

Fourth Annual Report
for
EL 37/2010 – Westbury

Reporting Period: 7 November 2014 – 6 November 2015
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1 ABSTRACT

Objective:

Exploration Licence (EL) 37/2010 “Westbury” was applied for by ABx4 Pty Ltd (**ABx4**) 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.

Methodology:

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 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 12 tonne 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.

Results:

During February – March 2015, 40 shallow Reverse Circulation (RC) holes were drilled for 529m. This included close-spaced drilling on the eastern extension of the Rubble Flats bauxite deposit, in addition to scout drilling on the Rosevale and Egmont Property Targets.

Drilling on the Rubble Flats Deposit was moderately successful, and data analysis of drill results is ongoing. Eight of the twenty-six holes drilled in the Westbury part of the tenement (this deposit overlaps with the Reedy Marsh EL16/2012 tenement) intersected bauxite.

Results of drilling at Rosevale and Egmont were relatively disappointing; however, these results were by no means conclusive. More work may occur in these areas in the future but they are not high priority.

Recommendations for future work:

Recommendations for future work include:

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 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 12 tonne 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.

Specifically, further work is required to drill-test the previously inaccessible parts of the Rubble Flats deposit.

2 INTRODUCTION

Exploration Rationale

Exploration Licences (EL) No. 37/2010 “Westbury” was applied for in order to facilitate an exploration program to discover economically viable deposits of bauxite associated with Tertiary Volcanics and Jurassic Dolerite in an area with old peneplained surfaces preserved as plateaus. The goal of the program is to determine the quality and quantity of 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 37/2010 “Westbury” was granted on and from 7 November 2011 for a period of 5 years to ABx4 Pty Ltd, a wholly-owned subsidiary of Australian Bauxite Limited (ABx) (ASX:ABX).

This is the Fourth Annual Report for the reporting period 7 November 2014 - 6 November 2015 incorporating the results from work completed during the fourth year of tenure.

The original licence area of EL 37/2010 was 218 km², however, ABx4 surrendered 39 km² of the tenement 2012 and another 72 km² in 2013, bringing the current total tenement area to 107 km². ABx4 is in the process of lodging another application to relinquish a further 37 km² from the licence area.

The mineral category of EL 37/2010 is ‘Mineral Category is 1 – Metallic Minerals and Atomic Substances’.

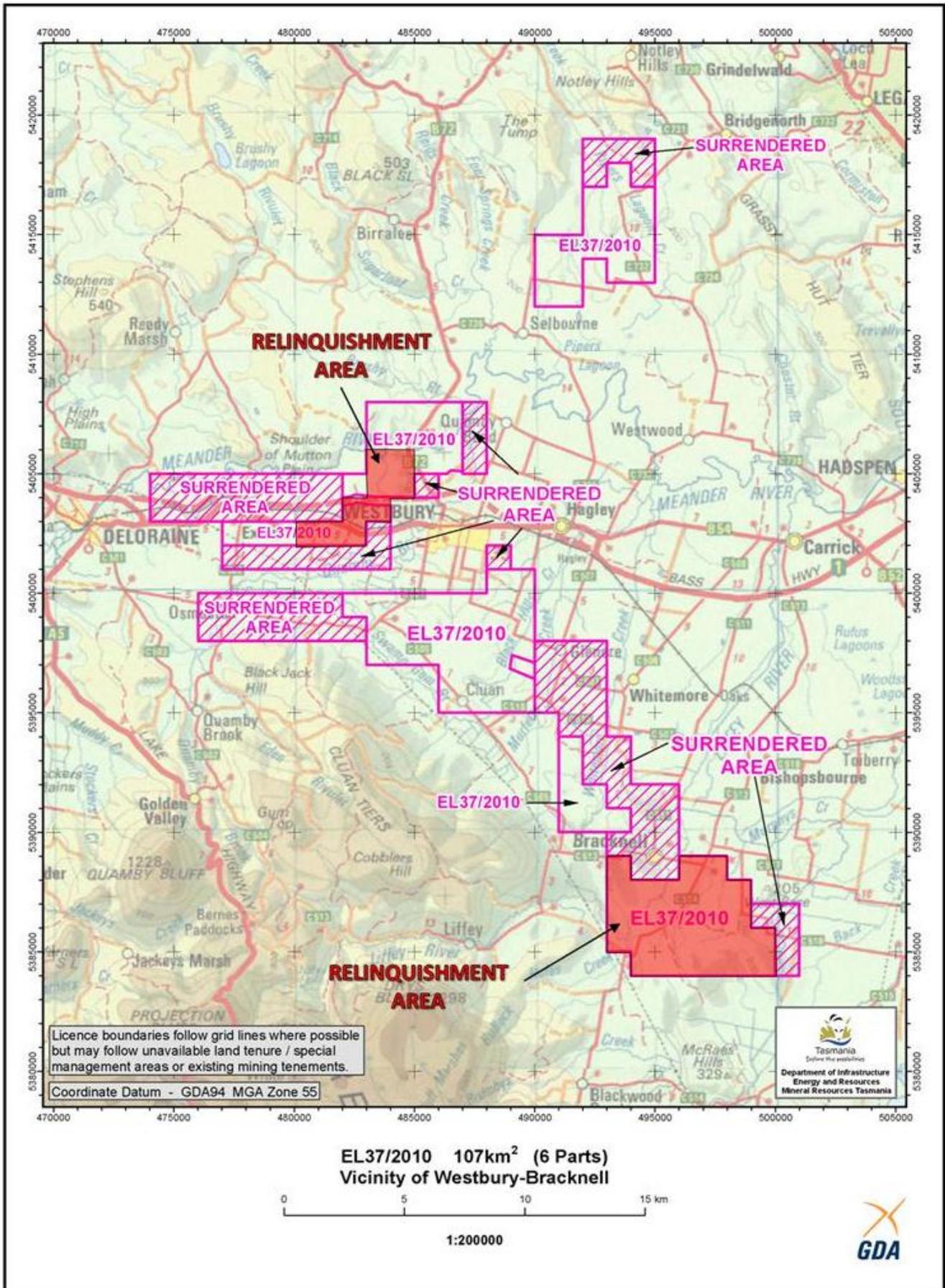
Tenure, including joint venture details and title transfers

