

1st Partial Relinquishment Report

for

EL18/2014 – Prossers Rd

Project Operator: ABx4 Pty Ltd

Address: Level 2, 131 Macquarie Street, Sydney, NSW, 2000

Authors: Tamara Coyte, Tom Battaglia

Report Compiled By: Tom Battaglia

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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 and Jurassic Dolerite. 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:

On the basis of field and desktop-based work done in the first year of tenure, a 21km² area has been selected for voluntary partial relinquishment.

Geological mapping and surface sampling was undertaken in the south-eastern part of the tenement, to the east of the town of St Leonards. Only one of thirteen samples assayed was of acceptable bauxite grade.

No field work occurred in the isolated 1km² unit to the northeast.

2 INTRODUCTION

Exploration Rationale

Exploration Licence (EL) 18/2014 “Prossers Rd” 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 and/or Jurassic Dolerite. 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 18/2014 “Prossers Rd” was granted on and from 2 December 2014 for a period of 5 years to ABx4 Pty Ltd, a wholly-owned subsidiary of Australian Bauxite Limited (ABx) (ASX:ABX).

This Partial Relinquishment Report has been written in to support the application by ABx4 to relinquish 21km² of the original 135km² tenement area.

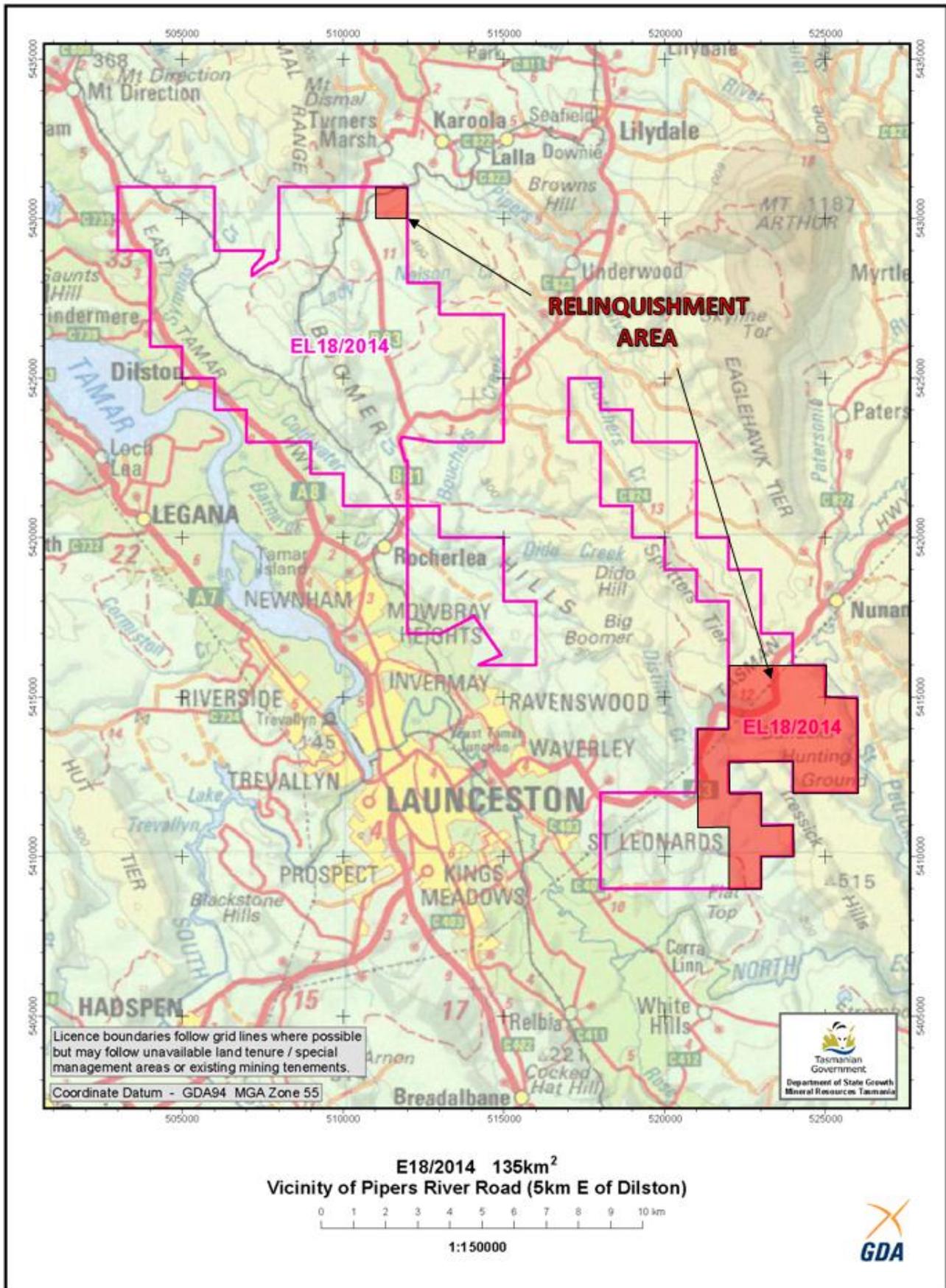
Tenure, including joint venture details and title transfers

