

Exploration licence

EL18/2015

YEAR 3 ANNUAL REPORT

FEBRUARY 2018-2019

NORTH EAST EXCAVATIONS (TAS) Pty Ltd

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7th February 2019

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Abstract:

EL 18/2015 is a 3km² Category 3 licence located on the northern side of Basin Creek road and is approximately 4 kms south of the township of St Helens. The EL is held by North East Excavations (tas) Pty Ltd and was issued on the 2nd day of February 2016.

The exploration program for the first two years of the licence seeks to determine the extent of the rock resource and viability of the resources for road construction and sealing aggregates.

Introduction and Tenement Details:

The exploration licensee currently operates the Diana's Basin quarry which abuts the south- eastern corner of the licence area.

The licensee seeks to ensure a continuous supply of high skid resistance aggregate (PSV) to the Tasmanian market into the future to satisfy the annual requirements of Department of State Growth.

Licensee: North East Excavations (tas) Pty Ltd

Exploration Licence Number: EL 18/2015

Location: Basin Creek Road St Helens

Reporting Period: 2/2/2018 to 1/2/2019

Review of Previous Work:

The licensee has no knowledge of any previous exploration work being undertaken within the licence area.

The adjoining Diana's Basin Quarry exploits a Devonian aged quartzite derived from sedimentary successions of the extensive Mathinna Group, as indicated by the MRT 1:25,000 scale geology map. The rock is used as a source road construction materials and sealing aggregate. The quarry is currently G6 compliant and compliant with VicRoads specifications. The quarry has supplied materials to various Department of State Growth (DSG) road construction and reconstruction project in recent years.

The quarry was inspected by VicRoads in June 2016 and sampling and testing was undertaken on behalf of the DSG in accordance with VicRoads Code of practice 500.00 Source Rock Investigation. Representative aggregates samples were collected and tested for Los Angeles Value and Polished Stone value with the following results

Assigned Los Angeles value: 13

Assigned Polished Stone Value: 57

This quarry being a PSV 57, NEE is able to supply DIER with High Skid Resistant PSV rock, there are only a couple of quarries in Tasmania able to supply the 57 PSV, with NEE being the only quarry on the east coast of Tasmania..

Please Note: We are currently the major supplier of aggregate to the Downer Group Asphalt plant in Hobart, Downer is completing major works with the Hobart city council and state growth with our high PSV aggregate, presently we are supplying high PSV aggregate for the Midlands highway upgrades

A team from VicRoads will be in Tasmania in May 2019 to carry out an inspection of our quarry ('Source Rock Investigation' as per Code of Practice 500.00) to maintain currency of the accreditation.

Exploration Completed:

Exploration in the third year was limited to continue walking of the ground to check the extent of the license area.

Engaged quarry consultant to plot test hole pits and lodge with David Gatehouse for approval

October 2018 received approved to begin test holes on EL18/2015, this has been put on hold due an eagles nest in one corner of the EL, also have had issues with break o day council and the new mountain bike trails with descent 3 operating thru our exploration licence, with lengthy legal issues still continuing as of today, the consent memorandum remains with the Tribunal for their consideration, the cost to protect our resources in legal fees will be in the vicinity of \$30,000

The excavator will excavate test pit holes at the mapped sites these samples will then be sent off to the labs in Victoria for testing; there will be minimal disturbance to the ground with the use of a small excavator with rubber tracks.

Discussion of Results:

The sampling and testing of the rock materials in the adjoining quarry has determined the PSV to be 57.

State Grow and VicRoads sealing aggregate specification requires a minimum PSV 52, and for High Skid Resistant projects a minimum PSV is 54, with NEE being PSV 57 we want to ensure we have enough resources available for the future of the Tasmania roads.

Conclusions:

It is evident from the work undertaken by VicRoads in sampling and testing the source rock materials in the adjoining Diana's basin quarry that the rock material, with a polished stone value of 57, is a very important resource for the state of Tasmania.

Environmental Activities:

