Final Report

on

EL 3/2012 – Ross

Reporting Period:	11 September 2012 – 10 September 2017
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Date:	8 September 2017

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1 ABSTRACT

Objective:

Exploration Licence EL3/2012 "Ross" 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 was to determine the location of potential bauxite deposits prior to assessing 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 lateritic weathering 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. Planning of drilling programs on outcrops considered to be of sufficient quality to be quantified.

Results:

Australian Bauxite Limited ("ABx") was successful in identifying a number of targets across the tenement area and determining areas with relatively higher or lower prospectivity for finding bauxite, which led to previous relinquishments in which more than half of the original tenement area has been dropped.

ABx conducted an RC drilling programme in early 2015 to test several targets occurring on the Quorn Hall property. These targets fell across both the EL7/2010 "Conara" and EL3/2012 "Ross" tenements. Three RC holes (RS001-RS003) were drilled within the EL3/2012 area for a total of 36 metres. Unfortunately, assay results revealed the bauxite intersected was of sub-economic quality.

A field sampling programme undertaken across targets near Macquarie Road, northwest of Campbell Town, in the fourth year of tenure yielded some promising results.

Within the current year of tenure, ABx management came to the conclusion that exploration on EL3/2012 was of low priority compared to exploration programmes on other tenements and, as such, was recommended for relinquishment.

2 INTRODUCTION

Exploration Rationale

ABx4 Pty Ltd the holder of Category 1 Exploration Licences EL3/2012 wholly-owned subsidiary of Australian Bauxite Ltd. Australian Bauxite Limited (ABx) (ASX: ABX) is an exploration company that holds the core of the Tasmanian Bauxite Province with all tenements selected on 3 principles:

- Quality – good quality bauxite with potential for significant resource tonnages;
- Proximity – easy access to infrastructure connected to export ports; and
- Accessibility – free of socio-environmental or native title land constraints.

Land within the tenement consists of freehold agricultural land with some forests and plantations.

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Geological Setting

The historic work done by H.B. Owen ('Bauxite in Australia', 1954) demonstrated that Bauxite in Tasmania can form from either Jurassic Dolerite or Tertiary Basaltic Volcanics. According to Owen, these bauxite deposits - regardless of parent 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 3/2012 "Ross" was granted on and from 11 September 2012 for a period of 5 years to ABx4 Pty Ltd (ABx4), expiring on 10 September 2017. Australian Bauxite Limited made the decision not to renew the licence.

This is the Final Report for EL3/2012, incorporating all works completed during the full term of tenure between 11 September 2012 and 10 September 2017.

The total area of the Mineral Category 1 Exploration Licence was originally174 km^2. Previous partial relinquishments have reduced the total tenement area to 93km^2 at time of expiry.

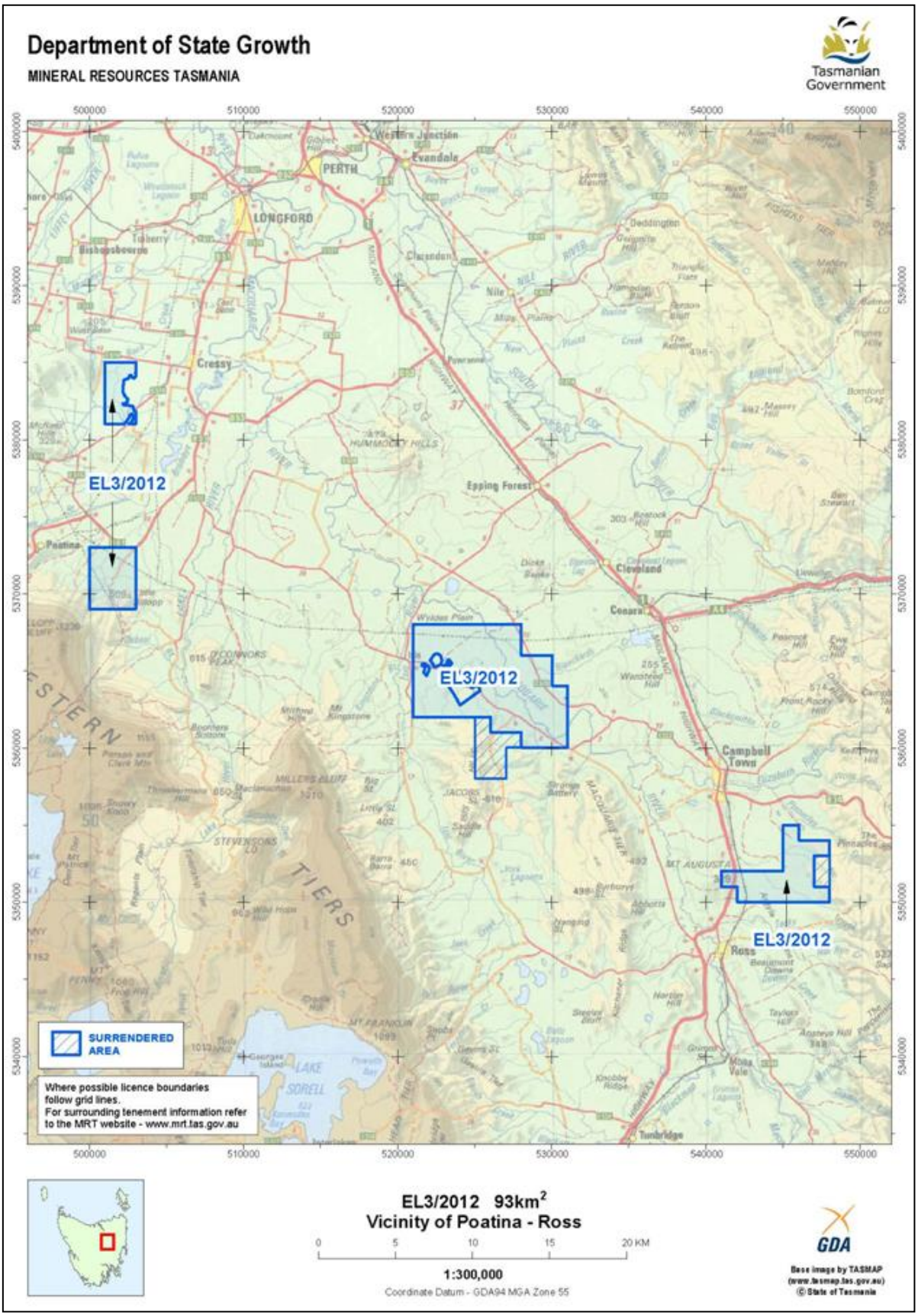
Tenure, including joint venture details and title transfers

