

**SERPENTINE RIDGE PROJECT
TASMANIA
EL5/2018**

ANNUAL REPORT
31ST JANUARY 2019 TO 30TH JANUARY 2020

Tenement Holder/Manager
Monclar Pty Ltd
8 Amour Avenue Maroubra NSW 2035

Prepared By: Dr Pierre RICHARD - Director
On behalf of Monclar Pty Ltd

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Monclar Pty Ltd

Note: All figures and grids are according to the GDA94 datum and MGA94 grid system.

ABSTRACT/EXECUTIVE SUMMARY

The Serpentine Ridge Project (EL5/2018) is located in western Tasmania, 6km north-northwest (NNW) of Renison Bell. The exploration licence covers an area of 15km².

The main focus of Monclar Pty Ltd (“Monclar” or “the Company”) at the Serpentine Ridge Project is lateritic nickel-cobalt. The project area contains known ironstone caprock and there is anomalous nickel (Ni) and cobalt (Co) reported in historical soil sampling results. Monclar aims to explore for Ni and Co at Serpentine Ridge with future production of products to be undertaken at an industrial site in Tasmania.

Work completed in the reporting year 2019-2020 was the execution of field reconnaissance to examine the development of the laterite profile in the regolith. Desktop environmental work was also completed using known databases and reports from adjacent explorers. A drilling program comprising 14 air core drill holes was planned. This has had to be revised due to weak laterite cover observed in field work.

Work planned for the coming year will include drilling a revised set of aircore holes that have been moved to areas where the laterite is better developed.

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Digital files submitted with this report:

Filename	File format
EL052018_202001_01_Report.doc	<i>doc</i>

1 INTRODUCTION

The Serpentine Ridge Project (EL5/2018) is located in western Tasmania, 6km north-northwest (NNW) of Renison Bell. The exploration licence covers an area of 15km² (see figure 1). The Serpentine Ridge tenement can be accessed via the Pieman Road, through the Riley DSO iron ore mine ML, and adjacent 4WD tracks.

The exploration licence covers an area of 15km² and was granted on 31st January 2019 for a period of five years. It is owned 100% by Monclar Pty Ltd and is not subject to any current agreements with other companies. The exploration target is lateritic nickel-cobalt mineralisation.

The land tenure plan shows EL5/2018 is covered by Crown land. The Crown Land is variously classified as Future Potential Production Forest (FPPF), Regional Reserve, and the waterways and Pieman Road are owned by Hydro Tasmania.

Exploration completed during the reporting period has included field assessment to plan a program of air core drilling to test anomalous Ni and Co results returned in previous soils.

