



## **Exploration Licence EL8/2014 at Pipeline Road (Partial Surrender) Final Report (Surrendered Portion)**

**30 July 2019  
to  
30 July 2020**

29 July 2020

copies: (1) MRT  
(1) Grange Savage River

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## INTRODUCTION

### ***Exploration Rationale***

Grange's interest is focussed on the entire catchment of streams and drainage flowing southwards from the northern divide (Figure 2 Land tenure as at May 2016:) onto the northern extent of the existing Savage River mine lease 2M-2001. Planning for potential life of mine extensions indicate that due to the possibility that water inundation north of planned waste rock dumps, the mine lease may need to expand beyond existing northern mine lease limits.

This exploration licence EL8-2014 and the work conducted are aimed at conversion of this EL into a mine lease in the near future.

The following report summarises exploration activities completed at EL8/2014 at Pipeline Road during first five years of tenure (2015 to 2019) and the first year of the first extension of term (2020).

This document reports all activities using the GDA94 datum.

### ***Licence Details***

Exploration licence EL8/2014 at Pipeline Road

Located at Pipeline Road 3km north of Savage River Tasmania.

ID: 23550

Area: 11 sq km blocks

Status: Granted 8 August 2014

Term: The term of the licence expires 29 June 2019

Reporting period: July 30 -2015 to July 30 2016

Tenement Holder: Grange Resources (Tasmania) Pty Ltd

Product categories: Category 1 - Metallic minerals and atomic Substances,

Category 3 – Construction Materials; sand gravel and stone.

### ***Location***

The Exploration licence EL8-2014 at Pipeline Road is located approximately 10.7km north by road of the Savage River Mine and concentrator. Savage River is located approximately 100km south west by sealed road from Burnie (Figure 2). The lease is accessed by the all-weather gravel road between Savage River and Corinna, and then by a bush track of approximately 2km.

Local topography in the Broderick Creek catchment is rugged, with a broad elevated plain to the north of the licence area and incised valleys and steep hills extending southwards. The drainage flows southward onto the Savage mine lease via McAuliff and Broderick creeks.

Regional vegetation includes undisturbed rain forest, wet eucalypt, acacia and open heath land. The immediate area of the prospect has previously been logged extensively approximately 20 years ago, with almost no mature trees present in the working area. Climate is wet temperate with an average annual rainfall of 1,950mm and mean monthly temperatures ranging from 3-19°C.



Figure 1 Savage River Location Map

### Tenure

Exploration Lease EL 8/2014 “Pipeline Road” was granted to Grange Resources Tasmania Pty Ltd on 8<sup>th</sup> August 2014, following an open tender process on Exploration Release Area 959 ( ERA959). EL8/2014 comprises an area of 11km<sup>2</sup>. The licence encompasses the entirety of the Broderick Creek catchment north of and adjoining Mine lease 2M-2001 and provides continuous leasehold connecting EL8/2014 and the Savage River Mine Lease 2M/2001 as shown in figure 2 land tenure below.