EL 37/2010 “Westbury” is 100% owned by ABx4 which is a wholly-owned subsidiary of Australian Bauxite Limited.

Location

The Westbury tenement is centred on the town of Westbury and is approximately 68km from Bell Bay and 114km from Burnie which are both large operation ports. There is also a railway siding just south of Hagley next to the highway and away from residential areas. The Westbury tenement is ideally located for both rail and road transport to the port.

The majority of the land usage in the Westbury tenement is Plantation, natural forest and agricultural land with land categories 3-6. Gaining access to farming properties has been very successful; with all landowners contacted by ABx4 allowing exploration on their land.



Map 1. Location Map of EL 37/2010 "Westbury" showing (1) previously relinquished areas (diagonal pink lines) and (2) areas proposed for relinquishment under current relinquishment application (red shaded areas)

3 REVIEW OF PREVIOUS WORK

Prior to Current Tenement

Historical references for bauxite in the Westbury Tenement are reported by H.B. Owen in his book “Bauxite in Australia”, 1954, which was the basis for Initial exploration of the area.

- Owen H.B, (1954), *Bauxite in Australia*, Bulletin 24
- Owen H.B (1946). *Rosevale, Country Devon, Tasmanian*. Bureau of Mineral Resources

Exploration for Bauxite was conducted by C.R.A Exploration Pty Limited (**CRA**) in the late 1960s and early 1970s. CRA decided to relinquish its tenement in central northern Tasmania as no worthwhile results were obtained.

Two reports were composed by CRA:

6. Miss S.E. Close, Feb 1970, *Scintillometer Search for Bauxite, Northwest Tasmania*, CRA Exploration Pty Limited
7. Miss S.E. Close, June 1971, *Final Report on Bauxite Search, Devonport E.L. 36/70 Tasmania*, CRA Exploration Pty Limited

Summary of Work Completed in First Three Years of Tenure

Exploration in the first year of tenure involved the successful identification of multiple bauxite targets. The deposits are located in areas mainly mapped as Category 4-6 class land. Four significant bauxite zones were identified: Bracknell target located south west of Bracknell, Rosevale Target located west of Rosevale, Birralee Rod Target located north of Westbury and the Westbury targets located just south of Westbury.

In the second year of tenure, drill testing occurred at the Bracknell and Rosevale targets. A total of 75 holes were RC drilled for 851m. Drilling at Rosevale was relatively successful with an approximate estimated tonnage of around 0.5 million tonnes with potential for an expanded estimate with more drilling. However, the bauxite drilled in the Bracknell target was sub-economical.

Exploration in the third year of tenure consisted chiefly of field work and surface sampling activities. Bauxite was identified on the Egmont Property both in the valley and high on the ridge to the west where the property borders with the “Allen’s Bush” plantation property. The bauxite found on the ridge to the west constitutes the eastern extension of the Rubble Flats (formerly “Blackwood East”) Bauxite Deposit; a drilling proposal was submitted for this target within the reporting period. The Glen-Avon and Baker Properties west of Birralee Road were also investigated; only a very small amount of bauxite was found on the Glen-Avon Property such that it was not thought to be economically viable – these areas were proposed for relinquishment.

