

Fifth Annual Report

on

EL 4/2010 – Evandale

Reporting Period: 14 September 2014 – 13 September 2015

Project Operator: ABx4 Pty Ltd

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Date: 10 September 2015

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CONTENTS

| | | |
|---|---|----|
| 1 | ABSTRACT..... | 2 |
| 2 | INTRODUCTION | 4 |
| 3 | REVIEW OF PREVIOUS WORK | 7 |
| 4 | EXPLORATION COMPLETED DURING THE REPORTING PERIOD | 8 |
| 5 | DISCUSSION OF RESULTS | 9 |
| 6 | CONCLUSIONS AND RECOMMENDATIONS | 10 |
| 7 | ENVIRONMENT | 12 |
| 8 | EXPENDITURE | 13 |
| 9 | REFERENCES | 14 |

TABLES

| | |
|--|----|
| Table 1. Exploration expenditure for EL4/2010 over the 5 th annual reporting period. | 13 |
|--|----|

MAPS

| | |
|--|---|
| Map 1. Geology of EL 4/2010 area. | 5 |
| Map 2. Location of EL 4/2010. | 6 |

1 ABSTRACT

Objective:

Exploration Licence (EL) 4/2010 “Evandale” 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 is 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 potentially bauxitic rocks at natural outcrops and exposures in road cuts.
3. Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive quartz, loss on ignition and other analyses as required in bauxite search.
4. Drill testing of zones with best potential defined by work under 1, 2, and 3, by an RC drill rig mounted on a light truck to get samples representing the whole lateritic weathering profile (from upper-most iron rich zone through alumina rich zone down into mottled and pallid saprolite zone).
5. Systematic drill testing at close spacings to obtain data for resource estimation in the best target areas defined by programme under 4.

Results:

Several desktop reviews have taken place in the last 12 months in order to assess and prioritise the bauxite targets across all ABx4 tenements. This is an informal process and, as such, no reports or figures have culminated from any recent reviews.

ABx4 has prioritised its human and financial resources in late 2014-2015 towards developing and optimising the production of its Bald Hill Mine (ML 1961P/M) and the drilling of more prospective targets within other mineral tenements. On-site exploration activities did not occur within EL 4/2010 besides inclusion in several desktop reviews of bauxite targets across Tasmania. Exploration is set to continue within EL4/2010 within the next term of tenure.

Recommendations for future work:

Recommendation for future work include further:

1. Detailed geological mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Systematic sampling of natural outcrops and exposures in road cuts of bauxite profile.
3. Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive silica, loss on ignition and other analyses as required in bauxite search.
4. Drill testing of zones with best potential defined by work under 1, 2. and 3, using an RC drill rig mounted on a light truck to get samples representing the whole bauxite profile.
5. Systematic drill testing at close spacings to obtain data for resource estimation in the best target areas defined by programme under 4.

2 INTRODUCTION

Exploration Rationale

Exploration Licence (EL) 4/2010 “Evandale” 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 is 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

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’.

Tenement Information

EL 4/2010 “Evandale” was granted on and from 14 September 2010 for a period of 5 years to ABx4.

This is the Fifth Annual Report for the reporting period 14 September 2014 - 13 September 2015 incorporating the results of work completed during the fifth year of tenure.

ABx4 relinquished 113sq km in 2012 to bring the remaining total area to 83sq km. The Mineral Category for EL 4/2010 is 1 – Metallic Minerals and Atomic Substances. Further partial relinquishment of this tenement is planned.