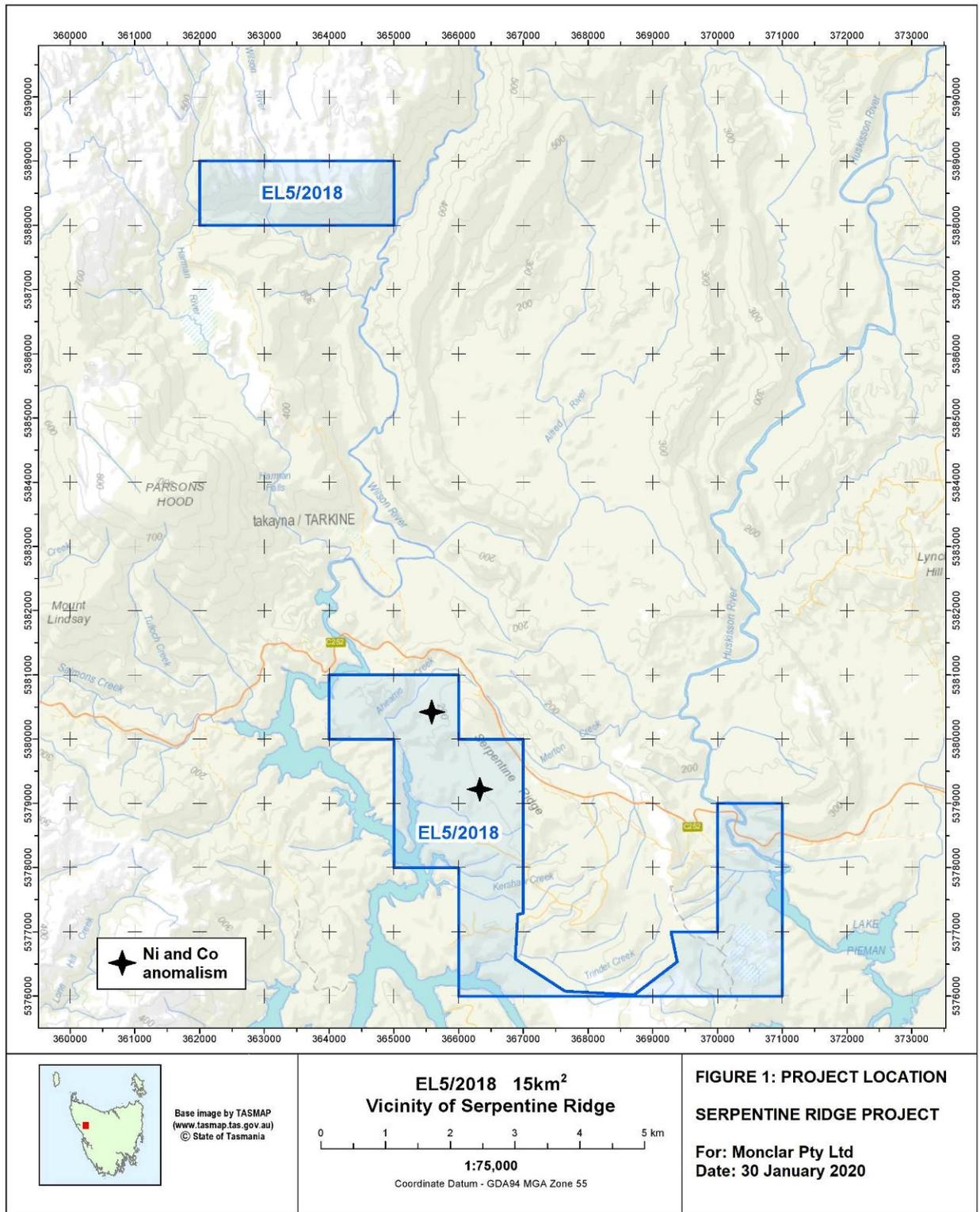


FIGURE 1 SUMMARY ACTIVITY MAP FOR SERPENTINE RIDGE

2 REVIEW OF PREVIOUS WORK AND GEOLOGICAL SETTING

A review of the historical exploration at Serpentine Ridge suggests the potential to host lateritic nickel mineralisation. In particular, the soil sample lines of Adamus Resources Limited on EL18/2002 suggest attractive prospectivity in the tenement area. However, these are only surface samples, and do not provide information on the potential thickness of any weathered nickel mineralisation that may occur at the site. For this, the only relevant information is from

earlier exploration in the 1960s. More generally, we consider that the work of Aberfoyle Tin in the 1960's (reported by Jessup et al. (1969), Jordan (1969) and others) around their Mt Lindsay project, which includes the Serpentine Ridge area, warrants additional nickel-oriented field work. Shallow drilling data generated at that time suggests that a nickel laterite deposit of a possibly economic grade may be hosted on the tenement. Unfortunately, detailed location maps and coordinates have not been identified in scanned historical reports held by MRT, but the use of local creek names indicates relevance to the targeted area.

The area of EL5/2018 was formerly part of Serpentine Ridge EL45/2010 held by Venture Minerals Ltd, the owners of the adjacent Mount Lindsay Tin Project. Adamus Resources Ltd previously held the area under EL18/2002. Venture Minerals conducted some systematic pit testing and a resource assessment to prove up a resource over an area of ironstone caprock in the area. This ironstone is identified as the caprock over a lateritic nickel mineralization. The Venture resource is known as the Mt Riley DSO project and sits on lease 5M/2012. Venture also have another DSO project in the Mt Lindsay area called Livingstone, that is not laterite related.

After some environmental challenges, Venture Minerals had ML 5M/2012 granted over the ironstone cap, which is excised from EL5/2018 here. The ironstone cap would not normally host economic nickel grades. However, as the ironstone cap is a gossanous caprock that one would normally find over lateritic nickel mineralization, exploration potential is present. Indeed, the caprock can play a role in preserving the underlying regolith clays that host nickel mineralisation, that might otherwise erode. This explanation was suggested by Jessup & Chenhall (1968) in their assessment of the area.

Nickel anomalism is indicated from soils results reported first by Brabham (2006) for Adamus Resources Limited. The Access Database "ADU_TASsoils" (2007) for EL18/2002 held by MRT contains the Adamus soils data. Adamus did three sets of soils on the Serpentine Ridge area, those at "Wilson" and "Huskisson" (2007) and the earlier "Serpentine Ridge" lines (2005). The lines that cover the Serpentine Ridge license are "Wilson" lines 8 to 17. Within these soils, the Ni and Co assays regularly show mineralised Ni and Co. The peak Ni is in sample 135639 and reached 6173ppm Ni and 589.9ppm Co. Moreover, of the 442 samples in original Serpentine Ridge soils and Wilson lines 8-17, 158 samples returned over 0.3% Ni. The map below in Figure 2 presents the Ni and Co results for the relevant Adamus lines. This shows anomalous (>300ppm Ni) and mineralisation level (>3,000ppm Ni) nickel.

