

Exploration licence

EL18/2015

YEAR 4 ANNUAL REPORT

FEBRUARY 2019-2020

NORTH EAST EXCAVATIONS (TAS) Pty Ltd

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1st February 2020

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Attachment 1 Location Map

Attachment 2 Rehabilitation photos of test sites

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 of the licence is 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 Tasmania

Reporting Period: 2/2/2019 to 1/2/2020

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 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 High PSV 57, North East Excavations is able to supply Department of State growth with High Skid Resistant PSV rock, there are only two quarries in Tasmania able to supply the high 57 PSV rock, 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 and Launceston

A team from VicRoads will be in Tasmania in Early 2020 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 fourth year was to continue walking the ground to check the extent of the license area.

This process has taken longer due to the Eagle Nesting season and also the lengthy legal battle with the the Break O Day Council's -Flagstaff mountain bike trails with the construction of some trials on our exploration licence area which has since been resolved

North East Excavations engaged a quarry consultant to plot test hole and lodge the report with David Gatehouse for approval, once approval was confirmed we began excavating test holes, taking rock samples and rehabilitating the sites once completed (as per attached pictures), This process took longer than anticipated as another earthmoving contractor removed all the trees on the entrance road so our survey tape indicators which led us to the GPS test sites were removed, this contractor also fell trees over the side access tracks to the GPS sites so we had to remove those fallen trees to gain vehicle/excavator access to the GPS plotted holes. Our survey tapes were also removed in the vicinity of where the mountain bike trials were being constructed, we were not prepared to re-engage the consultant to GPS the test holes again.

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 has commenced with the excavating of test holes, rock samples have been taken with the sites rehabilitated with minimal disturbance (picture as attached)

Please note: Andy had major eye surgery early December and is unable to return to work at present, as soon as we are financially able and Andy is cleared to return to work we will commence testing of the rock source on EL18/2015

Expenditure:

Total expenditure on EL 18/2015 up to 2nd February 2020 was \$25,120 + Gst

Costings:

Stage 1-

- * Clean machinery before entering site
- * Excavator establishment & De- establishment fees
- * Excavator hire
- * Labour Hire
- * Work vehicle hire
- * Administration costs

Stage 2-

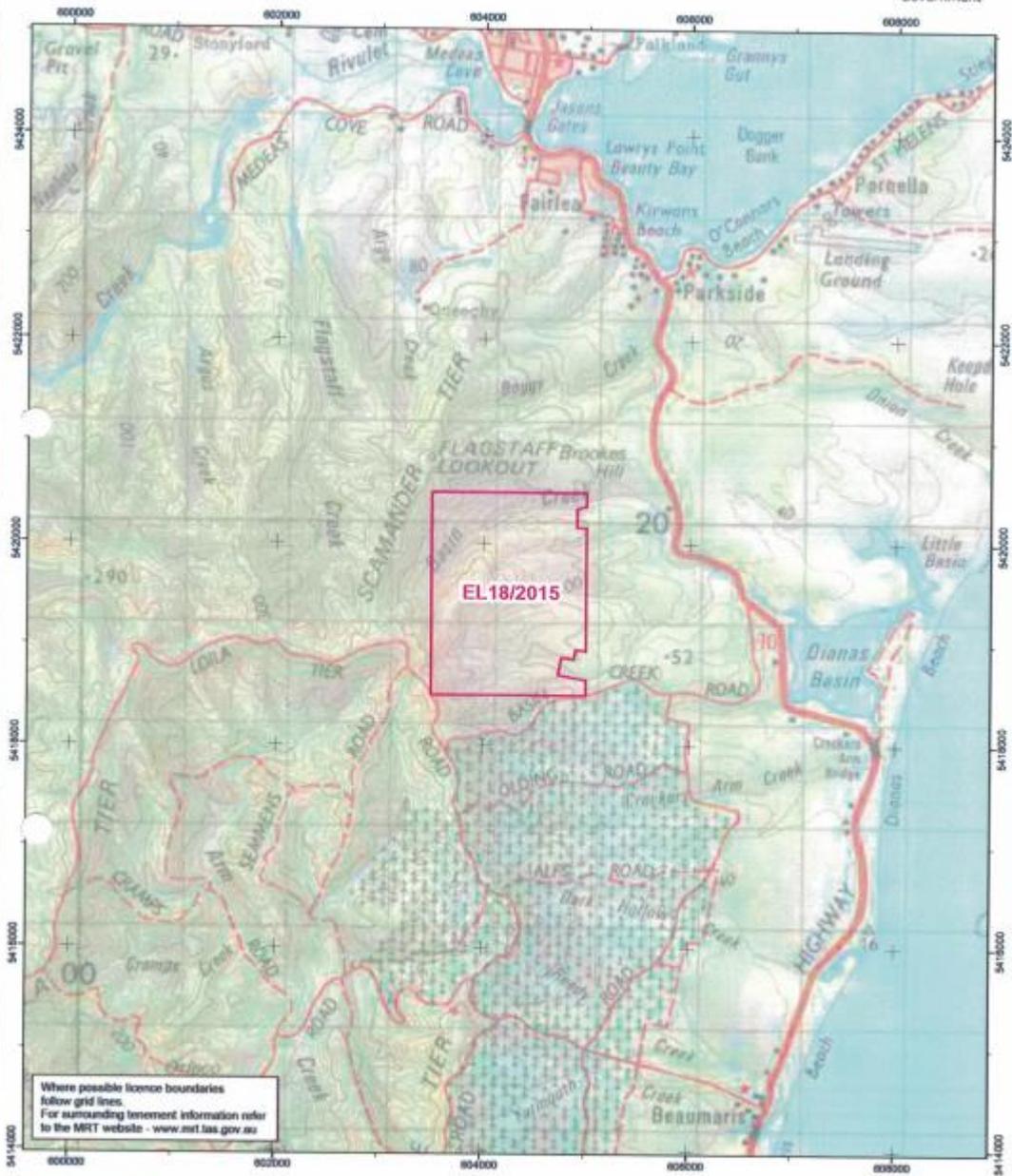
- * Todd Dudley -Plotting GPS test holes
- * Work Vehicle hire
- * Labour hire

Annexure 1

Location Map

Department of State Growth

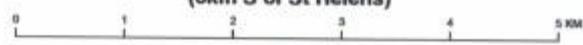
MINERAL RESOURCES TASMANIA



Where possible licence boundaries follow grid lines. For surrounding tenement information refer to the MRT website - www.mrt.tas.gov.au



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



1:50,000

Coordinate Datum - GDA84 MGA Zone 55



Base Image by TASMAP
www.tasmap.tas.gov.au
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Annexure 2

Rehabilitation of Test sites – EL18/2015

