

Final Report

on

EL 4/2010 – Evandale

Reporting Period: 14 September 2010 – 13 September 2017

Project Operator: ABx4 Pty Ltd

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1 ABSTRACT

Objective:

Exploration Licence EL4/2010 “Evandale” 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 the bauxite in the area using an RC drill rig mounted on a light Mitsubishi 12 tonne truck.

Methodology:

1. Detailed geological mapping, including geomorphological mapping, to define the areas with best potential for bauxite.
2. Systematic sampling of potentially bauxitic rocks at natural outcrops and exposures in road cuts.
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 truck to get samples representing the whole lateritic weathering profile (from upper-most iron rich zone through alumina rich zone down into mottled and pallid saprolite zone).
5. Systematic drill testing at close spacings to obtain data for resource estimation in the best target areas defined by programme under 4.

Results:

Over the term of tenure twenty-one reverse circulation (RC) holes were drilled for 126m. A total of 53 samples underwent laboratory XRF analysis at ALS Laboratories, Brisbane. This consisted of 38 sieved and 15 whole analyses. A botanical survey was completed prior to drilling.

The results of a great deal of work in the first two years of tenure led to the relinquishment of most of the tenement area at the end of the second year of tenure.

In the last three years of tenure a combination of field reconnaissance, geological mapping and surface sampling (for chemical analyses) have taken place in order to investigate additional bauxite targets.

Ongoing desktop reviews have also taken place over the past six years in order to assess and prioritise the bauxite targets across all ABx4 tenement. The most recent review led to the conclusion that targets within EL4/2010 were low-priority in nature and, in turn, this led to a decision to fully surrender.

2 INTRODUCTION

Exploration Rationale

ABx4 Pty Ltd – the holder of Category 1 Exploration Licences EL 4/2010 – is a 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.

EL 4/2010 “Evandale” 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 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 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 4/2010 “Evandale” was granted on and from 14 September 2010 for a period of 5 years to ABx4, expiring on 13 September 2015. Two 12-month ‘Extension of Term’ applications have been since been submitted and accepted, such that the current expiry is 13 September 2017. ABx4 plans to let EL4/2010 lapse upon expiry.

This is the Final Report for EL4/2010 incorporating all works completed during the full term of tenure, between 14 September 2010 and 13 September 2017.

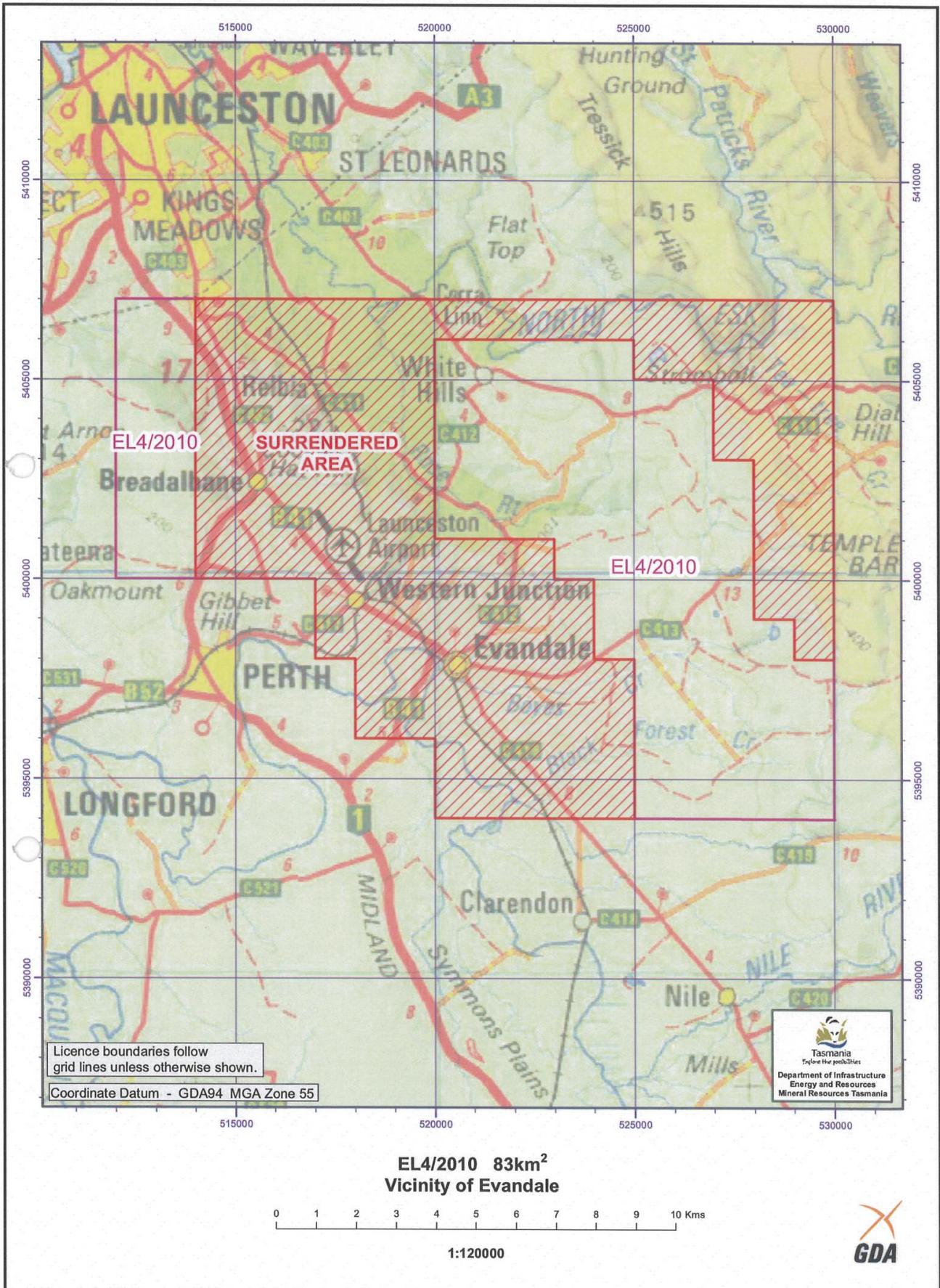
The Mineral Category for EL 4/2010 is 1 – Metallic Minerals and Atomic Substances.