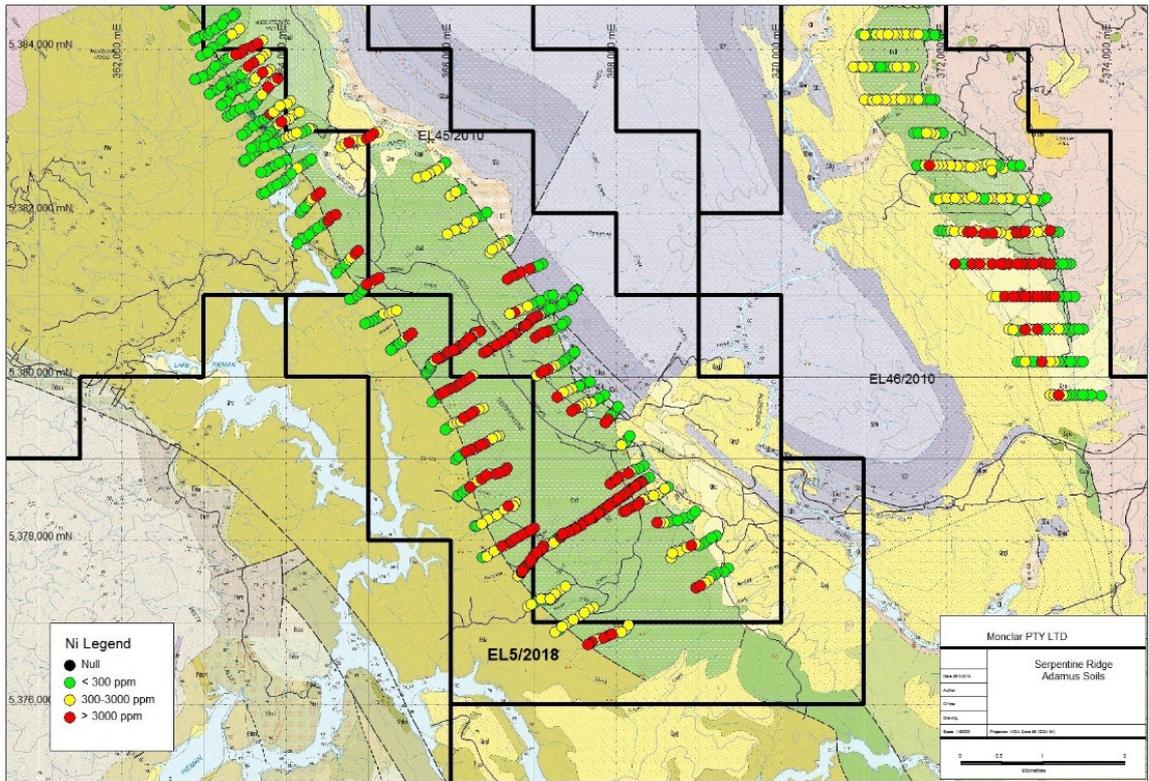


FIGURE 2 NI REPORTED IN ADAMUS SOILS ON EL18/2002 (2007)

Similar results are presented for cobalt in Figure 3 below. This shows anomalous (>20ppm Co) and mineralisation level (>200ppm Co) cobalt. As expected, the areas of cobalt mineralisation are wider, as we expect the in the upper lateritic domains (being laterite and limonite). These would be expected to have elevated cobalt under the deposit model where nickel becomes more dominant in saprolite and saprock domains that would under the model sit lower in the profile.