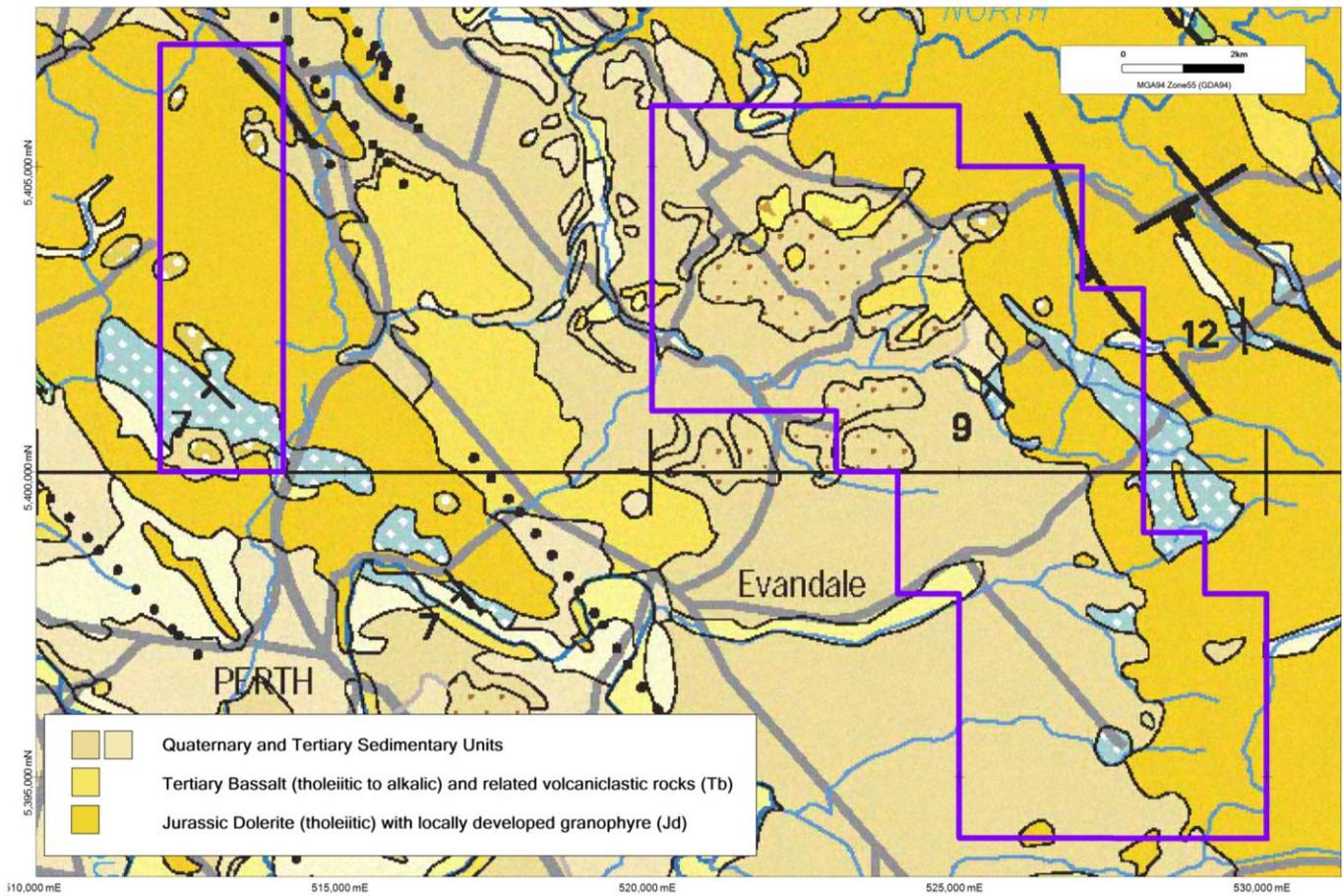
ABx4 is lodging an application to extend 100% of the EL 4/2010 area for a further 12 months.

