Fourth Annual Report

for

EL 12/2012 – Scottsdale

Reporting Period:	12 December 2015 - 11 December 2016
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Exploration Licence (**EL**) 12/2012 "Scottsdale" 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.

The Scottsdale tenement is centred on the Scottsdale State forest and is approximately 4km north of Scottsdale. The tenement is only 60km by road to the port of Bell Bay, a large operating port north of Launceston. There is also a railway through Scottsdale which is currently decommissioned. The Scottsdale tenement is ideally located for both rail and road transport to the port.

No work on EL12/2012 occurred during the current year of tenure.

ABSTRACT

Objective:

Exploration Licence (EL) 12/2012 "Scottsdale" 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 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, 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:

No work on EL12/2012 occurred during the current year of tenure.

Recommendations for future work:

Recommendation for future work include further:

- Detailed geological mapping, including geomorphological mapping and study of satellite images to define the areas with the best potential for bauxite.
- Systematic sampling of natural outcrops and exposures in road cuts of bauxite profile.
- Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive quartz, loss on ignition and sieving (+0.26mm) at 260 microns as required in the bauxite search.
- Drill testing of zones with best potential with an RC drill rig mounted on a light six wheel truck to get samples representing the whole bauxite profile.
- Systematic drilling at close spacings to obtain data for preliminary resource estimation in the best target areas defined by program.
- Sieve testing to find optimal sieve size for Tasmanian bauxites.
- Detailed analysis of assay results to determine assaying strategy for future drilling.

INTRODUCTION

Exploration Rationale

EL 12/2012 "Scottsdale" 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 was 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 12/2012 "Scottsdale" was granted on and from 12 December 2011 for a period of 5 years to ABx4. The Mineral Category of EL 12/2012 is 1 – Metallic Minerals and Atomic Substances.

This is the Fourth Annual Report covering the reporting period 12 December 2015 - 11 December 2016.

Total area of the original licence was 128 km^2. ABx4 has relinquished 82 km^2 of the Scottsdale tenement to date – including 36 km^2 at the end of the last annual period – bringing the total remaining area to 46 km^2.

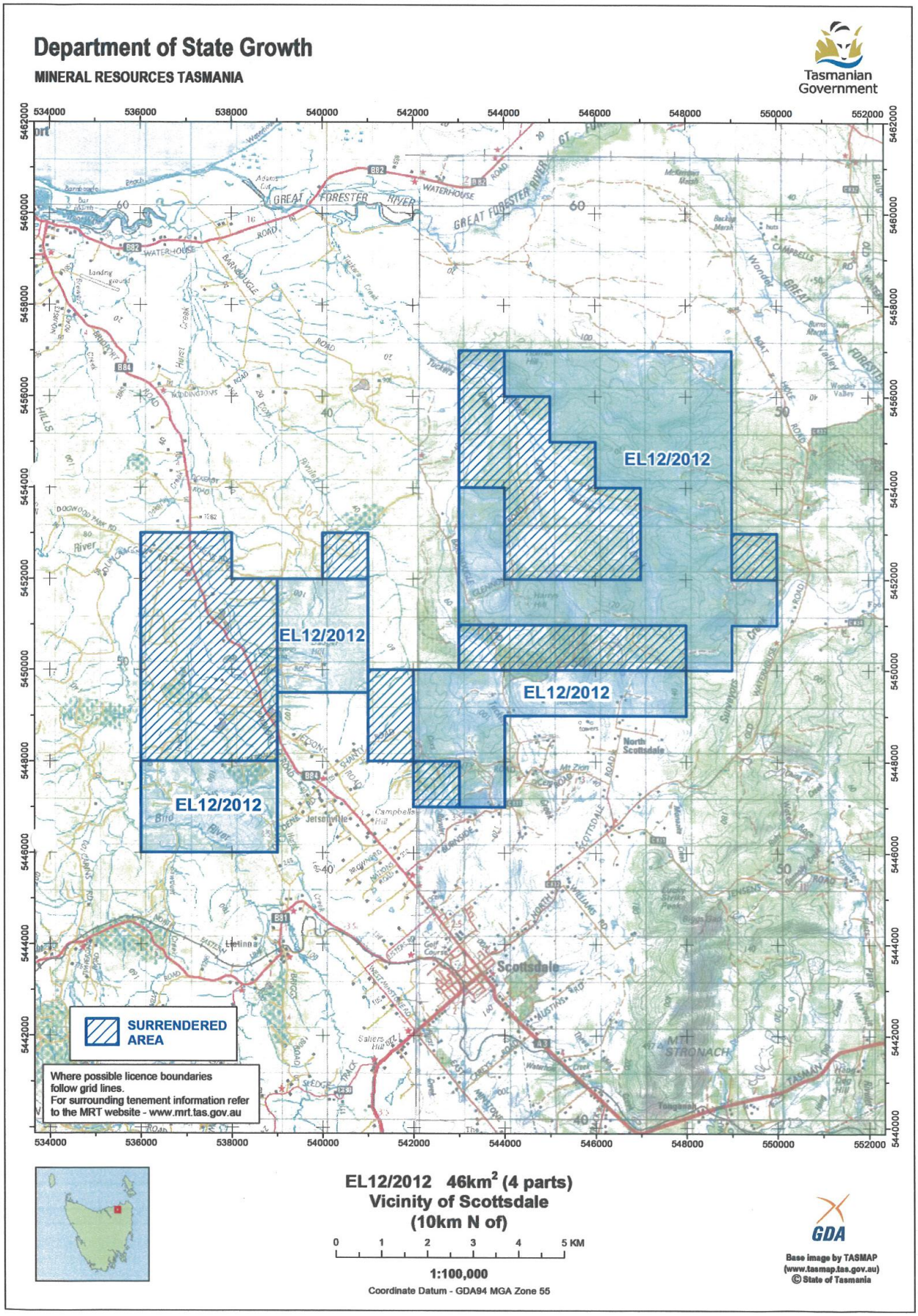
Tenure, including joint venture details and title transfers