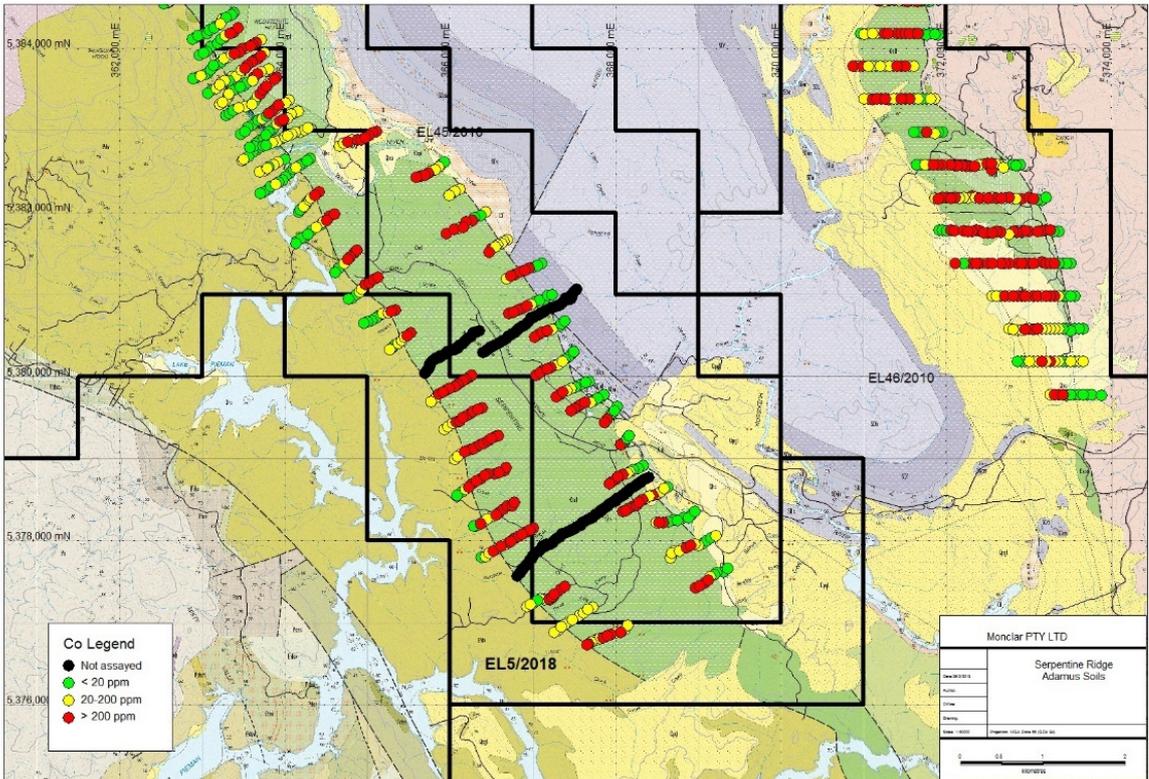


FIGURE 3 CO REPORTED IN ADAMUS SOILS ON EL18/2002 (2007)

Jessup and Chenhall (1968) summarise initial exploration undertaken for Aberfoyle Tin on EL2/63. This includes geochemistry and induced polarisation geophysical responses (see Table 1 for geochemical results reported on pages 016-018 of that report). However, some coordinates and maps are not available in the scanned report, making it difficult to accurately locate the sample locations. According to the local place names, these seem likely to cover areas that are not on EL5/2018 including Three Mile Creek and Bealey Creek (on EL45/2010) and Trinder Creek (on mining lease 5M/2012). The location map below (Figure 4) shows the creek names referred to in these older reports. Results up to 4400ppm Ni and 3300ppm Co were reported in shallow soil samples. Based on the available location data, it is likely that the majority of these results were taken from soils sitting above the ferruginous caprock that is the subject of mining lease 5M/2012. This is consistent with the lower nickel values reported relative to other historical exploration in the Serpentine Ridge area.

TABLE 1 GEOCHEMICAL RESULTS FROM JESSUP AND CHENHALL (1968) PAGES -016-018.

LOCATION	Geochem. Anomaly (ppm)	Element	Station (location)	
Three Mile Creek				
Line A	800	Ni	200	
	100	Co		
	4000	Ni	800	
	2000	Ni	1100	
Line B	1400	Co		
	1500	Ni	600	
	500	Ni	900	
	8000	Ni	1200	
Line A*	800	Co		
	2900	Ni	0	
	3700	Ni	550	
	1600	Co		
	2700	Ni		
	900	Co	1000	
	Bealey Creek Area			
	Line R1	4000	Ni	
8000		Ni		
1500		Co		
Line R2	3000	Ni	1900	
	1000	Co		
	+		2500	
	3000	Ni	2800	
Line R3	700	Co	3300	
	3000	Ni	2300	
	800	Co		
	2500	Ni	4200	
	1400	Co		
	Trinder Creek			
	Line R7	4000	Ni	100/E
		4000	Ni	250-350/E
6000		Ni	650/E	
2200		Ni	750/E	
			100/W;	
	2000; 3000	Ni	300/W	
Line R8	2800	Ni	100-150/E	
	100	Co		
Line R9	4000	Ni	200/E	
	300	Co		
Line R10	2000	Ni	350/E	
	70	Co		
Line R11	3000+	Ni	150	
	3000	Ni	150	



FIGURE 4 LOCATION MAP WITH TOPOGRAPHY INCLUDING RIVER NAMES (LISTMAP, 2019)

Following the initial work reported above, Aberfoyle Tin undertook further work on EL2/63. This included some pits and auger drilling. Details of the follow-up work are presented by Jordan (1969). These results are located relative to the “Camp 30” location that was the focus of this exploration. The location of Camp 30 is noted in Jessup (1969) (see Figure 5 below). This report also notes further follow-up drilling in the area. Noting that five holes totalling 150 ft (45.72m) were drilled with an average grade of 0.63% Ni. Unfortunately, this report does not present the drilling locations.