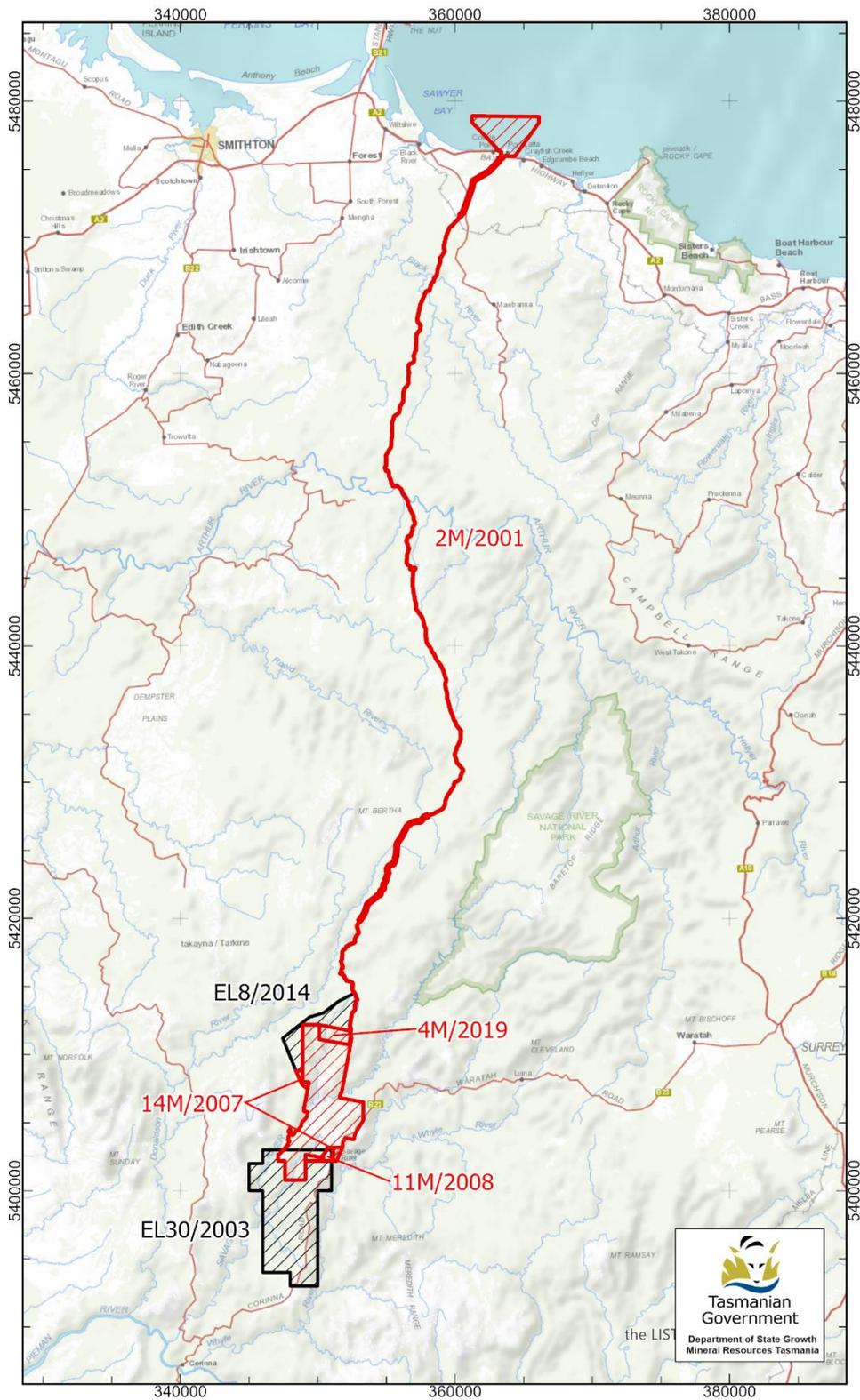


Figure 2 Land tenure as at Nov 2020

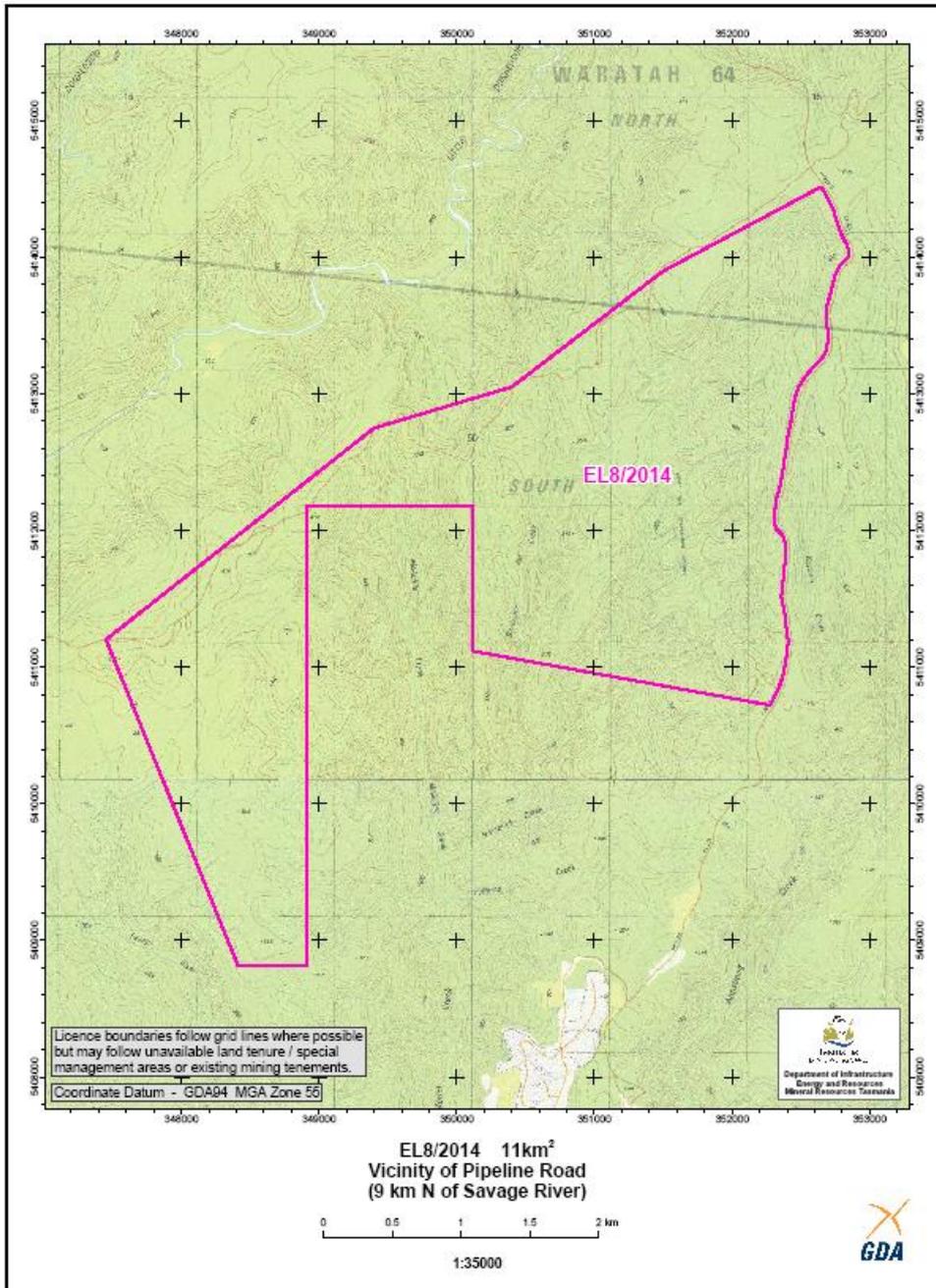


Figure 3 Land Tenure EL8-2014 granted 8 August 2014

**Retained Portion of EL-2014:**

On 17 January 2020 Grange Resources Tasmania Pty Ltd applied for a mining lease consisting of 235 Ha wholly within existing Exploration license EL8-2014. (fig3)

ML 4M-2019 was granted on 17 August 20 and therefore Grange has surrendered that portion of EL8-2014 that has been taken by the new mining lease 4M-2019. The retained portion of EL8-2014 is shown in fig 4.

