mineral Resources, Bulletin No. 24.

Regional Exploration Activities

The two-day field trip in August 2014 revealed that the geology of Tunross West 2 consists of ridges of laterite derived from tertiary sand, mud and clay. The sediments are a thick layer which fill the valley and are probably derived from Triassic Sandstone which occurs on the edges of the valley along with Jurassic dolerite. There appears to be Tertiary volcanics in the valley, which is indicated by the presence of black Gilgai soils (soils derived from dolerite are usually orange). These areas were explored in greater detail but no bauxite was observed.

Four samples were collected but not analysed.

No drilling occurred during the current term, and surface disturbance by sampling was of a negligible impact.



Map 3. Exploration activities during the current reporting period for EL 5/2013. Yellow shaded areas indicate roads traversed by vehicle; red diamonds are observation points; TRP labels indicate sample collected at observation point.

Table 1. Field traverse waypoints with sample numbers and rock descriptions.

WP	Sample ID	Description
1		Laterite
2		Laterite
3		Sandy Sediments
4		Laterite
5		Laterite
6		Laterite
7		Gilgai Soil
8	TRP001	Monochromatic red, fine grained with black dendritic veins, quartz rich and light weight, possible semi-bauxitised tuff
9		Dolerite
10	TRP002	Orange/Brown Iron rich material. No quartz visible in hand specimen. Iron layering with cores of possible relic volcanic textures
11	TRP003	Quartz with an Iron and mud mix on contact with Jurassic Dolerite and Tertiary Volcanics.
12	TRP004	Purple red matte textured material, no quartz in matrix. Minor quartz grains in Bands with zones of black Iron. Overall very heavy.
13		Volcanics

Table 2. Field traverse waypoints with sample numbers and GPS coordinates. Coordinate datum – WGS84 (long/lat and UTM Zone 55).

WP	Sample ID	Latitude	Longitude	North	East
1		-42.0576	147.3282	5,343,772	527,155
2		-42.0599	147.3297	5,343,519	527,276
3		-42.0640	147.3404	5,343,062	528,163
4		-42.0499	147.3237	5,344,632	526,789
5		-42.0459	147.3218	5,345,078	526,634
6		-42.0427	147.3239	5,345,438	526,806
7		-42.0600	147.2982	5,343,514	524,672
8	TRP001	-42.0599	147.2981	5,343,526	524,667
9		-42.0601	147.2965	5,343,514	524,535
10	TRP002	-42.0554	147.3037	5,344,032	525,127
11	TRP003	-42.0605	147.3096	5,343,464	525,618
12	TRP004	-42.0691	147.3423	5,342,499	528,318
13		-42.0950	147.3703	5,339,605	530,624

5 CONCLUSIONS AND RECOMMENDATIONS

No bauxite was observed during the August 2014 field trip, which involved a fairly comprehensive traverse of roads within Tunross West 2 by vehicle, and as such, the Tunross West 2 area appears to be less prospective than other ABx4 tenements in Tasmania.

EL5/2013 “Tunross West 2” was fully relinquished as of 19 September 2014. Exploration was unsuccessful in identifying bauxite or any prospective bauxite areas that warrant future investigation. The area has low bauxite potential and ABx4 Pty Ltd will focus its resources on more prospective areas.

6 ENVIRONMENT

Surface Disturbing Operations:

Minimal surface sampling occurred within the current reporting period, however, the impact on the surface was nil / negligible.

No drilling occurred in the current reporting period.

Surveys (archaeological, botanical):

No archaeological or botanical surveys were conducted within the Tunross 2 tenement area.

Rehabilitation:

No rehabilitation was required during the current reporting period.

7 EXPENDITURE

Table 3. Exploration Activity and Expenditure Table for reporting period 22 Oct 2013 – 21 Oct 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		
	Sampling		\$38
	Equipment Hire	Vehicle	\$100
	Accommodation/Field Camp	2 Days	\$225
	Travel		\$175
	Field Supplies		\$100
	Land Holder Liaison		
	Other		
	Drilling (program cost)		
	RC		
Laboratory			
Salaries / Wages	Employees & Contractors	Geologists	\$800
		Grand Total	\$1,938

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

8 REFERENCES

H.B. Owen (1954), *Bauxite in Australia*, Bureau of Mineral Resources, Bulletin No. 24.

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

MRT Document ER8313N0: Geological Survey Explanatory Report, Geological Atlas 1:50 000 series, sheet 61 (8313N) Interlaken.