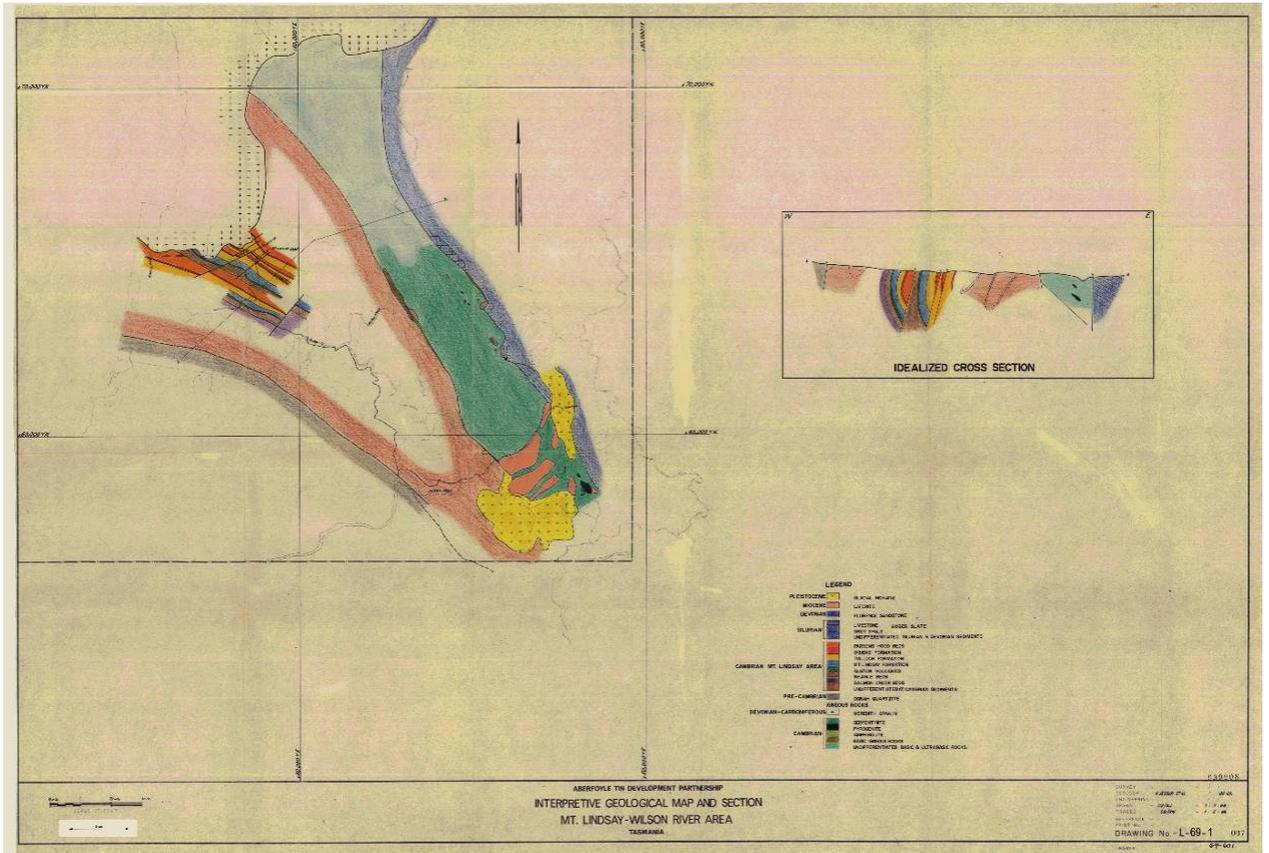


FIGURE 5 LOCATION MAP OF CAMP 30 AND LOCAL GEOLOGY FROM JESSUP (1969)

Jordan (1969) on page 004 presents samples collected in shallow pits (see Table 2 below). These results are promising in that they show Ni and Co mineralisation continuing to depths of up to 12' (3.048m) at values up to 1% Ni, with similar results reported at 8' (2.44m).