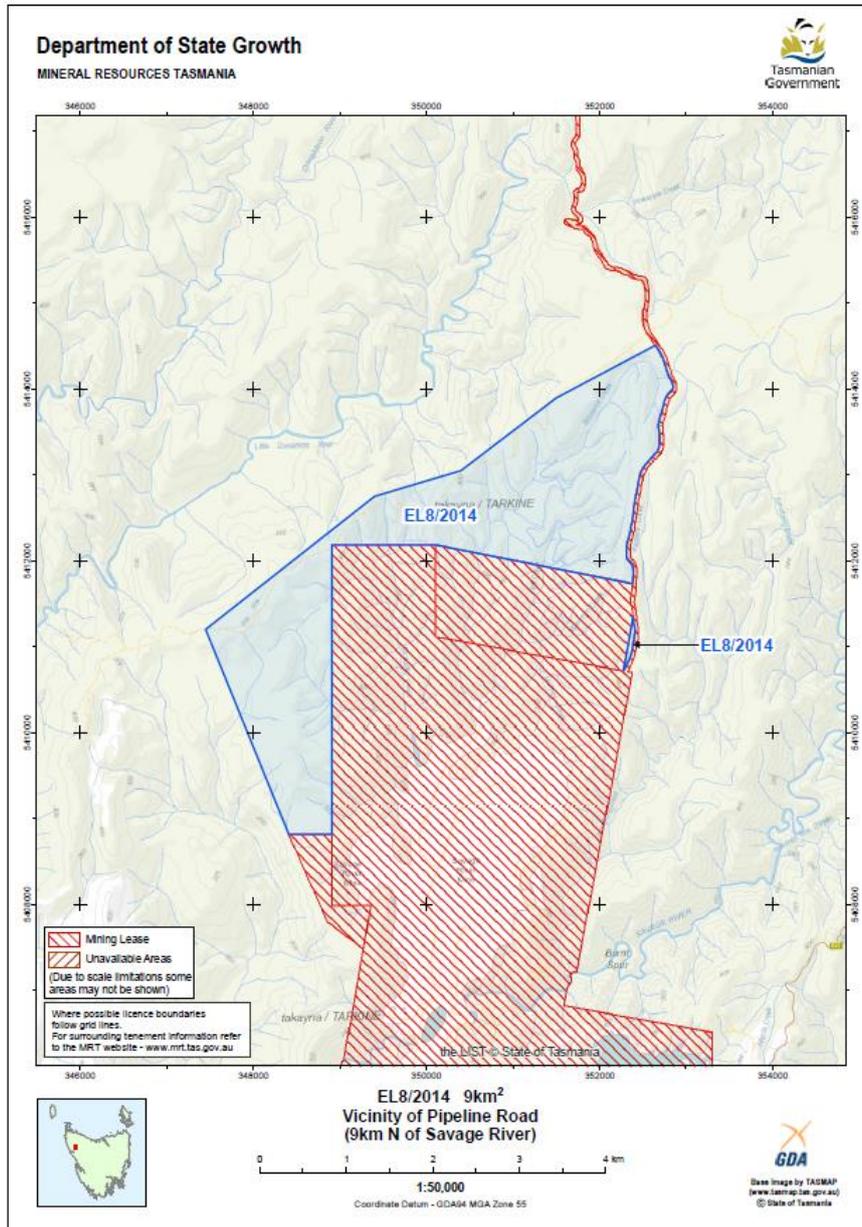


Figure 4 Original EL8-2014 and new ML 4M-2019 overlain

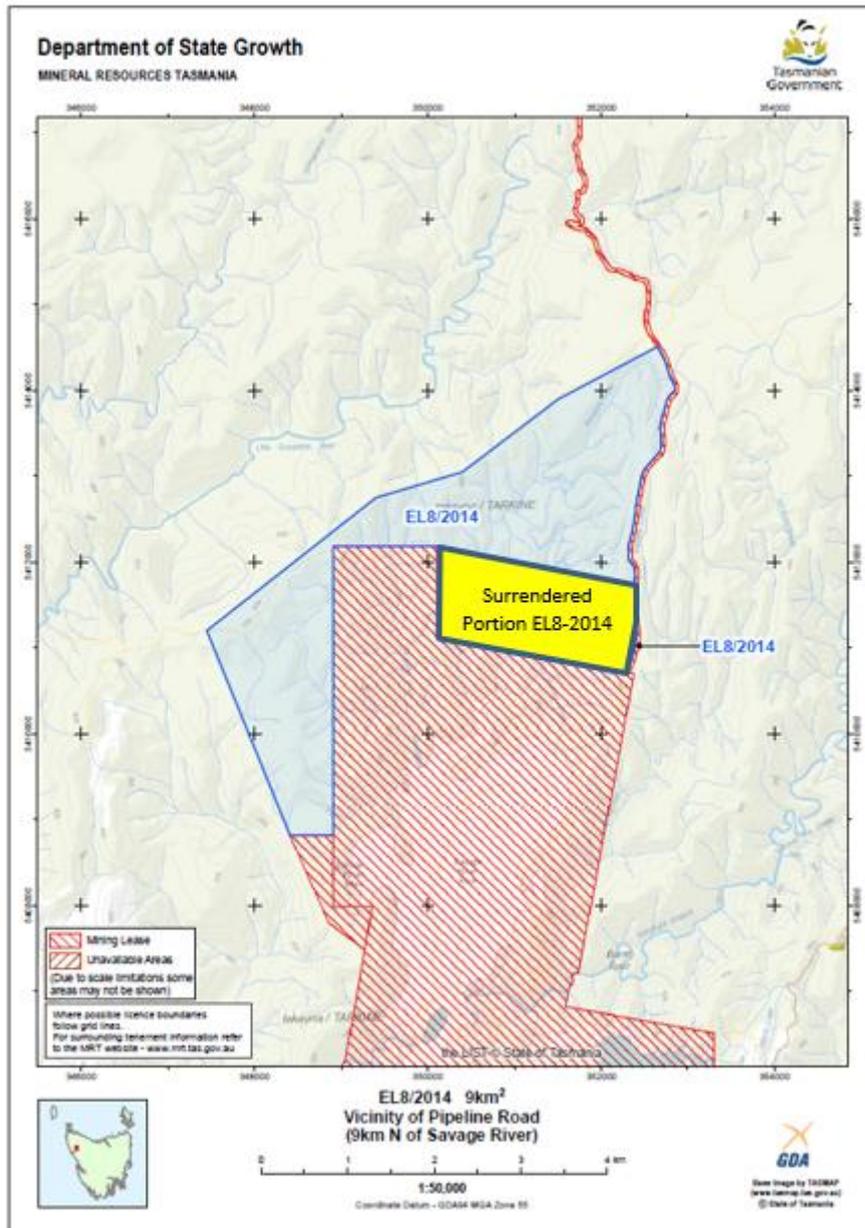


Figure 5 Surrendered Portion EL-2014

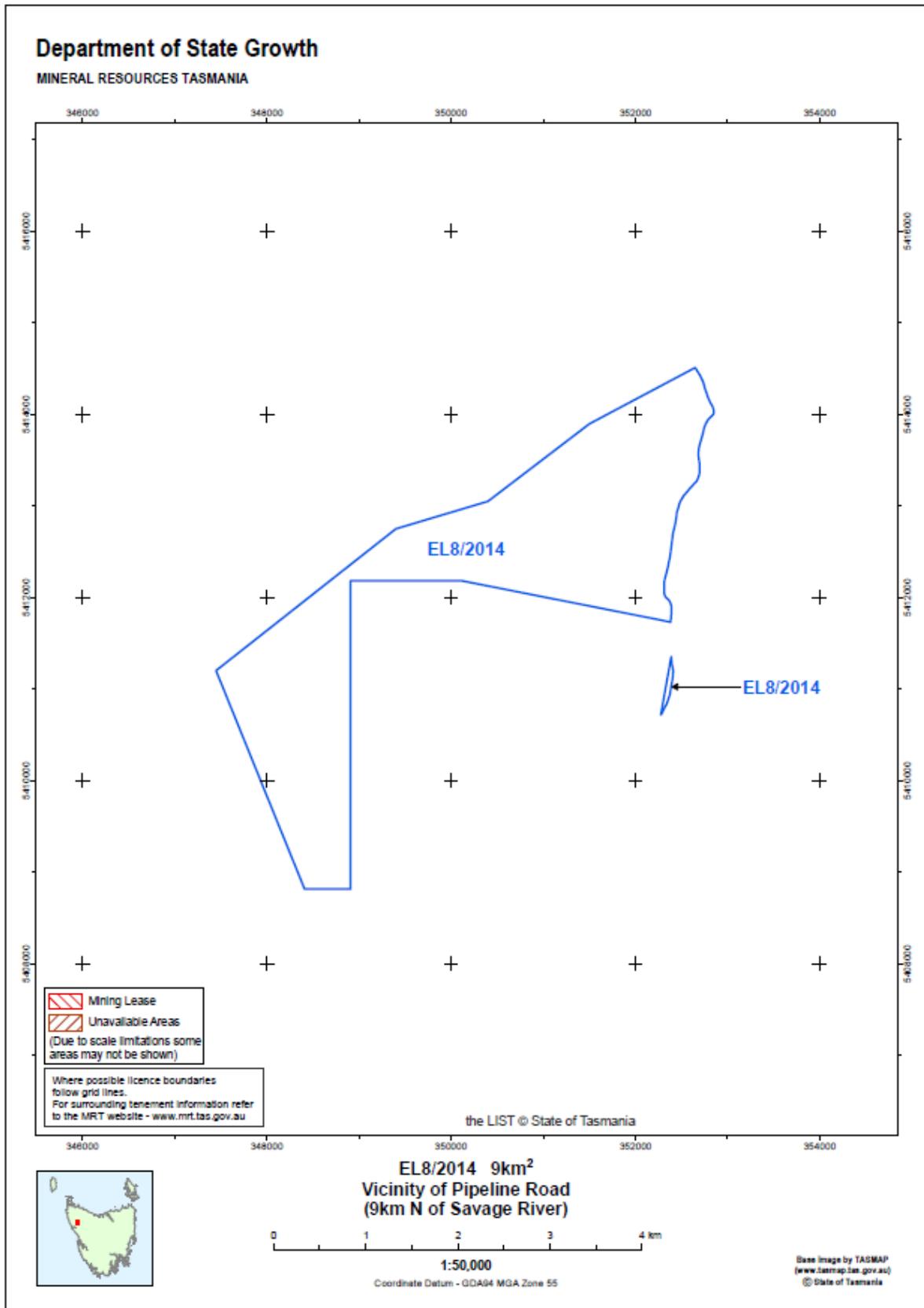


Figure 6 Retained portion EL8-2014

**Geology**

The project area covers that portion of the Arthur Metamorphic Complex (“AMC”) immediately to the north of the Savage River iron deposit. The complex is also known as the Arthur Lineament. It is an elongate zone that has been subject to multiphase metamorphism, tectonism, alteration, and veining. The central portion of the complex strikes north-northeast along the centre of the project area. Alteration was especially intense to the south of the tenement at Savage River, where iron deposits formed within the zone as the result of skarn replacement.

The original rock units within the complex were of Neoproterozoic age and have been interpreted to include basaltic volcanoclastics and/or lithic arenites, dolerite, and dolomite. Low grade regionally metamorphosed Neoproterozoic clastic, sediments, basalts, and dolomite are present, and strike parallel to the complex, both to its west and east. Cambrian mafic and ultramafic rocks are to the southeast of the project area and have been prospected and mined for platinum group elements and base metals.).