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Prospect-based Exploration Activities

Drilling Activities

Shallow Reverse Circulation (RC) aircore drilling was undertaken at the following locations:

- (1) Rubble Flats Deposit
- (2) Rosevale Targets
- (3) Egmont Property Target

The RC holes drilled within the Westbury tenement are listed below:

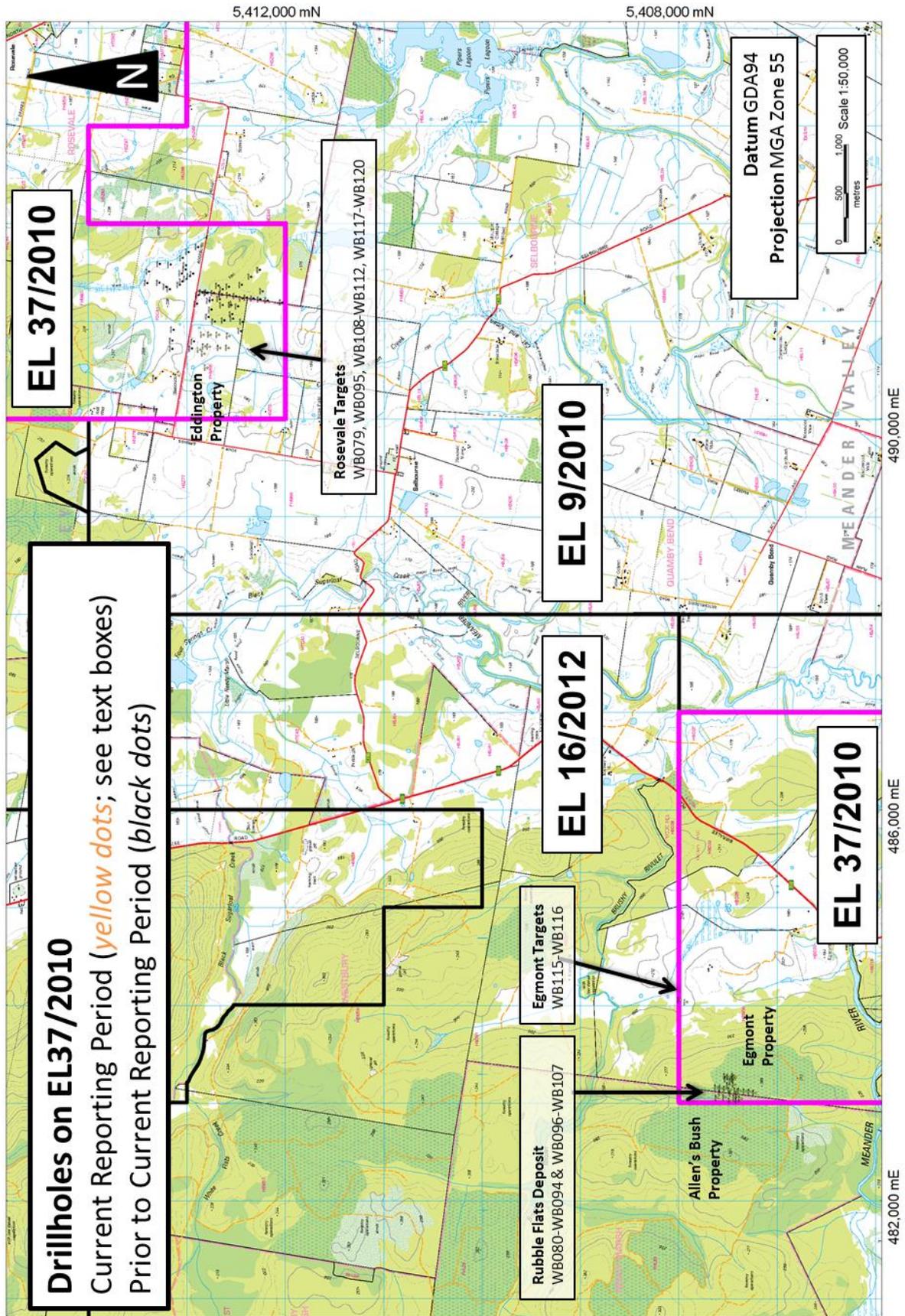
	# of Holes	Total Metres	Hole IDs*
February, 2015			
Rubble Flats Deposit <i>(Allen's Bush and Egmont Properties)</i>	27	337m	WB080-WB094; WB096-WB107
March, 2015			
Rosevale Targets <i>(Eddington Property)</i>	11	158m	WB079, WB095, WB108-WB112, WB117-120
Egmont Target <i>(Egmont Property)</i>	2	34m	WB115-116
TOTAL	40 holes for	529m	

* Note that hole numbers WB113 and WB114 were skipped but will be used in the next drilling program.

Methodology behind drilling samples:

RC drillholes sampled sub-surface material at 1m intervals. A small representative mass from each 1m interval of each drillhole is collected and carefully placed in a chip tray. Each metre of each drillhole is then logged by the geologist using the chip tray which then informs which samples will undergo chemical analysis at an accredited laboratory (ABx uses ALS Laboratories, Virginia, Brisbane QLD).

Sample IDs are a combination of the Hole ID and bottom of 1m sampling interval e.g. sample RM01604 is the material sourced from 3-4m of hole RM016.



Map 2. All holes drilled on EL37/2010 in the current annual reporting period (yellow dots).

