



Exploration Licence EL8/2014 at Pipeline Road Annual Report

**30 July 2021
to
30 July 2022**

21 July 2022

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

Author: Roger A. Hill | Geology Manager
Grange Resources Tasmania
34a Alexander Street | Burnie | TAS | 7320
PO Box 659 | Burnie | TAS | 7320
Fax + 61 3 6432 3262 | Mobile +61 437 523 989
www.grangeresources.com.au Grange Resources Tasmania

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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 Nov 2020:) 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 2021) and the first year of the second extension of term (2021-22).

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, reduced to 9sq km on grant of ML 4M-2019

Status: Granted 8 August 2014

Term: The term of the licence expires 29 June 2023 (Second Extension of Term)

Reporting period: July30 -2021 to July 30 2022

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 8th August 2014, following an open tender process on Exploration Release Area 959 (ERA959). Part of EL8-2014 was converted to Mining Lease 4M-2019 , granted 17th August 2020. EL8/2014 now comprises an area of 9 km².

The licence encompasses the entirety of the Broderick Creek catchment and provides continuous leasehold connecting EL8/2014 and the Savage River Mine Lease 2M/2001 and Pipeline Road Mine Lease (4M-2019) as shown in figure 2 land tenure below.

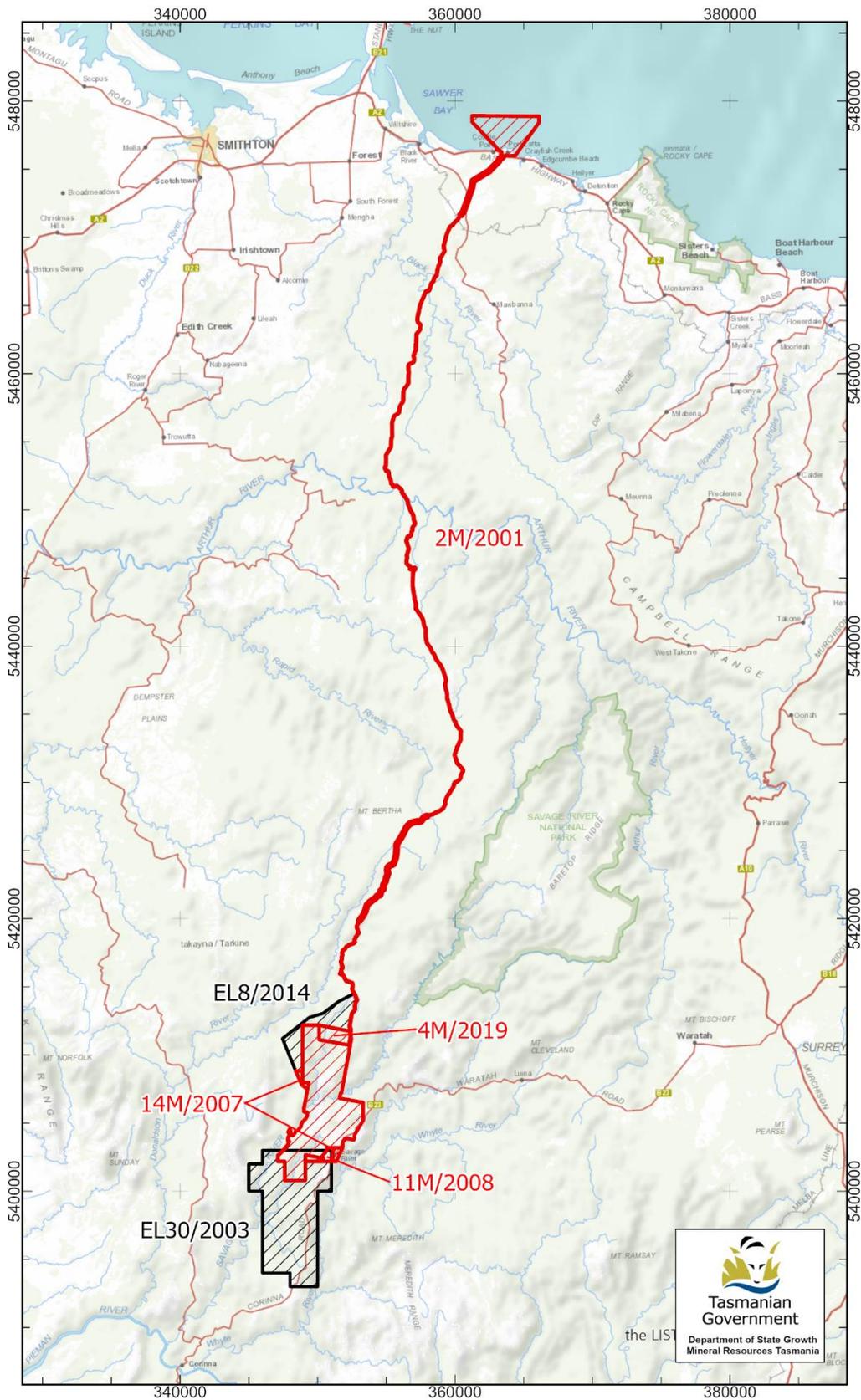


Figure 2 Land tenure as at November 2020

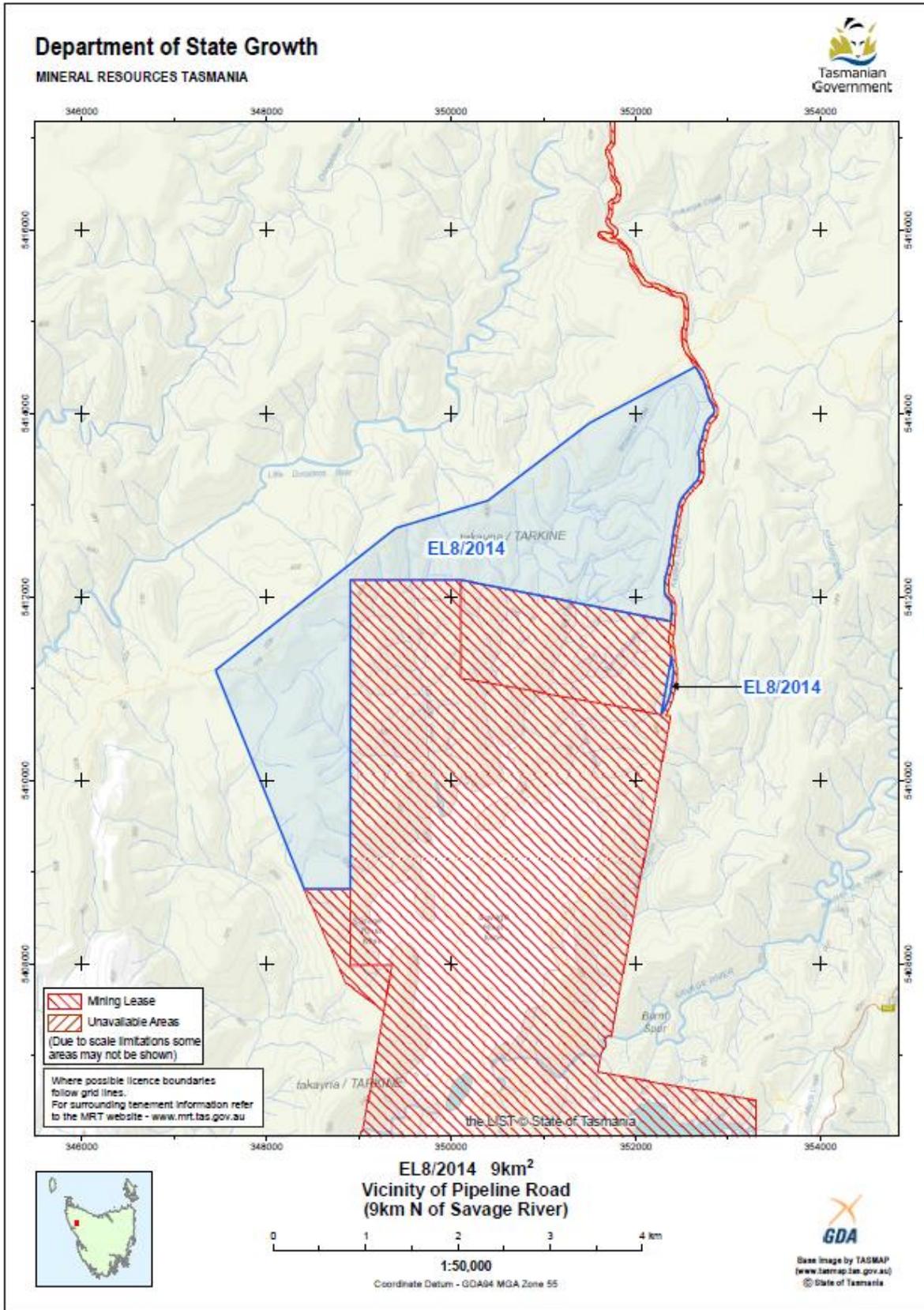


Figure 3 Land Tenure EL8-2014 (Nov 2020) following grant of 4M-2019 (17th Aug 2020.)

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.)