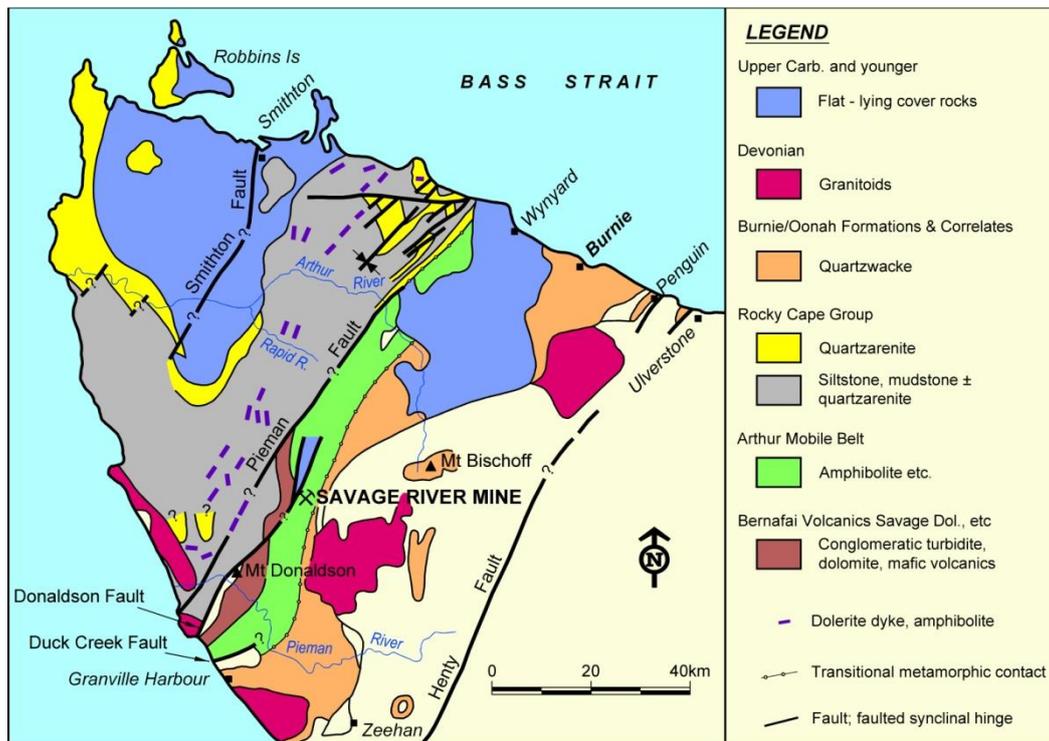


Figure 7 Geology

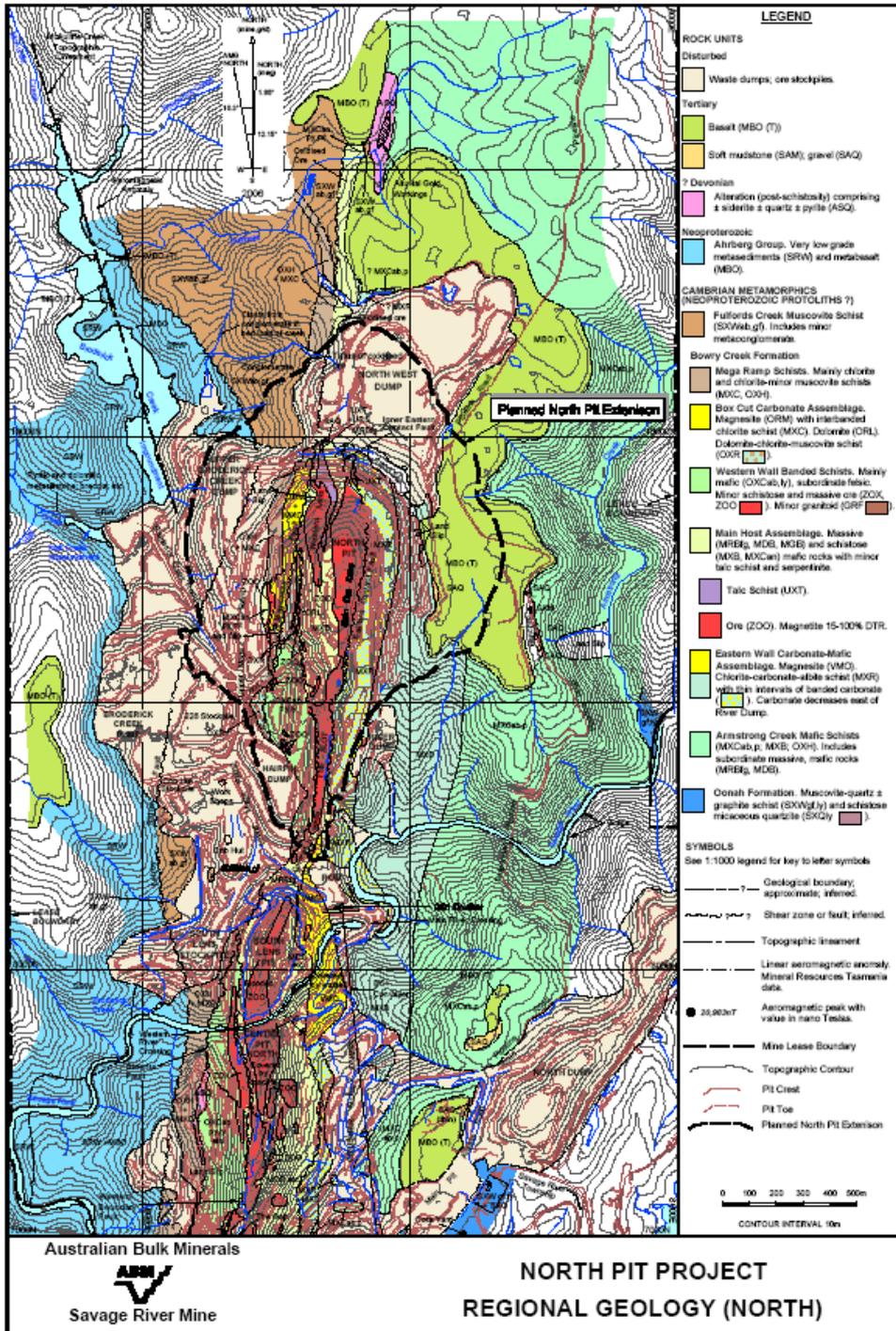


Figure 8 Local Mine Scale Geology

## **Review of previous work**

### **Prior to Current Tenement- Literature search summary 2015**

Specimen Reef Field was discovered by Thomas Greenway and Joseph Thunder in late 1882 and was visited by Government Geologist G. Thureau in 1884.