Location

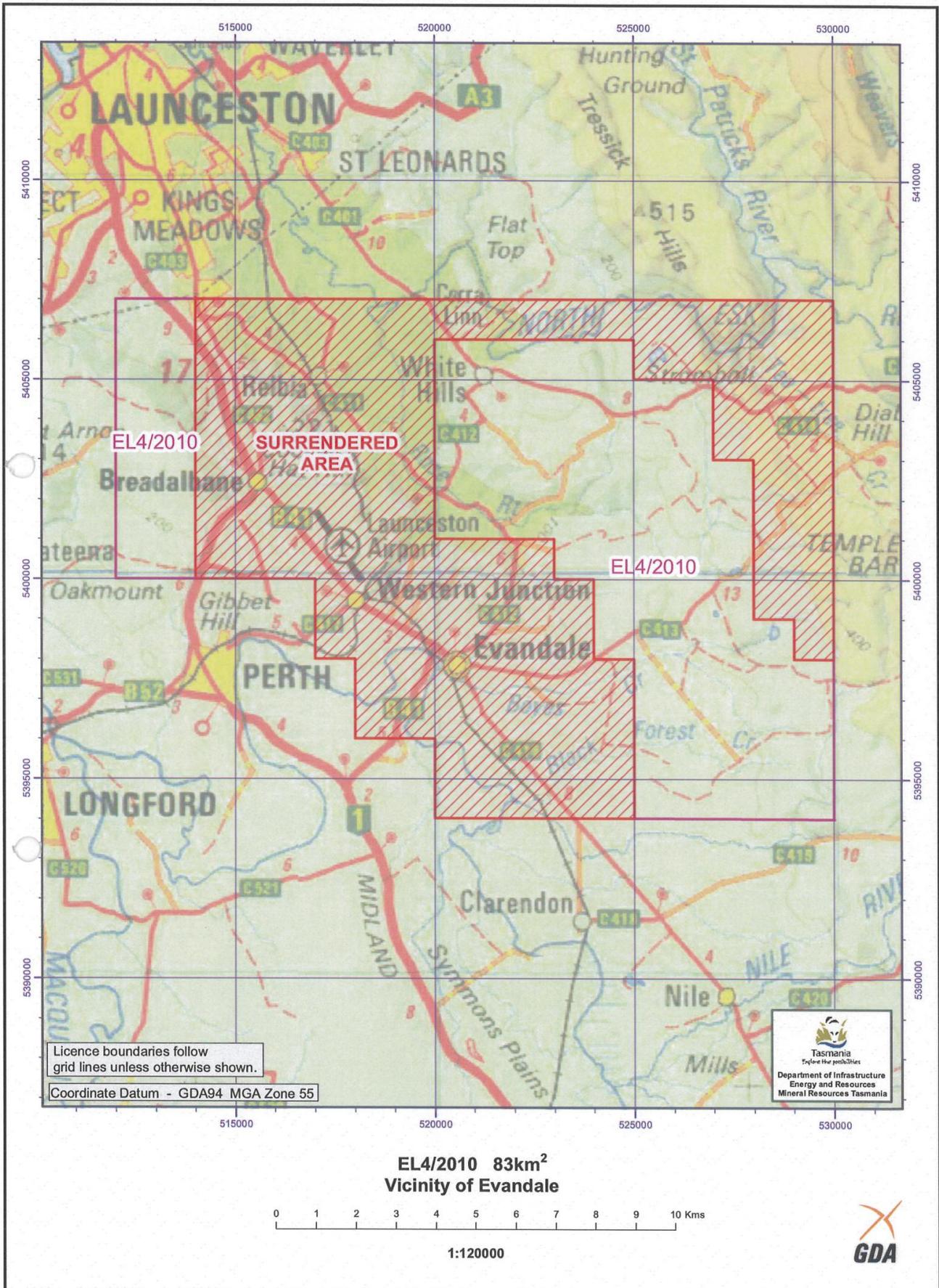
The Evandale tenement is located from the edge of Launceston to Campbelltown where a rail line exists which connects to all Tasmania Ports. Ports and railway infrastructures in Tasmania are generally under capacity and tenements are often over the working railway lines. EL 4/2010 is close to the City of Launceston which could offer a wide range of services and skilled work force.

Tenure, including joint venture details and title transfers

EL 4/2010 “Evandale” is 100% owned by ABx4 which is a wholly-owned subsidiary of Australian Bauxite Limited (ASX:ABX).



Map 1. Geology of the EL 4/2010 area (from Geology of Northeast Tasmania 1:250 000 sheet). Projection MGA94, Datum GDA94.



Map 2. Location of EL 4/2010 "Evandale". Previously relinquished areas are shown by diagonal lines. Projection MGA94, Datum GDA94.

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement

Historical references for bauxite in the Evandale tenement are reported by H.B. Owen in his book “Bauxite in Australia”, 1954, most notably in White Hills which was the basis for initial exploration of the area.

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

The following geological map which identified a bauxite deposit has also been referred to:

- F. Blake (1959). Longford 1:6336000 geological map, Geological survey of Tasmania - Department of Mines

Prior to Current Reporting Period

Over the term of tenure twenty-one reverse circulation (RC) holes were drilled for 126m. A total of 53 samples underwent laboratory XRF analysis at ALS Laboratories, Brisbane. This consisted of 38 sieved and 15 whole analyses. A botanical survey was completed prior to drilling.

The result of a great deal of work in the first two years of tenure led to the relinquishment of most of the tenement area at the end of the second year of tenure.

In the last three years of tenure a combination of field reconnaissance, geological mapping and surface sampling (for chemical analyses) have taken place in order to investigate bauxite targets (e.g. at Strathroy and Norwich targets).

Ongoing desktop reviews have also taken place over the past five years in order to assess and prioritise the bauxite targets across all ABx4 tenements.

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Exploration Activities

Several desktop reviews have taken place in the last 12 months in order to assess and prioritise the bauxite targets across all ABx4 tenements. This is an informal process and, as such, no reports or figures have culminated from any recent reviews.

ABx4 has prioritised its human and financial resources in late 2014-2015 towards developing and optimising the production of its Bald Hill Mine (ML 1961P/M) and the drilling of more prospective targets within other mineral tenements. On-site exploration activities did not occur within EL 4/2010 besides inclusion in several desktop reviews of bauxite targets across Tasmania. Exploration is set to continue within EL4/2010 within the next term of tenure.

5 DISCUSSION OF RESULTS

Several desktop reviews have taken place in the last 12 months in order to assess and prioritise the bauxite targets across all ABx4 tenements. This is an informal process and, as such, no reports or figures have culminated from any recent reviews.