EL 12/2012 "Scottsdale" is 100% owned by ABx4 which is a fully owned subsidiary of Australian Bauxite Limited.

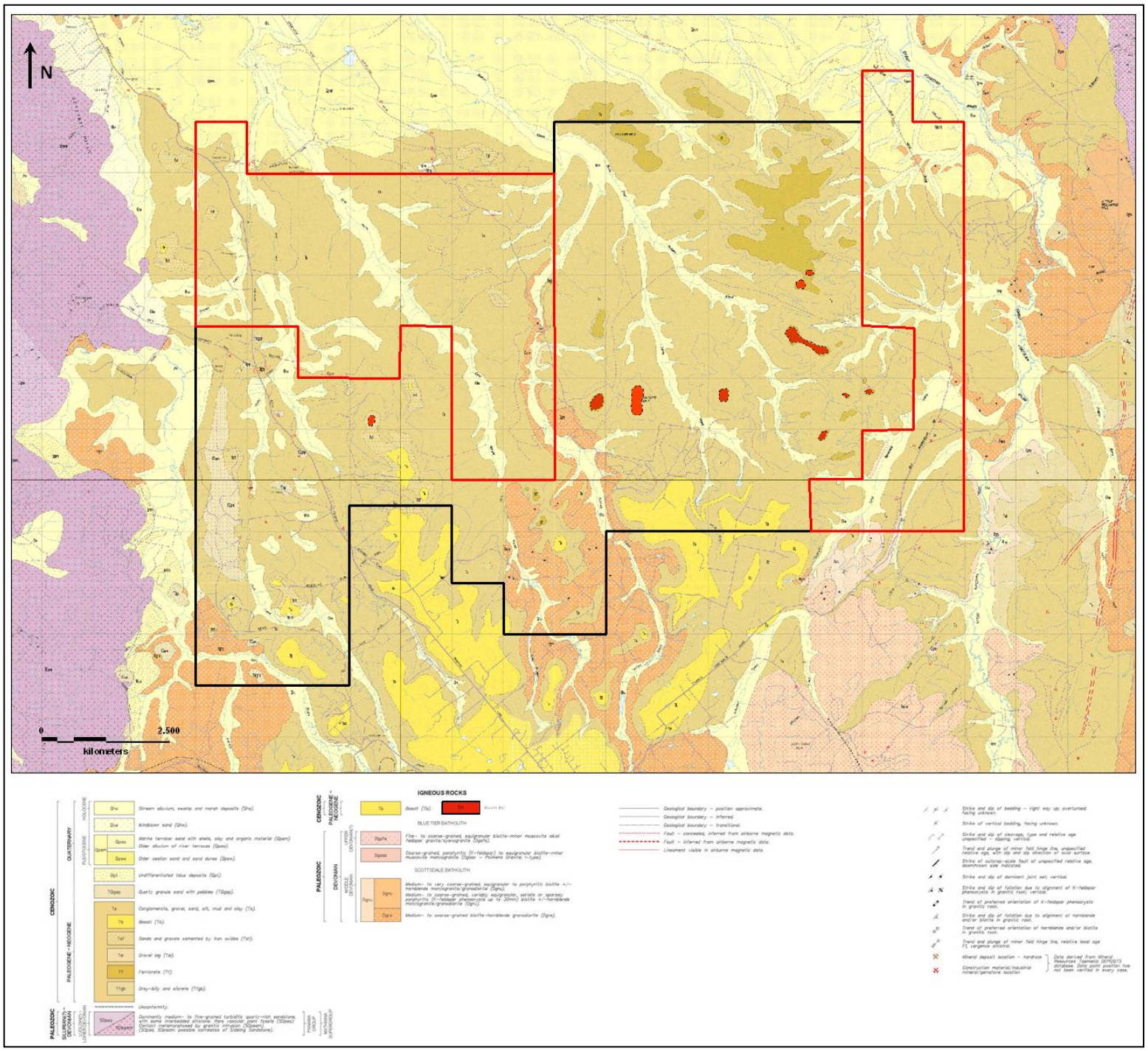
Location

The Scottsdale tenement is centred on the Scottsdale State forest and is approximately 4km north of Scottsdale. The tenement is only 60km by road to the port of Bell Bay, a large operating port north of Launceston. There is also a railway through Scottsdale which is currently decommissioned. The Scottsdale tenement is ideally located for both rail and road transport to the port.

The majority of the land usage is plantation, State Forest and agricultural land. Gaining access to farming properties has been very successful; with all landowners contacted by ABx4 allowing exploration on their land.



Map 1. Current tenement outline of EL12/2012 “Scottsdale” and previously relinquished areas.



Map 2. Previous tenement outlines overlaying the MRT Geological Map (Pearly Brook Sheet, 1:25 000 series) of the EL12/2012 area.

REVIEW OF PREVIOUS WORK

Prior to Current Tenement

No historical references for bauxite have been identified for the Scottsdale Tenement.

Geological Maps composed by Mineral Resources Tasmania:

- McClenaghan, M.P., Vicary, M.J. 2010. Digital Geological Atlas 1:25000 Scale Series, Sheet 5445. Pearly Brook. Mineral resources Tasmania.

Within Current Term of Tenure

In the first year of tenure, ABx4 completed drill testing of the Scottsdale bauxite targets. A total of 68 holes were drilled for 640m. The two key drill targets 'Plantation target' and 'Glennon's target' consisted of small zones of bauxite within the larger target area. The tonnage in the Scottsdale tenement has a total of less than 50,000 Tonnes of low-sub grade bauxite. These deposits are not economically viable on their own and were much less than expected.

All works occurring since the end of the first year of tenure have been of a desktop nature.

EXPLORATION COMPLETED DURING THE REPORTING PERIOD

No on-site work occurred during the current year of tenure.

DISCUSSION OF RESULTS

No works occurred during the current year of tenure.

CONCLUSIONS AND RECOMMENDATIONS

No on-site work occurred during the current year of tenure.

EL 12/2012 is expiring at the end of the next annual reporting period (11 December 2017). If the proposed work program below is not carried out, then at the very least a comprehensive desktop analysis needs to be undertaken in order to determine whether EL12/2012 should be renewed for an extended term. It seems likely at this point that EL12/2012 will be relinquished, at least in part.