A thorough discussion of the field at that time is given in the following references;

- Thureau, 1884, pp3-4.
- Report of the Secretary of Mines for 1896-97, p.xlvii.

A century later, Industrial Mining and Investigations reported on the Specimen Reef Field as well as other local prospects then held under tenement EL4/61.

During the late 1960's to 1982 Industrial Mining and Investigations ( then Savage Resources) completed geological, geochemical and geophysical surveys Geochemical surveys including stream sediment surveys at Davis and Specimen Creeks in 1981-2 with discouraging results.

In 1982, 15 diamond drill holes were drilled over a 600m strike length at Specimen Reef.

Only one significant result was DDH SPC1, as a narrow but high grade gold intersection; 0.2m @ 910g/t Au.

Savage Resources attempted to deepen several holes in 1989 after discovering the reef dipped steeper than originally targeted, with limited success, such that only 3 holes penetrated the reef. Savage concluded in 1988 ( prior to deepening the holes) that most gold occurrences were like Specimen Reef; as narrow flat-lying carbonate-magnetite-gold zones with very little quartz. They further concluded that there was little scope for a bulk mineable gold target, existing as two narrow gold zones.

In 1997, GoldStream Mining NL / Titan Resources NL completed two diamond drill holes, intersecting 2m @ 0.56g/t Au in one hole and only 0.05g/t Au from the reef position in the second hole.

The aero-magnetic interpretation indicates that Specimen Reef is within a northeast trending structure which may extend for up to 2km in either direction.

No potentially economic magnetite was encountered in any of the holes drilled.

In June 2007 Regency Resources filed a final report on EL11/2005 and stated that ;"Within EL11/2005, magnetite having the resource potential as defined at Savage River is unlikely". The identified magnetite targets do not suggest a high probability for development to sustain a stand-alone operation, but smaller lenses may occur. Regency recommended geologically controlled airborne magnetic and gravity modelling focussing on a 2-3km stretch under the Comstock/Pineapple Creek area that has a prominent but low intensity magnetic signature. (This may be influenced by capping Tertiary basalts. )

This work was never done.

ref: EL11-2005 Specimen Reef 2010SavageRiverAnnual1; John Doppel 2009

1999 MRT ; An archaeological survey of the historic Specimen Reef Goldfield. Parry Kostoglou. Specimen Creek

Exploration Completed during the initial 5yr term of the EL on the current tenement comprised;

Work completed in 2014-15 consisted of:

- a) a LiDAR survey of the tenement area to aid in long term planning and exploration planning and
- b) a desktop geological study of previous work in the area.
- c) Two reconnaissance geology surveys were conducted in early March 2015.
- d) A prospectivity analysis ( 2014-15)

Details of this work may be found in the annual report for 2014-2015

The work completed in 2015-2016 consisted of a large botanical and flora/Fauna survey of the majority of the area of EL8-2014. Details of this work may be found in the 2016 annual report.

Expenditure on the license was \$65,903 at 2015 and at this level is sufficient to keep the license in good standing until the end of the 5yr term in June of 2019.

Since 2015 there has been no field work expended on the license as the objective was to convert a portion of this EL into a mine lease in the near future.

The retained portion of the license is 9 km<sup>2</sup> and is in an area where new government sponsored 1:25k scale geological mapping is nearly ready for publication.

Exploration Completed during the Reporting Period 2017-2019;

*No work was completed in 2017-2019 .*

#### Exploration Rationale

Grange's interest is focussed on the entire catchment of streams and drainage flowing southwards from the northern divide (Figure 2 Land tenure as at May 2016:) onto the northern extent of the existing Savage River mine lease 2M-2001. Planning for potential life of mine extensions indicate the possibility that water inundation ,north of planned waste rock dumps may need to expand beyond existing mine lease limits.

*Regional Exploration Activities; None*

**Expenditure 2019-2020:**

**Table 1 EL8-2014 Quarterly Expenditure Report-July2019-June 2020**

M:\Geology\Exploration Drilling\Exploration\Quarterly_Costs\2020\Q2-2020\[[MRT_costs_Jun20.xlsx]EL8-2014 Reporting 2019-20						
Exploration Quarterly Report		Actuals	Actuals	Actuals	Actuals	
4 Quarters Q3 2019 to Q2 2020		Q3 2019	Q4 2019	Q1 2020	Q2 2020	Total for reporting
		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	
1. Geoscientific Costs	Geology	\$ -	\$ -	\$ -	\$ 3,473	\$ 3,473
	Geochemistry	\$ -	\$ -	\$ -	\$ -	\$ -
	Geophysics	\$ -	\$ -	\$ -	\$ -	
	Remote Sensing	\$ -	\$ -	\$ -		
	Total	\$ -	\$ -	\$ -	\$ 3,473	\$ 3,473
2. Drilling & Gridding Costs	Gridding	\$ -	\$ -	\$ -	\$ 16,054.00	\$ 16,054
	Drilling Diamond m	0	0	0	0	0
	Reverse Circulation m	0	0	0	0	0
	Total	\$ -	\$ -	\$ -	\$ 16,054.00	\$ 16,054.00
3. Land Access Costs		\$ -	\$ -	\$ -		\$ -
4. Rehabilitation Costs		\$ -	\$ -	\$ -		\$ -
5. Feasibility Study Costs		\$ -	\$ -	\$ -	\$ -	\$ -
6. Other Costs		\$ -	\$ -	\$ -		\$ -
	Totals	\$ -	\$ -	\$ -	\$ 19,527	\$ 19,526.73
		\$ 65,903	\$ 65,903	\$ 65,903	\$ 65,903	
9. Cumulative Expenditure at time of last report						
Total expenditure to date		\$ 65,903	\$ 65,903	\$ 65,903	\$ 85,430	\$ -
Exploration Progress Report						
Q3 2019						
Q4 2019						
Q1 2020						
Q2 2020 4.2 km + 0.65m grid cut to facilitate geological mapping						
M:\Geology\Exploration Drilling\Exploration\Quarterly_Costs\2020\Q2-2020\[[MRT_costs_Jun20.xlsx]EL8-2014 Reporting 2019-20						

*3.3.1 Partial surrender report Partial surrender reports are to follow the content and format of final reports as specified in Section 3.3 - Final Report, (as above), with the addition of the following information. A summary map of the licence or lease area showing the area(s) to be surrendered and the area(s) to be retained. As an alternative to providing full details of all exploration within surrendered areas (as required in items 3 and 8 above), the licensee may opt for previously submitted annual reports to be made open file. This would also apply to reports on specific contracted surveys and regional surveys*

### Summary of exploration activities 2014-2019 (The full initial five year term):

The following is a summary of exploration activities completed at EL8/2014 at Pipeline Road during first five years of tenure (2015 to 2019).