Rubble Flats Deposit

The eastern extension of the Rubble Flats bauxite deposit falls within the Westbury tenement, with the remainder and largest part of the tenement falling within the contiguous Reedy Marsh tenement (EL16/2012). The part of the deposit within the Westbury tenement falls partly within the recently-harvested Eucalypt plantation area of “Allen’s Bush” (managed by ‘Forico’) and partly within the Egmont Property which is mostly unharvested plantation.

Prior to the commencement of drilling, a local landowner was contracted to clear tracks within Allen’s Bush with an excavator. This made much of Allen’s Bush assessable; however, access within the unharvested Egmont property was severely limited, such that a large part of the eastern extension of the deposit remains untested.

The entire Rubble Flats deposit area is mapped as ‘Jurassic Dolerite’ on the Westbury Sheet of the Mineral Resources Tasmania (MRT), 1:25,000 Map Series. Prior field work showed that bauxite was exposed at surface over much of the deposit and is stratigraphically placed above the Jurassic Dolerite. This work resulted in an approximate deposit outline (following the bauxite – dolerite contact at surface). Additional field work was completed on the northern side of the deposit which resulted in an extension of the mapped northern boundary.

The area is categorised as Class 6 (‘severely restricted agricultural use’) on the ‘Tamar’ sheet of the Land Capability Survey of Tasmania (note: bauxite at surface makes for limited agricultural production).

Drilling Results

8 of the 26 holes drilled within the Westbury part of the deposit contained bauxite (using a cutoff of 25% Avl Al_2O_3 on samples wet sieved at +0.26mm), and only 1 of these holes contained high-grade bauxite.

Where intersected, bauxite was located in the hard, “cemented” upper part of the weathering profile. Assay results revealed that much of this hard cemented material –almost all of which was logged as bauxite - was actually Fe-rich “Ironstone” or “Ferricrete”. Often the bauxite occurred underneath a hard capping of this Fe-rich material. Chips of the Fe-rich material were occasionally found to contain magnetic minerals.

Beneath this hard upper part of the weathering profile was generally (from top to bottom) a “plastic” clay zone (sometimes mottled) and then “semi-hard/semi-friable” mottled dolerite material sitting above the hard dolerite basement. Drilling of almost every hole concluded upon hitting the basement.

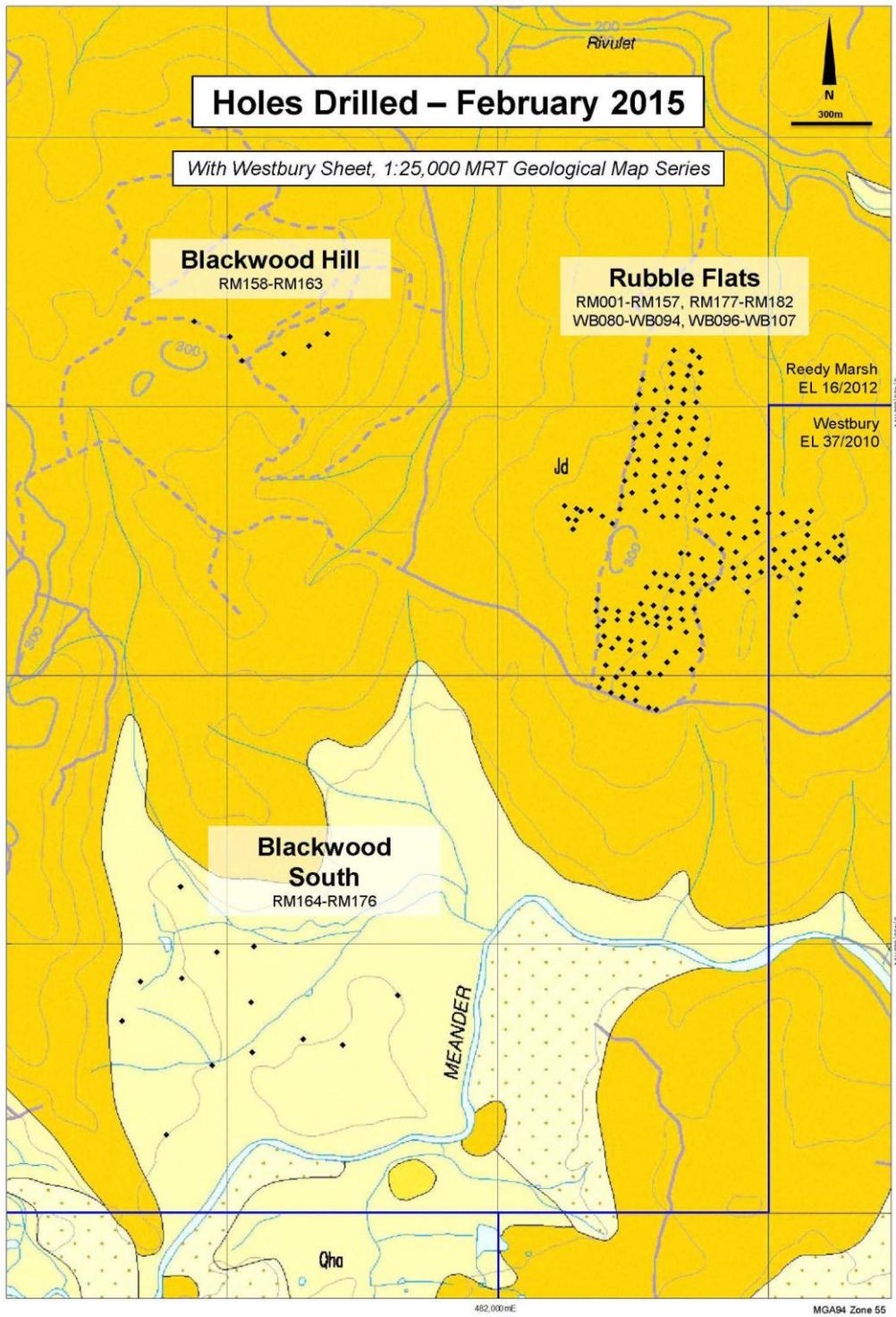
Data analysis is ongoing. Initial impression of results was disappointing as much of the hard upper layer of the weathering profile thought to be bauxite did not make grade. Thus, potential tonnages are lower than first hoped.