Activity will commence shortly

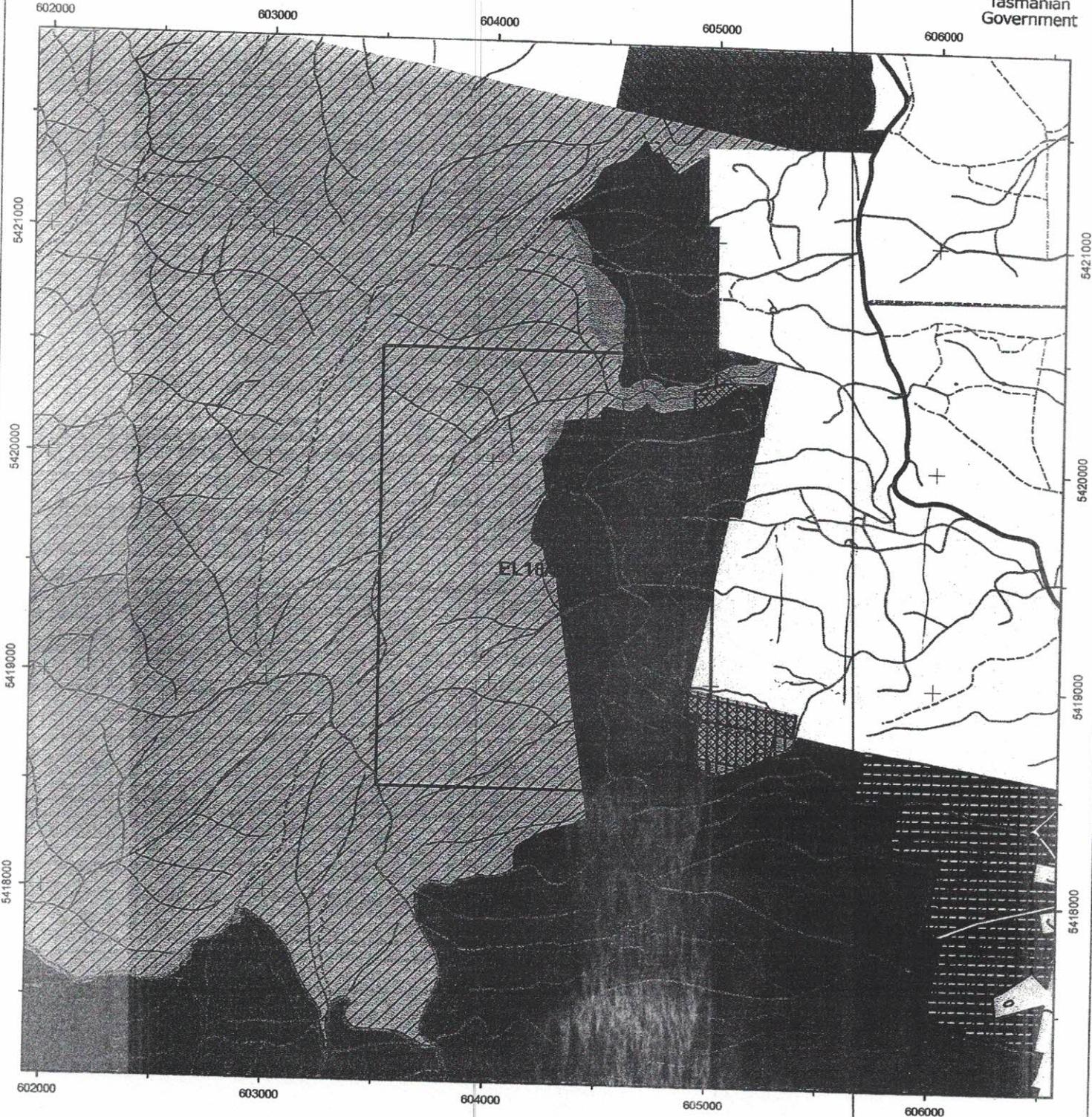
Expenditure:

As per last year.. The bulk of the expenditure in the third year of the exploration licence is attributed to the sampling and testing of the rock materials in the adjoining Diana's basin quarry, to maintain currency of the accreditation. In 2019 North East Excavations plans to begin the test holes of the source rock on the EL

Total expenditure on EL 18/2015 up to 1st February 2019 was \$1,964

Annexure 1

Location Map



EL18/2015 - 3km²
Vicinity of Basin Creek Road (5km S of St Helens)

0 1KM
1:25,000
Coordinate Datum - GDA94 MGA Zone 56

Land Tenure / Special Management Areas (Guide Only)

- | | | | |
|--|---|--|---|
|  Unavailable Areas |  Future Potential Production Forest (HEC) |  Game Reserve |  Future Potential Production Forest (Crown) |
|  Administratively Excluded Areas |  Informal Reserve (Forestry Operations) - Private Land |  Historic Site |  Informal Reserve - FT Managed Land |
|  RAMSAR Site |  Private Land |  National Park |  Permanent Timber Production Zone Land |
|  Gas Pipeline Corridor |  Indigenous Protected Areas |  Nature Recreation Area |  Authority Land |
|  Fossilising Area |  Aboriginal Administered Land |  Nature Reserve |  Crown Land |
|  Fossil Site |  Wellington Park |  Regional Reserve |  Private Reserves |
|  Commonwealth Land |  Conservation Area |  State Reserve |  Available under the MRDA but not available under administrative arrangements |
|  Aurora / Hydro / Transend Lands | |  Public Reserve |  Available under the MRDA |

GDA
Base data from the LIST
(www.theist.tas.gov.au)
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Note: Land tenure is derived from the LIST and other sources and may be incomplete. Not all land tenure depicted in legend may appear on the map. Relevant tenement land tenure / land management area indicated *