Planned expenditure on the exploration licence was \$15,000 in each of the first two years, namely:

Yr 1 30/07/2014 to 29/07/2015

Reconnaissance mapping (\$10,000) , literature review and analysis of existing database ( \$5,000) totalling \$15,000 (2014-2015) and;

Yr 2 30/07/2015 to 29/07/2016

Follow-up field work to investigate areas of interest identified in Yr1 ( \$15,000) (2015-2016)

Actual expenditure in Yr 1 included \$10,000 on geologists for the literature review, reconnaissance visits and field surveying as well as \$32,660 for remote sensing consisting of the LiDAR survey. In year 2 ( 2015-2016) , a botanical survey and a flora and fauna survey were completed for \$19,910, bringing the total spent in the first two years of the license to \$62,570. ( vs planned \$30,000) Thus, the total spend in yrs 1 and 2 exceeds the proposed spend for the first two years by over \$32,000. (licence application document).

Yr 3: 30/07/2016 to 29/07/2017

No work was conducted in year 3 , 2017 due to personnel issues in geology and consequently the Manager of Geology had considerable time off work, resulting in this work in particular being postponed.

Yr 4: 30/07/2017 to 29/07/2018

No work was conducted in year 4 , 2018 as LiDar ,Heritage and geology expenditure in the first 2 years totalled \$65,903 and was sufficient to cover expenditure commitments to end of term on EL8-2014.

Yr 5: 30/07/2018 to 29/07/2019

No work was conducted in year 5 , 2019 as LiDar ,Heritage and geology expenditure in the first 2 years totalled \$65,903 and was sufficient to cover expenditure commitments to end of term on EL8-2014.

During this period all available resources were deployed on the mine lease to service a series of major drill campaigns that commenced in April of 2018 and drilling continued until March of 2019 with a peak of 7 drill rigs on site. As a consequence of this no work was conducted on EL8-2014.

Drilling Summary Q3 2018 to Q2 2019							
hole_id	Locality	# holes	hole_type	hole_purpose	Total_depth	start_drill_date	end_drill_date
CP Pre-Feas	Centre Pit	17	HQ3	CP Pre-Feas	3,534	15/05/2018	13/03/2019
NP-In-pit	North Pit	9	HQ3	NP Open-Cut	2,220	12/04/2018	8/01/2019
NPUG	North Pit	19	HQ3	NP Underground	18,181	25/07/2018	6/04/2019
WWM Series Sonic	North Pit	6	Sonic	Waste dump Hydrology	565	10/09/2018	8/11/2018
					24,500		

### Summary of exploration activities 2019-2020

(The first year of the first -two year extension of term ):

Yr 6: 30/07/2019 to 29/07/2020

During the period 4.2 km of new grid line was cut on (GDA 94) 5411500mN and an additional 650m access track up McAuliffe creek to access this grid line.

Summary of line 5411500mN field mapping.

“The primary objective of field work was to increase geological knowledge within EL08/2014, extending mapping north of MRT’s recently produced Savage River 1:25,000 scale geological map sheet (Cumming et al., 2019). Data generated aimed to duplicate MRT’s geological mapping codes, allowing potential incorporation in MRT’s next Donaldson map sheet.

Mapping aimed to provide a broad overview and was undertaken over three days in February 2020. Priority was investigating a 4.2km long E-W grid line (5411500mN) and a traverse up McAuliffe Creek, with economic geology considered via investigation of an aeromagnetic anomaly in the EL’s east. Whilst not being a key focus, some magnetite potential was established. Further exploration considering IOCG models is warranted near this anomaly and the proximal Specimen Reef Au Mine. Limited rock chip samples were collected for reference and/or select later analysis as required. MRT rock codes were loosely assigned to field location notes.” Robert Reid