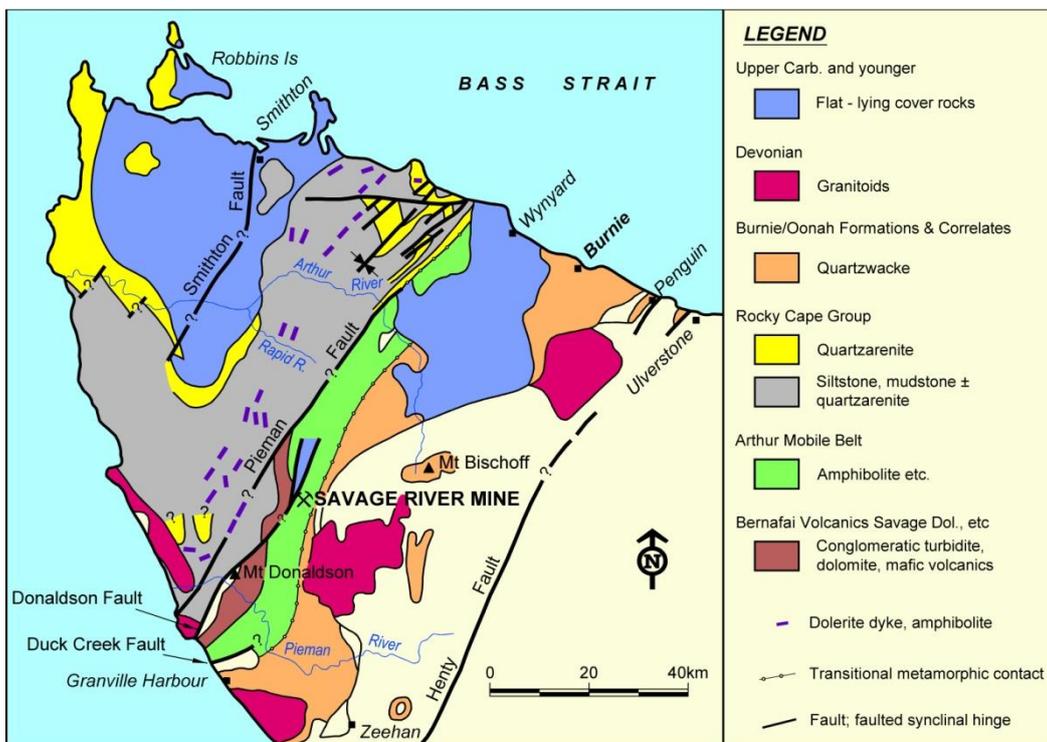


Figure 4 Geology

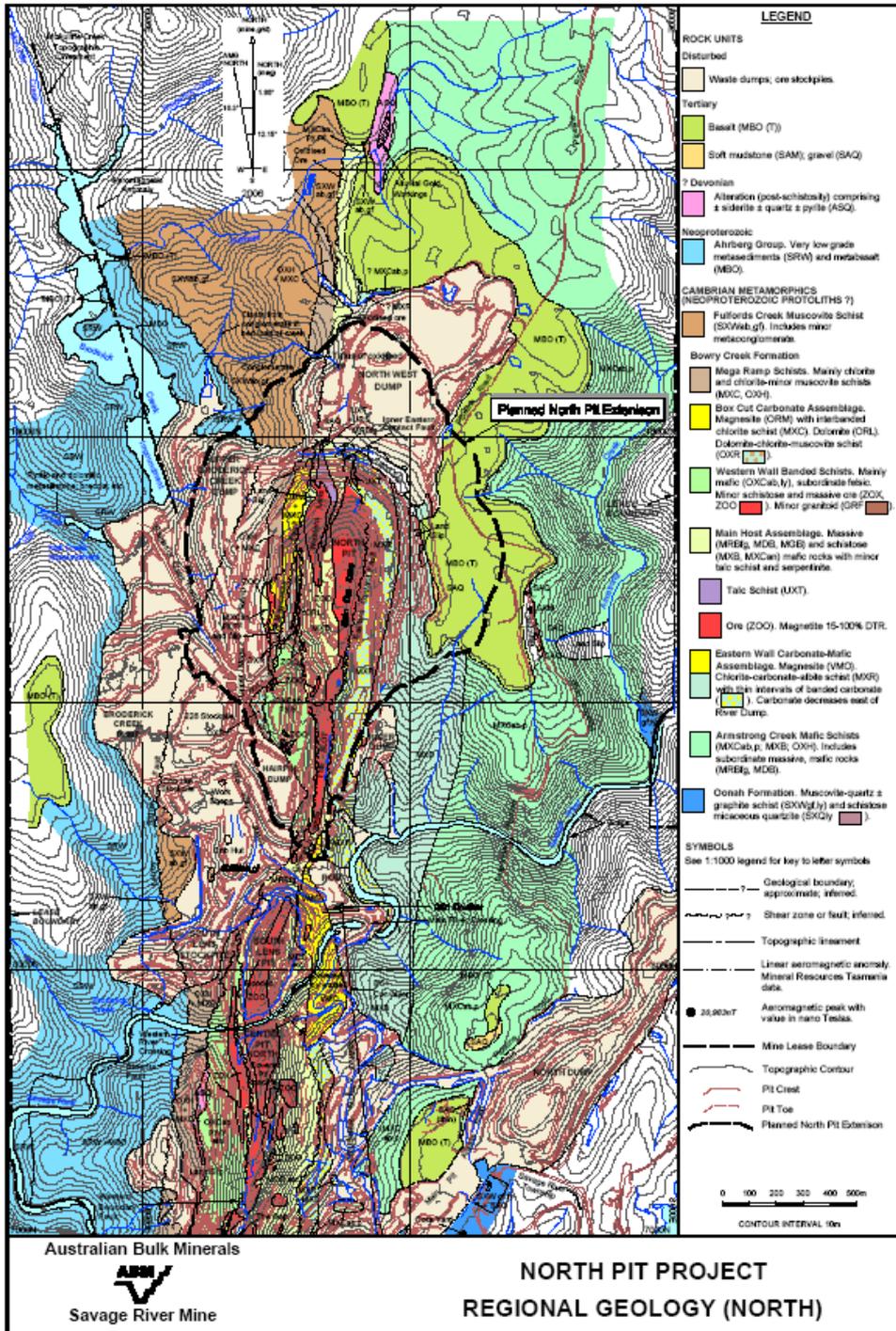


Figure 5 Local Mine Scale Geology

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 km² 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 .

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 | | |

MRT Petrology Pipeline Rd EL8-2014 Work completed to July 2021

Eight samples of rock, from the 5411500mN Cut Line, near Specimen Ck, on EL08/2014 north of Savage River, were analysed by thin section petrology, and some by XRD and XRF, to determine their nature and likely position in the stratigraphy of the Arthur Metamorphic Complex.

The samples were all prepared, examined by stereomicroscopy, carefully subsampled representatively for thin sections and tested by pXRF. In addition, some were analysed by XRD (X-ray diffraction) & NDIR (Non-dispersive Infra-red C & S analysis). Other than the thin sections, all samples were prepared and tested in the Mineral Resources Tasmania (MRT) laboratories, Rosny Park and Mornington, Tasmania. Samples were described with reference to our petrology studies on the Savage River deposits (Bottrill & Taheri, 2008 and Bottrill et al., in prep).