EL 3/2012 "Ross" is 100%-owned by ABx4 Pty Ltd, a 100%-owned subsidiary of Australian Bauxite Limited.

Location

The Ross tenement is comprised of 4 separate parcels of land; the largest being located 10 km to the west of Campbell Town. The tenement is located approximately 90km from the large operating port at Bell Bay and the Midlands highway conveniently passes through the centre of the tenement. The Ross tenement is ideally located for both rail and road transport to the port. EL 3/2012 is close to the city of Launceston which could offer a wide range of services and a skilled work force.

The majority of the land usage in the tenement is agricultural land with land categories 4-6, with some small private reserves and natural forest. Gaining access to farming properties in the past has been very successful, with most landowners contacted by ABx4 allowed the geological assessment team to operate on their property.



Map 1. Location Map of EL 3/2012 “Ross”.

3 REVIEW OF PREVIOUS WORK

Prior to Current Reporting Period

In the first two 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.

In the third year of tenure 3 reverse circulation (RC) holes were drilled for 36m at the Quorn Hall target following a desktop review of bauxite targets. This exploratory drilling was completed in conjunction with exploratory drilling on other ABx4 tenements, including the adjacent Conara tenement (EL7/2010). A total of 4 drill samples underwent laboratory XRF analysis at ALS Laboratories, Brisbane. All were sieved at +0.26mm before assay. Unfortunately no economic grades of bauxite were intercepted.

In the fourth year of tenure, a surface sampling programme was undertaken within the Macquarie Road targets northwest of Campbelltown. Many of these samples returned high-grade assays which appeared promising.

4 EXPLORATION COMPLETED DURING THE CURRENT ANNUAL REPORTING PERIOD

Desktop Review

Only a desktop review was undertaken in the current and final year of tenure of EL3/2012. The review concluded that exploration targets in the tenement, while reasonably promising, were lower priority compared to targets in other tenements. This ultimately led to the decision by management to relinquish EL3/2012 in full.

5 RESULTS & CONCLUSIONS

The desktop review undertaken in the current year of tenure concluded that while reasonably promising exploration targets exist in the tenement, exploration within EL3/2012 was low priority compared to exploration in other ABx4-held tenements. This ultimately led to the decision by management to relinquish EL3/2012 in full.

Conclusions as to the Nature and Distribution of any Mineralisation

Bauxite in EL3/2012 has been discovered in low lying areas, derived from dolerite. The grade varies from ferruginous low grade material to pale high grade bauxite, the latter was more common.

It is unknown how extensive these deposits are. Doleritic bauxites like Rubble Flats and parts of DL-130 are very small because they follow fault lines and drainage patterns. Deposits like St Leonard's are sheet-like ore bodies which are very extensive.

6 ENVIRONMENT

Surface Disturbing Operations:

3 reverse circulation (RC) holes have been drilled over the full term of tenure. The surface disturbance of drilling was limited to a ~90mm diameter hole in the ground as track or site clearing was not necessary.

No surface disturbances occurred in the current year of tenure.

Surveys (archaeological, botanical):

A botanical and fauna habitat survey was conducted by P. Milner in the 1st year of tenure. This survey covered the Quorn Hall, Chesterfield and Sharlands properties, the first of which was drilled by ABx in the 3rd year of tenure. This report was submitted in a previous company report so will not be resubmitted in the current report.

Rehabilitation:

ABx4 has a policy of rehabilitating all drillholes immediately after they are drilled. The method of rehabilitation is to push an 'OctoPlug' down to 1.5m depth and to fill the remaining hole with innocuous drillhole material and/or any excess topsoil. All drillholes were properly rehabilitated and to the satisfaction of the landholder

7 EXPENDITURE

Table 1. Exploration expenditure for EL3/2012 over final annual reporting period 11 Sep 2016 – 10 Sep 2017.

EL 3/2012 Ross - Expenditure over 5th Year of Tenure		
1. Geoscientific costs		
	Geology	$625
	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		$625

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

8 REFERENCES

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

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T. Grieve & T. Battaglia (2015), 'Third Annual Report on EL3/2012'

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