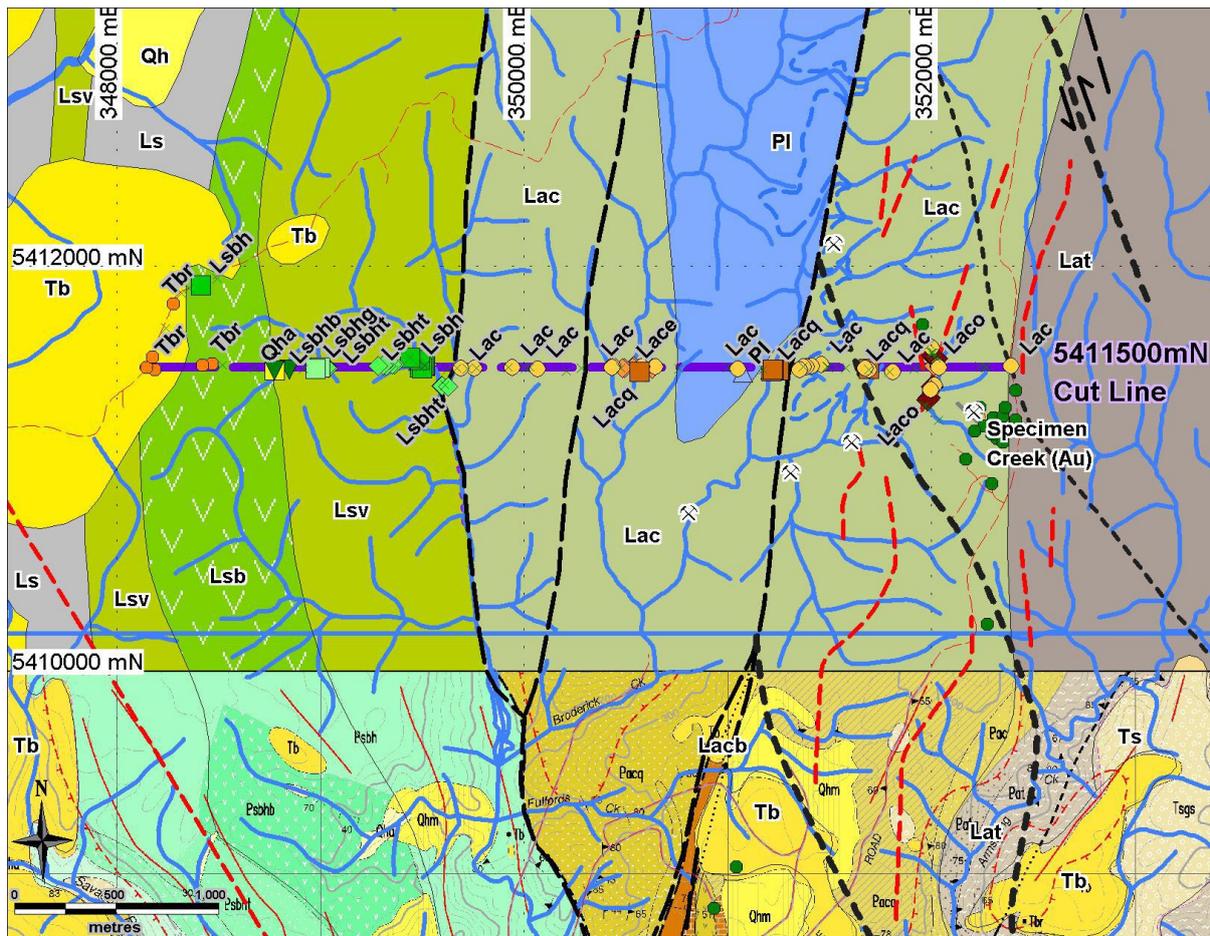


Figure 9 Summary Geological Map traverse 5411500mN

Field location geology codes matched to MRT’s 1:25,000 Savage geological map sheet (bottom), interpreted magnetic unit distribution (red dashed lines) and historic drill holes (green dots) over modified MRT 1:250,000 digital geology (2020). ( Fig 2 in report attached).

### **Work Plan for July 2020-July 2021 (Year 2 of the first extension of term of the license)**

Current spend of \$20,000 in the first year of the two year term satisfies the agreed spending commitment.

Planned activities ( no cost to Grange):

- Follow-up on the geological mapping recently completed in 2020.
- Several thin sections have been commissioned from the rock samples collected on the 2020 geological traverse. These are still being prepared at time of writing.
- Integrate these findings with the MRT's planned 1:25,000 scale geological mapping.
- Provide in-kind support for MRT work crews for the Donaldson mapping campaigns.
- Revise an exploration program for 2021-2 following that work.

Appendices:

#### **Appendix 1: EL082014\_202004\_01\_Report.pdf**

**Path=** M:\Geology\Exploration Drilling\Exploration\Annual Reports\Pipeline Road\2020

**Filename=** EL082014\_202004\_01\_Report.pdf

#### **Appendix 2: EL8-2014 Exploration Licence Annual Return.pdf**

**Path=** M:\Geology\Exploration Drilling\Exploration\Annual Reports\Pipeline Road\2020

**Filename=** EL8-2014 Exploration Licence Annual Return.pdf

#### **Appendix 3: 20200117\_MLA\_4M-2019\_Mine Lease Application-revised.pdf**

**Path=** M:\Geology\Exploration Drilling\Exploration\Tenements\Tenement Applications\EL8-2014\Mine Lease Application 4M\_2019\17Jan2020\_MLA\_4M2019

**Filename=** 20200117\_MLA\_4M-2019\_Mine Lease Application-revised.pdf

Department of State Growth

MINERAL RESOURCES TASMANIA

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Our Ref D20/135107/4: SJ 4M/2019



17<sup>th</sup> August 2020

Mr Ben Maynard  
Grange Resources (Tasmania) Pty Ltd  
34a Alexander Street  
BURNIE TAS 7320

Dear Mr Maynard

**GRANT AND ISSUE OF MINING LEASE ML 4M/2019 AT PIPELINE ROAD  
(9KM N OF SAVAGE RIVER)**

I am writing to inform you that Mining Lease ML 4M/2019 has been granted and a copy of the lease is enclosed. The lease is an important document and should be kept in a safe place. The term of the lease expires on 7 November 2031.

Useful information for lessees is available on the Mineral Resources Tasmania (MRT) website ([www.mrt.tas.gov.au](http://www.mrt.tas.gov.au)), including:

- *Advice to Lessees*
- *Reporting Guidelines*
- *Quarry Code of Practice*

Where rent applies to a mining lease the rate is \$24.51 per hectare per annum (1 July to 30 June), or a minimum of \$490.21 per annum for leases less than 20 hectares.

The rent applicable to this lease is \$5 759.85 per annum. A rental tax invoice will be issued from the time of approval to the 30<sup>th</sup> June 2021. *Note: if you have already paid rent, along with your application fee, the invoice will be adjusted accordingly.*

If you require further assistance, please contact Tenement Administration on 03 6477 7097 or email [info@mrt.tas.gov.au](mailto:info@mrt.tas.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read "K. Robinson".

Kevin Robinson  
**DIRECTOR OF MINES**

Encl.

Cc.

John T Langenberg, (Environment) [John.Langenberg@environment.tas.gov.au](mailto:John.Langenberg@environment.tas.gov.au)

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