Ref: LJV2020-128-Grange-R3 attached

Expenditure 2021-2022:

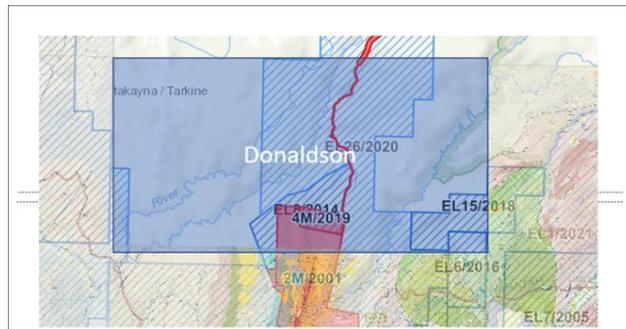
(The first year of the second -two year extension of term):

Agreed Workplan:

Background



- Exploration license EL8 -2014 is in Yr1 of a two-year extension of term expiring in 2023.
- \$25,000 of expenditure is required to keep the license in good standing.
- Agreed workplan for 2022 with Mineral Resources Tasmania is to re-establish walking access to the top ridge of EL8-2014 by track cutting along an old logging coupe road some 6.9km long.
- This access will allow government mapping crews to access the "Donaldson area."



Completed activities:

During July 2021, budgets were submitted for completing the agreed workplan on EL8-2014 which consisted of line cutting to allow access for government geologists to map a significant area of the Donaldson sheet to satisfy the terms of the extension of term Granted Sept of 2021.

The budget of \$25,000 was based on historical quotes from line cutting contractors.

In February 2022, planning, re-quoting and scheduling was completed and due to increased contractors rates from the most recent quote, the full length of the track (6.9km), was not able to be cut within the budgeted funds (\$25,000)

Workplan approval was granted on 20th April (Appendix 3) and final scheduling for work to be completed first week of July 2022.

Track cutting was completed in a 4 day period in the first week of July, which is why it appears in a Q3 report , despite the fact the report is written in the first two weeks of Q3 2022. The funds available were sufficient to cut 6.0km of the old road , which leaves a 0.8km stretch of the old road alignment without a cut gridline. (section B-D in Fig 7 below)

That said, the old road has been used as an egress track back in 2020 and is quite easy to follow, so Grange believes whilst not ideal, the old road alignment that remains uncut with a fresh walking track will still be adequate for the 1:25k scale mapping planned on the Donaldson sheet in 2023.

Current spend of \$25,000 in the second year of the second two year term satisfies the agreed spending commitment.