TABLE 2 GEOCHEMICAL RESULTS FROM "SAMPLES TAKEN IN PITS" FROM JORDAN (1969) PAGE 004

LOCATION	DEPTH	ANALYSES (ppm unless shown)		
		CU	NI	CO
Pit 1	18"	13	2600	650
4570' on R2	3'	15	3000	1160
	4.5'	10	3000	1450
Pit 2	18"	10	2600	1450
4450' on R2	3'	8	3600	1450
	4.5'	8	2600	1050
Pit 3	18"	10	3200	700
4175' on R2	2.5'	13	6500	1400
Pit 4	18"	8	4500	1530
4050' R2	3'	5	2600	750
	5'	8	6500	4000
Pit 5	18"	10	1820	335
3970' R2	3.5'	10	1480	335
	5.5'	15	2000	335
Pit 6 3870' R2	18"	10	1520	300
Pit 7	18"	15	3200	700
3720' R2	3.5'	15	2600	2000
	5'	15	3400	2350
Pit 8	18"	13	2000	1230
3600' R2	3.5'	13	3400	1300
	5.5'	10	1720	800
Pit 9	18"	13	1880	900
3533' R2	3'	10	3000	800
	5.5'	13	3200	1050
Pit 10	18"	10	4800	1650
00 of Anom. 6	3'	10	4550	2200
	4.5'	10	2700	2320
Trench 15' N.E. of Anom. 6	18"	10	3700	2040
Trench 25' N.E. of Anom. 6	4'	8	3820	1960
200W	18"	10	3320	1720
	3.5'	8	3320	1880
	6'	13	3320	1500
	6'	12	4850	1050
	8'	10	8000	900
	10'	20	4530	1730
Anomaly 4				
100N	2.5'	14	3470	1050
300N	3'	18	4000	1850
400N	3'	16	4000	1230
100W	2.5'	14	2280	1600
100W	4'	18	6500	1100
	6'	24	5500	750
	8'	4	1%	3580
100S	2'	12	4500	1000
Anomaly 5				
200S	4'	10	8000	4700
	6'	22	8000	1730
100E	2'	20	6500	2000
Anomaly 6				
00	4'	16	5000	2700
	6'	16	7500	4200
100E	4'	16	1860	560
	6.5'	14	5000	2200
100N	8'	22	1%	7500
	10'	14	7500	3650
	12'	14	1%	1800
	14'	12	8600?	1800
	4'	22	1000	600
	8'	18	5000	650
	6'	16	6500	560

The auger drilling results are similar in character and follow on page 005 of Jordan's (1969) report (see Table 3). Peak nickel results reached 2% Ni and cobalt up to 1.5% Co was reported. These are ore grade results and are similar to peak results in Tasmania's only existing nickel

laterite resource, at Barnes Hill in northeast Tasmania. These results support further exploration as they suggest that the mineralisation present may be of a sufficiently high grade to support a resource. Interestingly, this report references proposed drilling. The report containing the results of that drilling, which might provide further information on mineralisation down through the regolith, has not yet been located.

TABLE 3 GEOCHEMICAL RESULTS FROM "AUGER SAMPLES" FROM JORDAN (1969) PAGE 005

POSITION (relative to proposed drill lines)	DEPTH	ANALYSES (ppm unless shown)		
		CU	NI	CO
Anomaly 1				
00	4'	18	1%	700
100S	4'	10	2%	1160
200E	4'	14	4000	3230
	6'	16	5000	1.5%
	8'	16	5500	6000
	10'	28	4500	3800
100N	4'	16	1300	1650
	6'	16	1650	200
	8'	14	3470	420
	10'	12	2%	310
Anomaly 2				
100E	2.5'	16	8000	1450
100W	2.25'	12	2%	1920
150E	3'	16	4700	2350
200E	4'	18	5500	750
	6'	20	5500	650
	8'	18	8000	900
	10'	10	1%	1000
250E	4'	36	1%	950
	5.5'	14	8600	3650
Anomaly 3				
100S	4'	20	3750	1650
	6'	12	2%	3800
	8'	18	4000	420
300N	3.5'	20	3750	323
	5.5'	6	2%	560
200W	4'	12	8600	800
100N	10'	16	6000	850
200N	4'	20	1%	1230
	6'	12	1%	1530
	8'	16	4000	2000
	10'	16	7000	2000
100W	4'	22	1%	1050
	6'	14	1.5%	1100
200W	3.5'	14	7000	2350
100S	4'	20	7000	2350
	6'	16	7000	2580
200S	3'	10	8000	8000
Anomaly 7				
200E	4'	14	9200	1350
	6'	17	7700	520
	7'	18	2%	600
300E	3.5'	16	920	180

In summary, the soil sample lines of Adamus Resources Limited on EL18/2002 suggest attractive prospectivity for Ni-Co bearing Laterite. More generally, the historical work of Aberfoyle Tin in the 1960's (reported by Jessup, Jordan and others) around Mt Lindsay area (including Serpentine Ridge) warrants additional nickel and cobalt assessment. The assay results reported are consistent with the presence of potentially economic lateritic nickel mineralisation, although the exact locations have been difficult to reliably identify. Accordingly, the Adamus soils database serves as the appropriate focus for targeted exploration works, with the key aim to establish whether anomalous Ni and Co extends further down into the regolith and what potential thickness of laterite might be available.