ABx4 has prioritised its human and financial resources in late 2014-2015 towards developing and optimising the production of its Bald Hill Mine (ML 1961P/M) and the drilling of more prospective targets within other mineral tenements. On-site exploration activities did not occur within EL 4/2010 besides inclusion in several desktop reviews of bauxite targets across Tasmania. Exploration is set to continue within EL4/2010 within the next term of tenure.

6 CONCLUSIONS AND RECOMMENDATIONS

Several desktop reviews have taken place in the last 12 months in order to assess and prioritise the bauxite targets across all ABx4 tenements. This is an informal process and, as such, no reports or figures have culminated from any recent reviews.

ABx4 has prioritised its human and financial resources in late 2014-2015 towards developing and optimising the production of its Bald Hill Mine (ML 1961P/M) and the drilling of more prospective targets within other mineral tenements. On-site exploration activities did not occur within EL 4/2010 besides inclusion in several desktop reviews of bauxite targets across Tasmania.

In the past reporting period ABx4 conducted scout drilling at St Leonards within its Prossers Rd (EL18/2014) tenement just to the north of Evandale. Drilling results from St Leonards were good and indicate that the EL4/2010 tenement is more prospective than earlier thought due to the discovery of new styles of mineralisation which may extend into the Evandale area. Regional studies of the St Leonards – Evandale area will be undertaken in the next reporting period to test this hypothesis.

Exploration is set to continue within EL4/2010 within the next term of tenure. It is noted that a bauxite outcrop at Bailey Hill has been documented in historical literature and will require drill-testing.

ABx4 is in the process of lodging an application to extend the term of the EL4/2010 exploration licence for a further 12 months. The application will be submitted alongside this report.

RECOMMENDATIONS FOR FUTURE WORK

Recommendations for Future Work

1. Detailed geological mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Systematic sampling of natural outcrops and exposures in road cuts of bauxite profile.
3. Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive silica, loss on ignition and other analyses as required in bauxite search.
4. Drill testing of zones with best potential defined by work under 1, 2. and 3, using an RC drill rig mounted on a light truck to get samples representing the whole bauxite profile.
5. Systematic drill testing at close spacings to obtain data for resource estimation in the best target areas defined by programme under 4.

Specific works recommended for the Strathroy and Norwich property bauxite targets -which were investigated during the 4th year of tenure – are listed below.

Strathroy Targets

Recommendations for Future Work:

- Explore to the west of samples EVP01-05.
- Take reconnaissance samples to submit to ALS for each target.
- Assess access and delineate target outlines.
- Explore to the south where similar but larger targets are mapped.
- If reconnaissance is successful drilling should be planned for the area.

Norwich Targets

Recommendations for Future Work:

1. Organize access agreement with Neighboring land owner.
2. If positive, continue exploration on both properties, focusing on the northern area.
3. Assess access and delineate target outlines.
4. If 1-3 are successful drilling should be planned for the area.

7 ENVIRONMENT

Surface Disturbing Operations:

No surface disturbing operations took place during the current reporting period.

Surveys (archaeological, botanical):

No archaeological or botanical surveys took place during the current reporting period.

Rehabilitation:

No rehabilitation was required during the current reporting period.

8 EXPENDITURE

Table 1. Exploration expenditure for EL4/2010 over the 5th annual reporting period.

| EL 4/2010 Evandale- Expenditure over 5th Year of Tenure | |
|---|---------|
| 1. Geoscientific costs | |
| Geology | \$2,337 |
| Geochemistry | |
| Geophysics | |
| Remote sensing | |
| 2. Drilling and Gridding Costs | |
| Gridding | |
| Drilling | |
| Holes/metres | |
| 3. Land Access Costs | |
| 4. Rehabilitation Costs | |
| 5. Feasibility Study Costs | |
| 6. Other Costs | |
| 7. Administration Costs (< 10%) | |
| 8. Total Costs | |
| | \$2,337 |

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

9 REFERENCES

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

F. Blake (1959). Longford 1:6336000 geological map, *Geological survey of Tasmania -Department of Mines*

T. Coyte, J. Rebek, First Annual Report on EL 4/2010 August 2011 – Evandale, *ABx4 Pty Ltd*

T. Coyte, J. Rebek, Second Annual Report on EL 4/2010 August 2012 – Evandale, *ABx4 Pty Ltd*

T. Coyte, J. Rebek, Third Annual Report on EL 4/2010 July 2013 – Evandale, *ABx4 Pty Ltd*

T. Coyte, J. Rebek, Fourth Annual Report on EL 4/2010 September 2014 – Evandale, *ABx4 Pty Ltd*