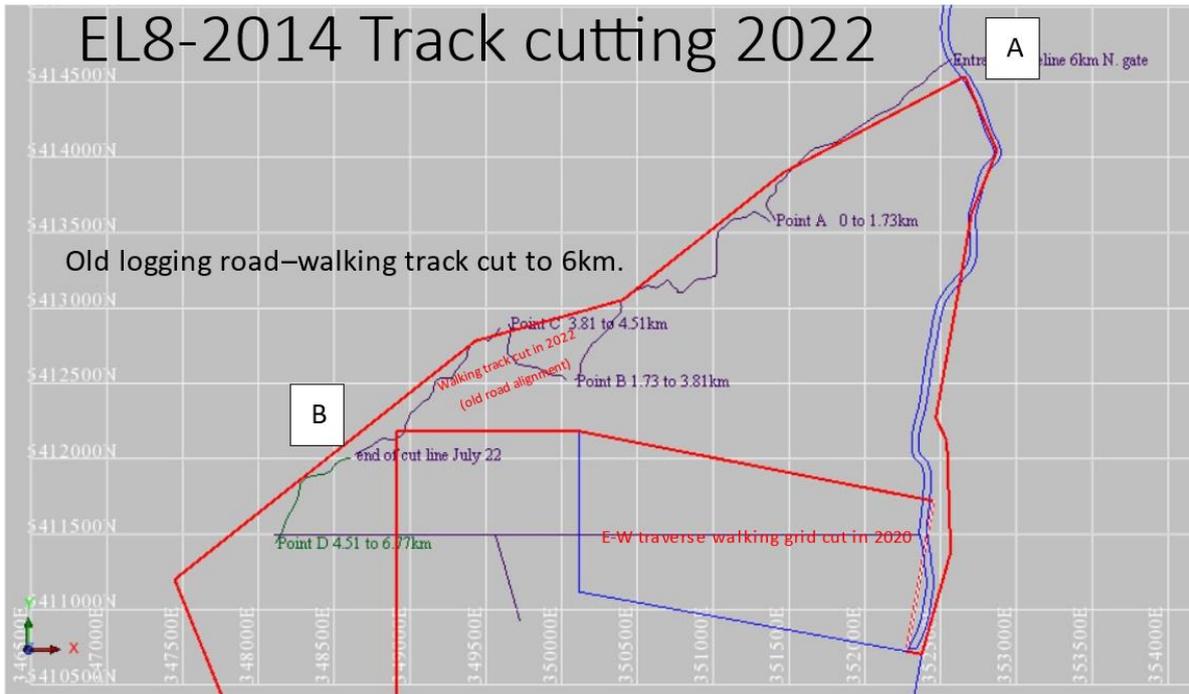


Figure 7 Map of cut grid/walking track (point A to B)

Table 1 EL8-2014 Quarterly Expenditure Report-July2021-June 2022

| M:\Geology\Exploration Drilling\Exploration\Quarterly_Costs\2022\Q3 2022\[\MRT_costs_Sept30_22.xlsx]EL8_2014 | | | | |
|--|--|-----------------------|----|-----------|
| Exploration Quarterly Report | EL8/2014 near Pipeline Road (Specimen Creek) | | | |
| 3rd Quarter 2022 | 3rd Quarter 2022 | | | |
| 1. Geoscientific Costs | Geology | | \$ | - |
| | Geochemistry | | \$ | - |
| | Geophysics | | \$ | - |
| | Remote Sensing | | | |
| | Total | | \$ | - |
| 2. Drilling & Gridding Costs | Gridding | 6.0 Km | \$ | 25,000.00 |
| | Drilling | Diamond m | \$ | - |
| | | Reverse Circulation m | \$ | - |
| | Total | (see note below) | \$ | 25,000.00 |
| 3. Land Access Costs | | | | |
| 4. Rehabilitation Costs | | | | |
| 5. Feasibility Study Costs | | | \$ | - |
| 6. Other Costs | | | | |
| | | Sub Total | \$ | 25,000 |
| 9. Cumulative Expenditure at time of last report | | Q2 2022 | \$ | 65,550 |
| | | | | Q2 2022 |
| Total expenditure to date | (sum of 8 and 9) | Q3 2022 | \$ | 90,550 |
| | | | | Q3 2022 |
| Exploration Progress Report | | | | |
| Q1 No work done in the quarter | | | | |
| Q2 No work done in the quarter | | | | |
| Q3 6.0km line cutting -broderick creek catchment road | | | | |
| M:\Geology\Exploration Drilling\Exploration\Quarterly_Costs\2022\Q3 2022\[\MRT_costs_Sept30_22.xlsx]EL8_2014 | | | | |

Work Plan for July 2022-July 2023 (Second year of Second extension of term of the license)

Current spend of \$25,000 in the second year of the second two year term satisfies the agreed spending commitment.

Planned activities

- Follow-up detailed geological and structural mapping complementing the reconnaissance geological mapping recently completed in 2020.
- Integrate these findings with the MRT's planned 1:25,000 scale geological mapping.
- Utilise the planned LiDar on the Donaldson mapping campaigns.