3 EXPLORATION COMPLETED DURING THE REPORTING PERIOD

In the 12 months to 30th January 2019, work has included planning an Air Core drill sampling program of 14 vertical holes. The initially planned 14 holes are shown in figure 6 below. Following field assessment of each hole, these have needed to be revised to target sufficient laterite development.

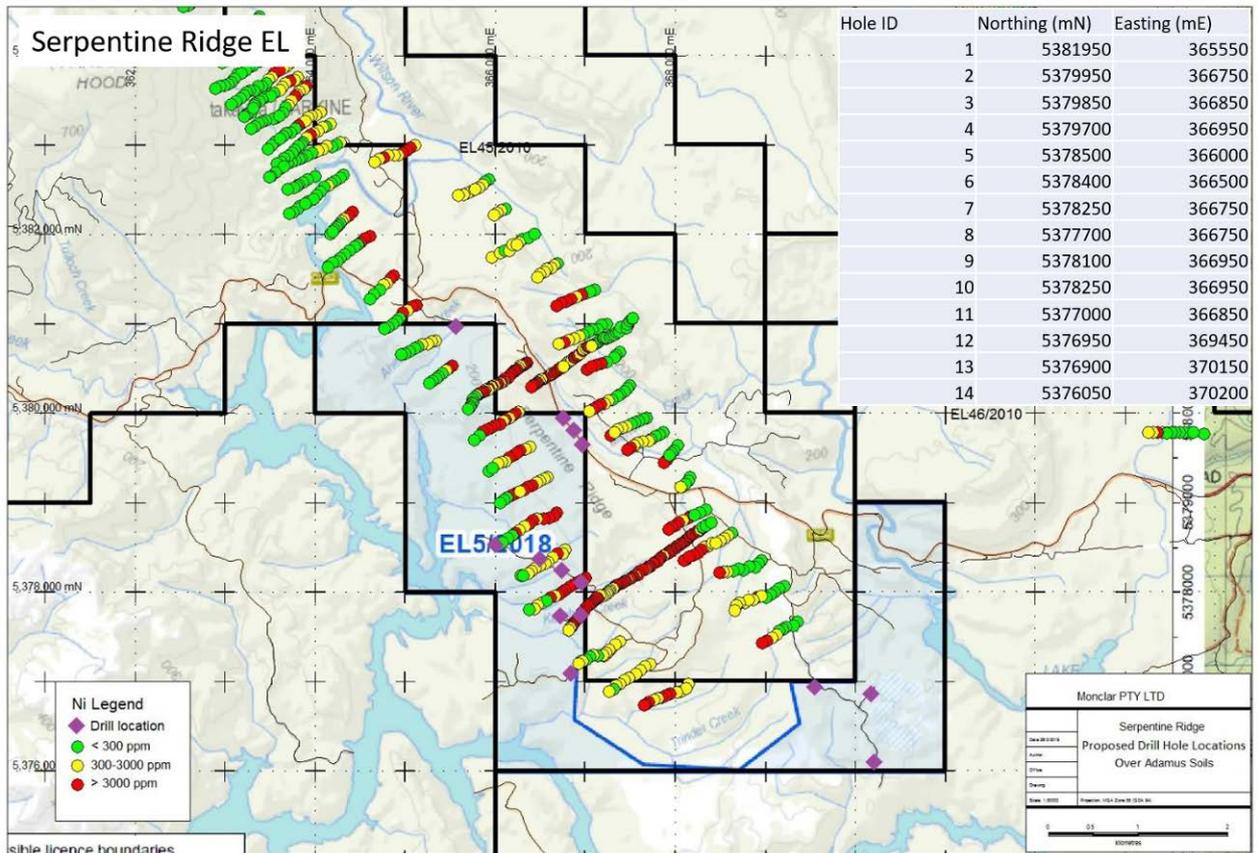


FIGURE 6. INITIAL DRILL LOCALITY MAP FOR SERPENTINE RIDGE

4 DISCUSSION OF RESULTS

The proposed air core drilling locations were chosen from a desktop study that identified the intersection of promising Ni-Co indications from the Adamus soils data with existing tracks, to allow access for truck mounted aircore drilling. Field investigation has shown that most of these sites have little or no laterite cover and are thus unsuitable for meaningful drilling. Any nickel mineralisation present is not sufficiently thick to carry the potential to be economically extractable. Moreover, tracks that indicate access to the eastern part of the tenement are rehabilitated or inaccessible. This would propose a significant cost and environmental impact to pursue a low potential exploration target. Assessment of alternative sites for drilling is underway. Examples of sites and identified inaccessible tracks are shown in figures 7-10.