The bauxite resource of this deposit has been roughly estimated as 0.5 Mt; however, more drilling and data analysis is required to constrain this. The amount of potential resources within the Westbury part of the deposit has not been calculated but would be a fraction of this value.

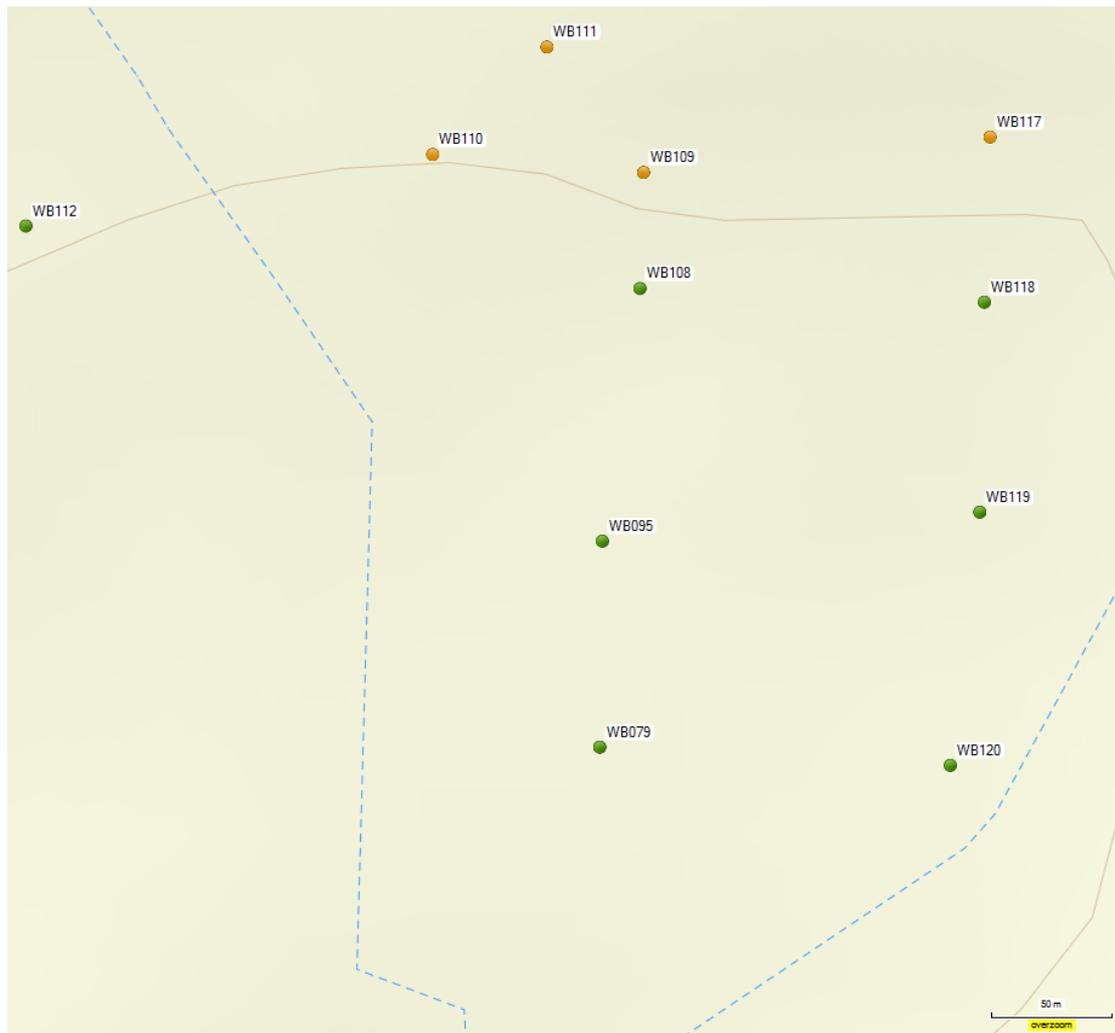
Geological Discussion & Conclusions

The bauxite at Rubble Flats is almost certainly derived from the underlying dolerite and is likely to have been formed either by preferential weathering by acid-rich ground water and/or has been hydrothermally altered by fluids flowing through large basement faults. Given the large amount of ground water found during drilling in the lower areas of the deposit it is likely that ground water has played some role in the mobility of elements within the bauxite mineralised zones. This may have had more of an impact in the more Fe rich zone given this Fe is often more mobile in the weathering profile.