Location

The Evandale tenement is located immediately southeast of the City of Launceston and is centred on the small town of Evandale. Launceston is a large city which offers a wide range of services and a skilled work force.

Tenure, including joint venture details and title transfers

EL 4/2010 “Evandale” is 100% owned by ABx4 which is a wholly-owned subsidiary of Australian Bauxite Limited (ASX:ABX).



Map 1. Location of EL 4/2010 "Evandale".

3 REVIEW OF PREVIOUS WORK

Prior to Current Reporting Period

ABx4 applied for the tenement after reviewing the work of H.B. Owen ('Bauxite in Australia', 1954) who referred to a bauxite body along Blessington Road, White Hills, in the northeast part of the current tenement area. This was the only historic body referenced within the tenement area.

In the first year of tenure 21 reverse circulation (RC) holes were drilled for 126m. Nine of these holes were drilled into the deposit referenced by Owen but ultimately came to the same conclusion as Owen that there were small amounts of high-grade material but it is largely a low-grade deposit. The remaining holes were drilled nearby but with limited success.

Since the first year of tenure, a great deal of field reconnaissance, geological mapping and surface sampling (for chemical analyses) has occurred in the remainder of the tenement. This led to previous relinquishments of more than half the original tenement area.

A series of desktop reviews have also been completed since grant in order to prioritise targets for exploration.

4 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

In the current annual reporting period, no work was done besides a desktop prospectivity review in order to rank and prioritise EL4/2010 exploration targets against those in other tenements. The review led to the conclusion that the EL4/2010 were low-priority in nature and this ultimately led to the decision by management to fully surrender the tenement.

5 DISCUSSION OF RESULTS

ABx4 applied for the tenement after reviewing the work of H.B. Owen ('Bauxite in Australia', 1954) who referred to a bauxite body along Blessington Road, White Hills, in the northeast part of the current tenement area. This was the only historic body referenced within the tenement area.

In the first year of tenure 21 reverse circulation (RC) holes were drilled for 126m. Nine of these holes were drilled into the deposit referenced by Owen but ultimately came to the same conclusion as Owen that there were small pockets of high-grade material in what is overall a low-grade deposit. The remaining holes were drilled nearby but with limited success.

Field work has uncovered additional outcropping bauxite in EL4/2010 but results of surface sampling have not been overwhelmingly good and no additional scout drilling had been planned.

Work done by ABx4 confirms the presence of bauxite within EL4/2010, however, none of the bauxite occurrences drilled or sampled at surface appear to possess the grades or tonnages required to make extraction economic.

6 CONCLUSIONS AND RECOMMENDATIONS

Work done by ABx4 confirms the presence of bauxite within EL4/2010, however, none of the bauxite occurrences drilled or sampled at surface appear to possess the grades or tonnages required to make extraction economic.

Due to the fact that more promising exploration targets existed in other ABx4-held Exploration licences and that funds for future exploration are finite in nature, ABx4 management made the decision not to renew EL4/2010.

Conclusions as to the Nature and Distribution of any Mineralisation

As stated above, none of the bauxite occurrences drilled or sampled at surface appear to possess the grades or tonnages required to make extraction economic.

Bauxite occurs in EL4/2010 as small remnants of chemically weathered Jurassic Dolerite and Tertiary Basaltic Volcanics. It is likely that the bauxite occurrences were more continuous and widespread prior to more recent weathering and erosion.

7 ENVIRONMENT

Surface Disturbing Operations:

Surface disturbing activities over the full term of tenure were limited to the drilling of 21 Reverse-Circulation (RC) holes within the first year of tenure.

No surface disturbing operations have been undertaken since, including in the current year of tenure.

Surveys (archaeological, botanical):

A 'Botanical & Fauna Habitat Survey' was conducted in the first year of tenure prior to drilling. This report was submitted with the 1st Annual Report on EL4/2010. No surveys have been undertaken since.

Rehabilitation:

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

8 EXPENDITURE

Table 1. Exploration expenditure for EL4/2010 over the 7th and final annual reporting period.

EL 4/2010 Evandale - Expenditure over 7th Year of Tenure	
1. Geoscientific costs	
Geology	\$1,486
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	\$1,486

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

9 REFERENCES

- H. B. Owen (1954). *Bauxite in Australia*, Bureau of Mineral Resources Bulletin no. 24
- F. Blake (1959). Longford 1:6336000 geological map, *Geological survey of Tasmania -Department of Mines*
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