Appendices:

Appendix 1: Annual Report EL8_2014 Pipeline Road 30 July 2022.pdf

Path= M:\Geology\Exploration Drilling\Exploration\Annual Reports\Pipeline Road\2021

Filename= Annual Report EL8_2014 Pipeline Road 30 July 2022.pdf

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

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Filename= 20220714_Annual Mineral Exploration return_EL8-2014.pdf

Appendix 3: EL8-2014 Exploration Workplan Approval .pdf

Path= M:\Geology\Exploration Drilling\Exploration\Annual Reports\Pipeline Road\2022

Filename= wpa22_18approval.pdf

Appendix 4: EL8-2014 Funding Approval .pdf

Path= M:\Geology\AFE Forms\EL 8-2014 Workplan 2022 AFE0002358

Filename= AFE002358 EL8-2014 Pipeline Road -Walking track for Mapping

Rogers Exploration Services Pty. Ltd

ABN 95 156 625 400

Postal
C/-Yolla Post Office
Yolla Tas 7325

Contact
Phone-64381350
Mobile- 0418317808
Email- rogerexplorations@yahoo.com.au

TAX INVOICE Grange-001

Grange Resources
Savage River Mine
Savage River Tasmania
Att Roger Hill
Geology Manager

PID-001795 of \$25,000 for as per the approved AFE002358.

Track work completed on EL north of North pit

| | Subtotal | GST | Total |
|-----------------------|-----------|---------|--------------------|
| Inductions x 3 | 800.00 | 80.00 | 880.00 |
| 6klm @ \$4000 per klm | 24,000.00 | 2400.00 | 26,400.00 |
| Walking rate | 90.00 | 9.00 | 99.00 |
| | | | Total \$ 24,979.00 |

Total includes GST of \$ 2489.00

Bank Details
Westpac Burnie
BSB 037002
Account no 279542

Payment within 14 days or a 10 % late charge will apply!

| | Subtotal | GST | Total | Excl GST | Gst | Incl GST |
|-----------------------|-----------|---------|--------------|--------------|--------------|--------------|
| Inductions x 3 | 800.00 | 80.00 | 880.00 | \$ 800.00 | \$ 80.00 | \$ 880.00 |
| 6klm @ \$4000 per klm | 24,000.00 | 2400.00 | 26,400.00 | \$ 24,000.00 | \$ 2,400.00 | \$ 26,400.00 |
| Walking rate | 90.00 | 9.00 | 99.00 | \$ 90.00 | \$ 9.00 | \$ 99.00 |
| | | | \$ 24,890.00 | \$ 2,489.00 | \$ 27,379.00 | |

Figure 7 Ian Rogers Invoice for Track Cutting 04-08 July 2022



20th April 2022

Mr Roger Hill
Senior Geology Manager
Grange Resources(Tasmania) Pty Ltd
PO Box 659
BURNIE TAS 7320
AUS

**PROPOSED EXPLORATION PROGRAM
EXPLORATION LICENCE 8/2014**

Dear Mr Hill,

Thank you for your work program application received on the 17th February 2022. The program is approved conditional on you abiding by the requirements of the Mineral Exploration Code of Practice and the Site Specific Conditions outlined in this letter.

Work Program Summary

Cut a walking track along a historical 4wd access track west of the Pipeline road for approximately 7km through EL8/2014 to facilitate access for base camping for regional geological mapping / sampling and future ground gravity survey.

Reference Number: WPA22/18.

Land Tenure: Authority Land, Future Potential Production Forest, High Quality Wilderness, Regional Reserve.

Significant Conservation Issues

Myrtle Wilt

Locations: All locations

Issue: Routine sterilisation of equipment is required to manage the risk of Myrtle Wilt in rainforest dominated by *Nothofagus cunninghamii*. Sterilisation should be with a 90% methylated spirit spray or with alcohol wipes. Root damage can also cause myrtle wilt and should be avoided.

Phytophthora cinnamomi

Locations: All locations

Issue: Possibly symptomatic evidence of *Phytophthora cinnamomi* recorded along Pipeline Road. Adherence to strict hygiene protocols is required. Information about practical hygiene measures to implement can be found in Appendix 2 of the DPIPWE (2015). Weed and Disease Planning and Hygiene Guidelines - Preventing the spread of weeds and diseases in Tasmania which can be found at: <http://dPIPWE.tas.gov.au/invasive-species/weeds/weed-hygiene/weed-and-disease-planning-and-hygiene-guidelines>.

Figure 8 Workplan approval (20 April 2022)