FIGURE. 7. EXAMPLE OF UNSUITABLE DRILL SITE WITH EXPOSED BEDROCK



FIGURE. 8. EXAMPLE OF POTENTIAL DRILL SITE WITH LATERITE DEVELOPMENT

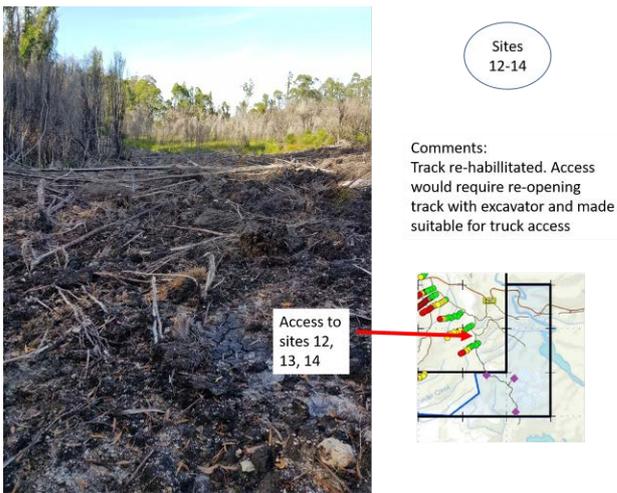


FIGURE. 9. TRACK REHABILITATION

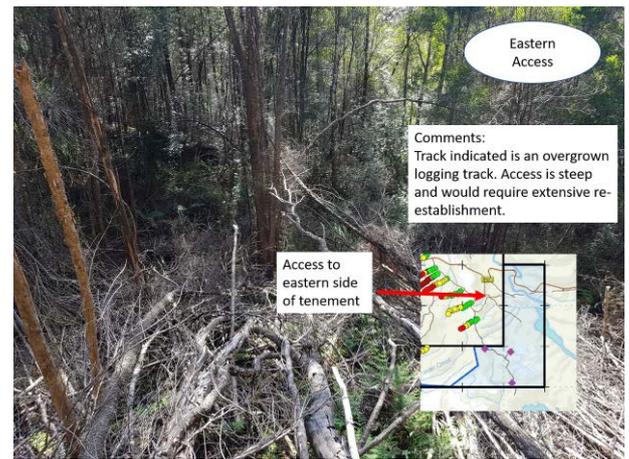


FIGURE. 10. INACCESSIBLE AREA

5 CONCLUSIONS

The development of potentially mineralised laterite at Serpentine Ridge has been disappointing. Despite highly anomalous grades of Ni and Co in historical soils, it seems that the regolith is thinly developed and may be sub-economic despite attractive grades. This has led to the need to modify the program to target areas where there is sufficient laterite cover to successfully undertake drilling. Planning of revised drill hole location is underway. Confirmation of grade will allow a further assessment of the potential economics of Ni and Co identified.

6 PROPOSED EXPLORATION

The activities proposed to be undertaken at the Serpentine Ridge Project on EL5/2018 in the coming term include:

- Revised program of drilling of 10-14 aircore holes into laterite.
- Geological interpretation of field data and proposed drilling information.

7 ENVIRONMENTAL MANAGEMENT

The 2019-2020 work was low impact, being field assessment along existing roads and tracks. No earthworks were conducted, and no threatened species were impacted as a result.

Based on assessment, the planned 2020 drilling program will be conducted using existing tracks and roadside access along the Pieman Road. Air core holes will be plugged below surface using 'octo plugs' and then covered following surveying of collar locations.

8 EXPENDITURE

Expenditure from 31st January 2019 to 30th January 2020 is summarised below for the Serpentine Ridge EL5/2018 licence.

TABLE 4 EXPENDITURE 31 JANUARY 2019 TO 30 JANUARY 2020.

1. Geoscience	\$12,749.15
2. Drilling and Gridding	
3. Land Access	
4. Rehabilitation	
5. Feasibility Studies	
6. Other	
7. Administration	\$1,274.91
TOTAL - ELIGIBLE	\$14,024.06

9 KEY REFERENCES

Brabham, G (2006) 2006 Annual Exploration Report Exploration Licence 18/2002 Serpentine Ridge NW Tasmania. Adamus Resources Limited.

Jessup, A and Chenhall, B (1968) Interim Report on the Camp 30 Merton Area, Tasmania. February 1968. MRT document 68-500.

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Jordan, M (1969) Camp 30 Report. Aberfoyle Tin, Mt Lindsay Area report 1. MRT document 69-0598