EL 18/2014 “Prossers Rd” is 100% owned by ABx4 Pty Ltd (“ABx4”). ABx4 is a wholly-owned subsidiary of Australian Bauxite Limited.

Location

The Prossers Rd tenement extends from directly east of Launceston in the St Leonards area along the east-southwest dipping hills to the north of Launceston around Dilston and Turner’s Marsh.

Prossers Rd is ideally located close to Bell Bay Port – only 24km by road from the most northernmost part of the tenement – as well as the city of Launceston which offers a skilled work force and a wide variety of services.



Map 1. EL18/2014 “Prossers Rd” proposed relinquishment areas (red shaded over MRT map; 21 km² units).

3 REVIEW OF PREVIOUS WORK

Literature Review

Historical references for bauxite in the St Leonards area are reported by H.B. Owen in his book “Bauxite in Australia”, 1954, which was the basis for Initial exploration of the area

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

However, no observations of bauxite within the relinquished areas are reported within this text.

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

Literature Review

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

Proposed Relinquishment Area

Field work in the relinquished areas occurred on the Dunedin and Hunting Grounds Properties in the southeast of the Prossers Rd tenement (see map on next page).

Thirteen surface samples were collected during field work in these areas. The coordinates and in-house assay results from Niton hand-held XRF are detailed in Table 1.

Dunedin Property (Charlie's Quarry Area) – PR201504-04, 05, 08, 09, 10, 11, 12 & 13

All surface samples collected in this part of the Dunedin Property were collected from a series of quarry diggings along the hillside ("Charlie's Quarry") separated by an East-West running creek. The quarry was cut into a very thin narrow bauxite body which was used for road gravel throughout the farm. This made identification of in-situ bauxite very difficult and some of this transported quarry material was likely sampled by accident.

Only one of eight samples in this area were of acceptable bauxite grade. This result, along with the fact that the layer was flanked by dolerite outcrops on all sides, indicates that there is unlikely to be an extension of good-quality bauxite.

