

Exploration Licence
EL21/2013

Year 1 Annual Report

September 2014-2015

NORTH SCOTTSDALE RESOURCES PTY LTD

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ABSTRACT

EL21/2013 is a 4 km² Category 3 and 5 licence located at Barnbougale Road approximately 10km south east of Bridport. The EL is held by North Scottsdale Resources Pty Ltd and was issued on 15th September 2014.

The exploration program seeks to determine the extent of the sand resource and the viability of the resource for construction purposes and for glass manufacture.

Exploration in the first year has been limited to the collection of subsurface samples and analysis thereof. The exploration has identified a high quality, diverse sand deposit. A drilling program is currently being prepared to prove up the extent and consistency of the resource.

INTRODUCTION AND TENEMENT DETAILS

The exploration licensee has identified a high quality, diverse, sand deposit to the south east of Bridport on the north coast Tasmania. The sand is expected to supplement existing sand deposits held under mining lease by a related party from 25/30 years to 45/50 years.

Licensee: North Scottsdale Resources Pty Ltd

Exploration Licence Number: EL21/2013

Location: Barnbougale Road, Bridport

Reporting period: 15/9/2014 to 14/9/2015

REVIEW OF PREVIOUS WORK

The deposit was first identified by Mr Reg Huett in 2012. It is understood that Mr Huett undertook some drilling on the deposit however no records of that work are currently available.

North Scottsdale Resources Pty Ltd was established with the aim of determining the economic viability of the sand resource for local and interstate use.

EXPLORATION COMPLETED

Desk top studies have been undertaken to determine the geographical extent of the resource and as the basis for preparation of a drilling program to determine the estimated volume and to provide additional sampling for detailed analysis.

Sampling undertaken over the past year has been limited to excavation by spade as this has been sufficient to provide adequate material for initial analysis.

Sampling to date indicates that there are 3 different grades of sand within the deposit:-

- a very fine sand which on grading is suitable for fracking sand – this will be determined by the API acid solubility and compression strength results. This sand is 100% passing the 600micron sieve.
- a fine sand which is similar in grading to that required for ready mix concrete – 90 to 100% passing 600micron , 50% passing the 300 micron sieve
- a coarse sand with 0% passing the 1.18mm sieve

The coarse sand would, on first analysis, be of more decorative use and would not be in demand in large quantities.

Chemical analysis of the sand has been undertaken and the unwashed results are as follows:-

It should be noted that with washing the Al₂O₃ fraction will be removed and the silica purity enhanced significantly.

The compression and solubility tests will be carried out on washed samples.

Locating a laboratory in Australia has been difficult. The CSG industry gets their sample testing carried out in North America.

Samples obtained from within the deposit will be sent for this testing.

DISCUSSION OF RESULTS

From the desk top study and the field surface sampling the deposit appears to hold a great deal of potential.

The market for the two smaller fractions is extensive and during the next period both drilling and further chemical testing will be undertaken in addition to gradings to determine consistency.

CONCLUSIONS

Work during the reporting period has shown that the existing sand resource has a number of potential commercial uses.

A drilling program will be developed based on knowledge acquired to date so that the full extent of the resource can be determined over the next twelve month period. The drilling program will also provide sufficient sampling to allow more detailed analysis of the resource.

ENVIRONMENTAL ACTIVITIES

No field work was undertaken in the reporting period that would represent any threat to the environment.

Field work over the next reporting period will be limited to a drilling program that will take place over previously disturbed ground so it is not contemplated that there will be any adverse environmental impact.

EXPENDITURE

Total expenditure on EL21/2013 up to 14th September 2015 was \$6,400.00 as follows;

Site assessment and sample collection by Senior Geologist, Project Manager and Project Facilitator	\$3,500
Sample analysis	\$2,400
Administration	\$500
<u>TOTAL:</u>	<u>\$6,400</u>

Appendix 1

Location Map