Although sampling was quite thorough, many metres at the base of the bauxite layer were missed (assay results helped give light to this) but will be collected and sent to ALS Brisbane for analysis. Any additional metres of bauxite will improve resource tonnage.



Map 3. Holes drilled in February 2015 on EL37/1010 and neighbouring EL16/2012, showing the entirety of the Rubble Flats deposit drilled.

Rosevale Target (Eddington Property)

Map 4. Drill hole map of Eddington Property. Yellow dots indicate bauxite horizon was intersected. Green dot hole location with no bauxite horizon intersected.

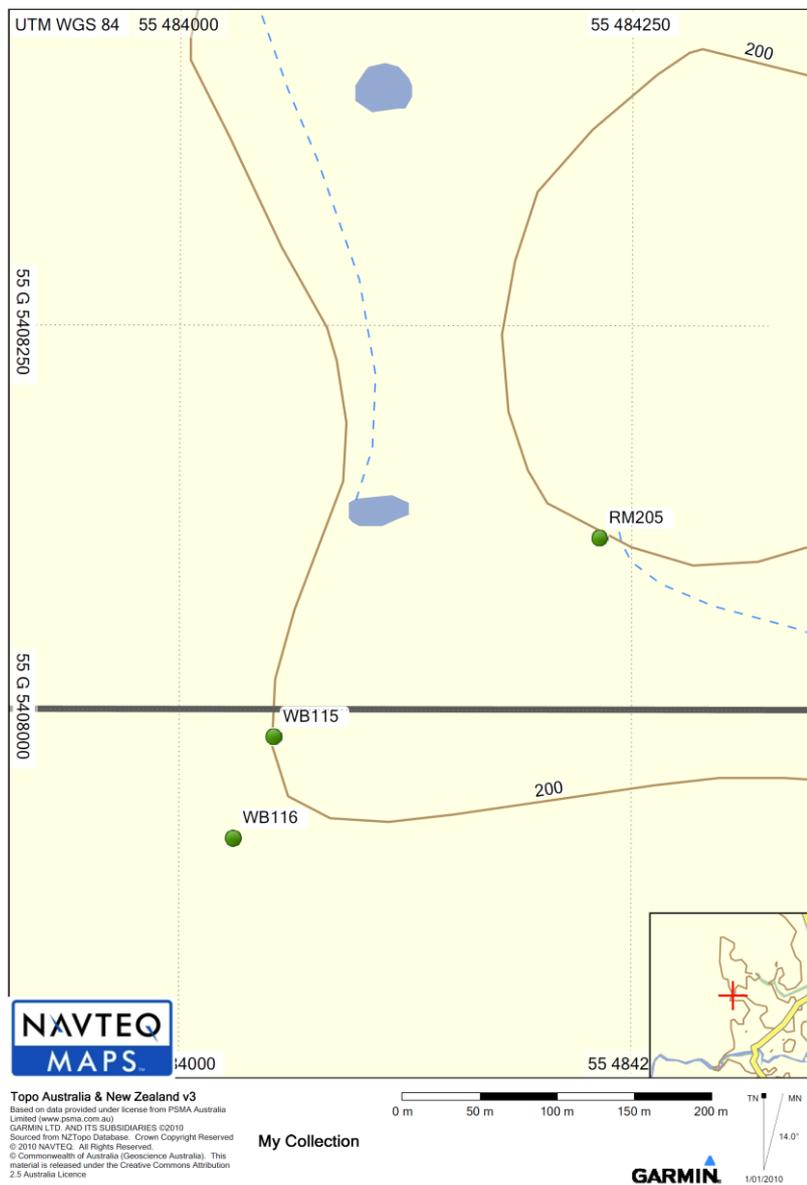
The results of drilling completed on the Eddington Property (Map 4, above) were largely disappointing. Eleven holes were drilled to test whether the bauxite previously drilled on this property (e.g. WB032) extended further to the West. In previous holes the bauxite horizon has occurred below a thick (3-6m) peat/lignite layer and above a clay-rich altered doleritic clay zone. The bauxite horizon varies in grade from a Fe_2O_3 rich ferricrete to high Al_2O_3 bauxite. In this drilling program four holes intersected the bauxite horizon WB109, WB110, WB111 and WB117 (Map 4). Only one hole was assayed and the results (table 1) showed low available Al_2O_3 . Given the depth of the bauxite horizon and the size and grade of the deposit it is unlikely to be economic at this stage. Further review of bauxite forming under peat will be undertaken and an assessment made as to its economic viability.