Recommendations for future work include:

- Comprehensive desktop analysis of EL12/2012 prospectivity including determination of suitability for further extension of term.
- Detailed geological mapping, including geomorphological mapping and study of satellite images to define the areas with the best potential for bauxite.
- Systematic sampling of natural outcrops and exposures in road cuts of bauxite profile.
- Chemical analyses of samples, including specialist analyses to determine total and available alumina, total and reactive quartz, loss on ignition and sieving (+0.26mm) at 260 microns as required in the bauxite search.
- Drill testing of zones with best potential with an RC drill rig mounted on a light six wheel truck to get samples representing the whole bauxite profile.
- Systematic drilling at close spacings to obtain data for preliminary resource estimation in the best target areas defined by program.
- Sieve testing to find optimal sieve size for Tasmanian bauxites.
- Detailed analysis of assay results to determine assaying strategy for future drilling.

ENVIRONMENT

Surface Disturbing Operations:

No surface disturbing activities have taken place during the current reporting period.

Surveys (archaeological, botanical):

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

Rehabilitation:

No rehabilitation activities have taken place during the current reporting period.

EXPENDITURE

Table 1. Exploration Activity and Expenditure Table for the current reporting period.

EL 12/2012 Scottsdale - Expenditure over 4th Year of Tenure	
1. Geoscientific costs	
Geology	
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	$0

Note 1: Office Administration was met by parent company – Australian Bauxite Limited.

Note 2: Office administration costs were not counted as they must be kept below 10% of total exploration costs – which for the current term was nil.

REFERENCES

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

McClenaghan, M.P., Vicary, M.J. 2010. *Digital Geological Atlas 1:25000 Scale Series, Sheet 5445. Pearly Brook*. Mineral Resources Tasmania.

T. Coyte, *First Annual Report for EL12/2012 Scottsdale*, December 2013, ABx4 Pty Ltd

T. Coyte, *Second Annual Report for EL12/2012 Scottsdale*, December 2014, ABx4 Pty Ltd

T. Coyte, Third Annu*al Report for EL12/2012 Scottsdale*, November 2015, ABx4 Pty Ltd

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