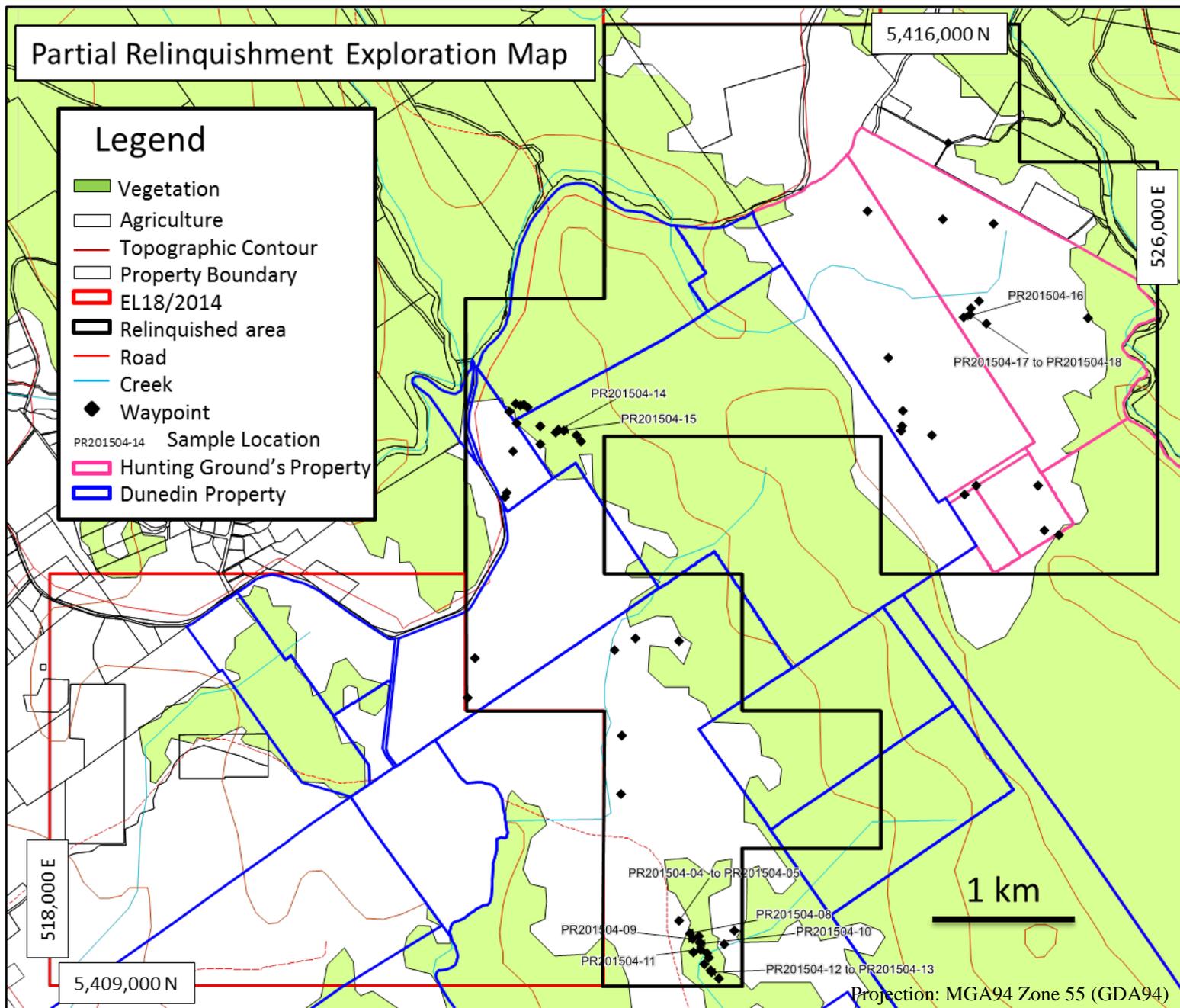
Hunting Grounds Property – PR201504-14, 15, 16, 17 & 18

The Hunting Grounds area is a large tertiary valley caused by graben faulting in the Tamar region. Large Jurassic dolerite hills line the edges of the valley. The valley contained large amounts of Tertiary volcanics with sporadic laterite outcrops along the edges of the valley (PR201504-14 to 16). The laterite did not contain any alumina but occurred in the right geological location or bauxite formation. The Jurassic-Tertiary contact was checked thoroughly and did not identify any bauxite on the property.

Table 1. In-house Niton XRF assay results of surface samples using a Niton hand-held XRF device.