Table 1. Assay results from WB117.

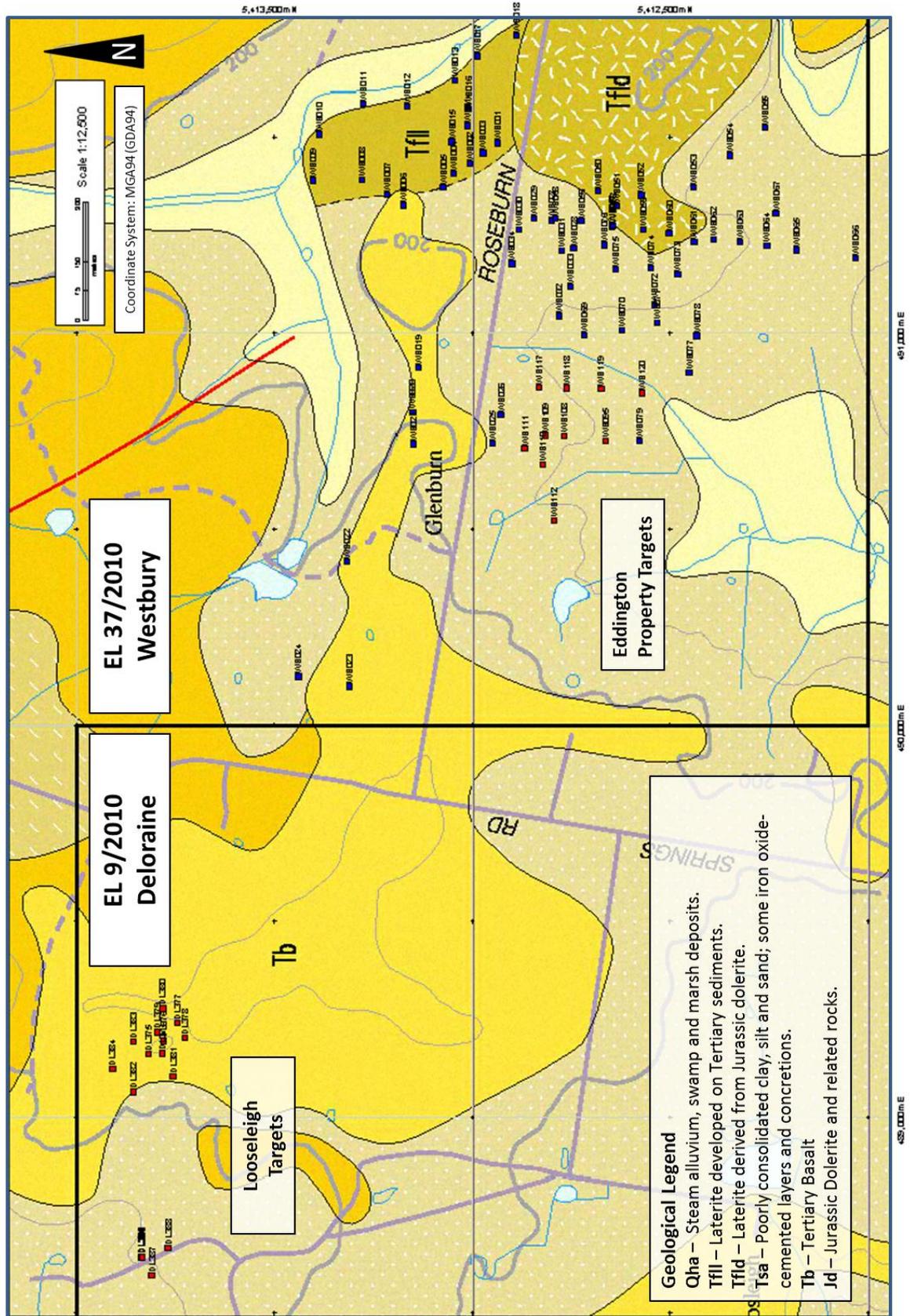
Sample No.	From (m)	To (m)	$\text{Al}_2\text{O}_3\text{avl}$	Rx SiO_2	Al_2O_3	SiO_2	Fe_2O_3	TiO_2	LOI
WB11708	7	8	2.8	36.3	36.15	41.1	4.19	1.6	15.25
WB11709	8	9	19.7	5.4	28.45	6.05	34.4	1.24	29.01
WB11710	9	10	23	2.1	28.64	2.56	35.4	1.28	30.51

Egmont Property

Remanent bauxite chips were found in this area during reconnaissance and a limited drill programme was planned. Only three drill holes were completed; one in the Reedy Marsh tenement and the other two in the Westbury tenement (Map 5). Hole WB116 intersected a thick highly weathered doleritic clay over 30m. Hole WB115 hit hard, weathered dolerite and drilling stopped at 4m. It is likely the bauxite chips found in this area were transported/washed in from another area. No assays where completed on samples from this property. Due to poor results no further drilling is planned in this area. No bauxite was encountered in any of the holes



Map 5. Minor Egmont Property target and holes drilled. Westbury and Reedy Marsh tenement boundary is shown immediately above WB115.



Map 6. Detailed map of Rosevale drill targets showing holes drilled in current and previous reporting periods (red and blue markers, respectively).

5 DISCUSSION OF RESULTS

Rubble Flats

Initial impression of results was disappointing as much of the hard upper layer of the weathering profile thought to be bauxite did not make grade. 8 of the 26 holes drilled at Rubble Flats within the Westbury tenement contained bauxite (using a cutoff of 25% Avl Al_2O_3 of material wet sieved at 0.26mm), and only 1 of these holes contained high-grade metres. Data analysis is ongoing for the Rubble Flats deposit and more holes are required to (1) further delineate the ore zones and (2) drill-test the inaccessible parts of the deposit that are currently covered by unharvested plantation.

The entire Rubble Flats bauxite resource which overlaps both the Westbury EL37/2010 and Reedy Marsh EL16/2012 tenements has been roughly estimated as 0.5 Mt. However, however, more drilling and data analysis is required to further constrain this value. The amount of bauxite resources within the Westbury part of the deposit has not been estimated but would be a fraction of this value.

Rubble Flats is a satellite deposit of ABx4's DL-130 Deposit. Any resources found at Rubble Flats would contribute to the DL-130 Project.

Rosevale Targets

Given the depth of the bauxite horizon and the size and grade of the deposit it is unlikely to be economic at this stage. Further review of bauxite forming under peat will be undertaken and an assessment made as to its economic viability.

Egmont Property

Due to poor results no further drilling is planned in this area in the near future. No bauxite was encountered in any of the holes.

6 CONCLUSIONS AND RECOMMENDATIONS

Results of drill-testing in the Westbury tenement in the current reporting period were mixed.

Drilling of the eastern extension of the Rubble Flats deposit (i.e. the part that falls within the Westbury tenement) was moderately successful. 8 of the 26 holes drilled in this area intersected bauxite; although not all of the eastern part of the deposit was accessible at the time (due to unharvested plantation on the far western part of the Egmont property).

The Rubble Flats deposit as a whole is a reasonably good satellite deposit to ABx4's DL-130 deposit. More close-spaced drilling may be warranted to (1) further delineate the ore zones and (2) drill-test the inaccessible parts of the eastern extension that are currently covered by unharvested plantation. More work is also required for data analysis and an accurate preliminary resource estimation.

Results of drilling on the Eddington property was unsuccessful at identifying extensions of bauxite on the Eddington Property, however, the Rosevale target is still thought to contain at least 0.5 Mt of bauxite. Drilling on the Egmont Property Target was also relatively disappointing. More work may occur in this area in the future but it is not high priority.

Westbury EL37/2010 remains one of ABx4's most prospective tenements, along with adjacent tenements Deloraine EL9/2010 and Reedy Marsh EL16/2012. These tenements are highly mineralised and are in close proximity to Bell Bay Port and ABx4 already possesses a declared JORC-compliant resource base in this area (DL-130 deposit within EL9/2010).

Recommendations for future work include:

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 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 12 tonne 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.

7 ENVIRONMENT

Surface Disturbing Operations:

40 shallow RC holes were drilled during the current reporting period.

Surveys (archaeological, botanical):

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

Rehabilitation:

Drillholes are rehabilitated immediately after being drilled by capping the hole at 1.5m depth with an “OctoPlug” and filling the remaining hole with innocuous drillhole material and/or any excess soil.

All required rehabilitation has been completed. No further rehabilitation is required.

8 EXPENDITURE

Table 2. Exploration expenditure for EL37/2010 over the current annual reporting period.

EL 37/2010 Westbury - Expenditure over 4th Year of Tenure	
1. Geoscientific costs	
Geology	\$10,224
Geochemistry	
Geophysics	
Remote sensing	
2. Drilling and Gridding Costs	
Gridding	
Drilling	\$19,052
Holes/metres	40 for 529m
3. Land Access Costs	
4. Rehabilitation Costs	
5. Feasibility Study Costs	
6. Other Costs	
7. Administration Costs (< 10%)	
8. Total Costs	
	\$29,276

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

9 REFERENCES

T Coyte, 2012, *First Annual Report EL37/2010 Westbury, 31 October 2012*, ABx4 Pty Ltd.

T Coyte, 2013, *Second Annual Report EL37/2010 Westbury, 23 October 2013*, ABx4 Pty Ltd.

T Coyte, 2014, *Third Annual Report EL37/2010 Westbury, 03 October 2014*, ABx4 Pty Ltd.

Vicary, M. (compiler) 2004. *Digital Geological Atlas 1:25 000 scale series. Sheet 4640 Westbury. Mineral Resources Tasmania*