Sample ID	Easting MGA94	Northing MGA94	Waypoint #	Al2O3 %	SiO2 %	Fe2O3 %	TiO2 %	Description
PR201504-04	522548	5409470	52	18.092	32.727	43.573	0.761	Samples taken from ferruginous part of mottled zone red ferruginous laterite on pallid zone
PR201504-05	522548	5409470	52	10.737	42.811	34.902	0.587	
PR201504-08	522622	5409375	75	19.368	30.991	46.59	0.75	Charlie's Quarry. Vuggy granular red lump in mottled zone looks residual but from local area.
PR201504-09	522646	5409338	76	14.357	34.614	47.857	0.429	Pink and Yellow cemented mottled zone in light sandy soil, dolerite derived.
PR201504-10	522700	5409308	59	28.156	35.416	25.511	0.922	Charlie's Quarry. Granular bauxite, beige and brown and white bauxite with micro vughs, lower bauxite layer- thin.
PR201504-11	522701	5409263	77	42.014	15.349	28.926	0.902	Charlie's Quarry. Granular "Rosevale type" doleritic bauxite, high grade and 3m thick the bauxite is speckled yellow/white and brown with coarse relic crystal structure and with micro vughs, very narrow, 10-50m wide.
PR201504-12	522778	5409094	78	39.5	27.357	31.272	0.807	Pale pink and brown vuggy bauxite transition from Bauxite to dolerite with iron bands.
PR201504-13	522778	5409094	78	12.413	15.143	72.745	0.326	Red ferruginous bauxite with dolerite textures from upper layer.
PR201504-14	521653	5413029	128	28.331	31.236	37.89	0.684	Mottled zone white and red mottled dolerite near contact, no vughs.
PR201504-15	521712	5413041	129	27.503	34.767	34.8	0.655	Vuggy pale cemented granular doleritic bauxite very thin.
PR201504-16	524600	5413862	130	0.781	47.941	37.697	2.87	Ferruginous Conara type laterite.
PR201504-17	524649	5413884	131	n/a	50.42	37.469	2.83	Ferruginous Conara type laterite.
PR201504-18	524649	5413884	131	n/a	45.276	42.311	2.671	Ferruginous Conara type laterite.

*Note that in-house assay results are not as reliable or accurate as results from an accredited laboratory; however, they do indicate that most of these samples are not of bauxite grade.



Map 2. Location of all field work waypoints and surface samples collected within the proposed relinquishment areas.

5 DISCUSSION OF RESULTS

All on-site work within the proposed relinquishment areas of EL18/2014 Prosser's Rd took place within the Dunedin and Hunting Grounds Properties in the southeast of the tenement.

Multiple bauxite exposures were identified on the Dunedin Property, however, only one of eight surface samples were found to be of bauxite grade. The thinness of the observed bauxite body (most of which did not meet bauxite grade) and the flanking dolerite outcrops on all sides suggest that there was little chance of discovering significant bauxite mineralisation in this area.

Bauxite was not observed on the Hunting Grounds property. If any bauxite exists on this property then it is likely hidden beneath a significant amount of overburden.

6 CONCLUSIONS AND RECOMMENDATIONS

Results of work done on the Dunedin and Hunting Grounds Properties led to a recommendation by company geologists that these areas be voluntarily relinquished.

Based on results of work done, any significant bauxite mineralisation on the Dunedin Property seems unlikely. Furthermore, any significant bauxite mineralisation on the Hunting Grounds Property, if it exists, would be hidden underneath significant overburden and would therefore not be prospective for exploration.

7 ENVIRONMENT

Surface Disturbing Operations:

ABx4's surface disturbing operations are generally minimal.

ABx's surface sampling practices do not result in any ground disturbance.

Surveys (archaeological, botanical):

No archaeological or botanical surveys took place on the proposed relinquished areas.

Rehabilitation:

No rehabilitation was required within the relinquished areas.

8 REFERENCES

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