



Report

Annual Exploration Activity Report

EL9/2023

14 September 2023 – 13 September 2024

AUTHORITY AND REPORT DETAILS	
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1. EXECUTIVE SUMMARY

This report describes the exploration activities carried out by FMG Resources Pty Ltd on EL9/2023 during the 2023/2024 reporting year. FMG Resources Pty Ltd is a subsidiary of Fortescue Ltd (“Fortescue”), an Australian minerals company based in Western Australia, which is currently exploring for critical minerals in Tasmania.

Exploration completed on EL9/2023 in its first year of grant included the commencement of historical exploration data compilation and analysis across the region, and a more general literature review. Rock chip sampling was completed across the areas of mapped granite for a total of 19 samples.

Results indicate the region is prospective for greisen-hosted lithium, but they have not identified any areas of potentially economic enrichment. Cover proved more widely developed than expected so the next phase of work will involve soil sampling of poorly outcropping granite areas.

2. SUMMARY ACTIVITY MAP

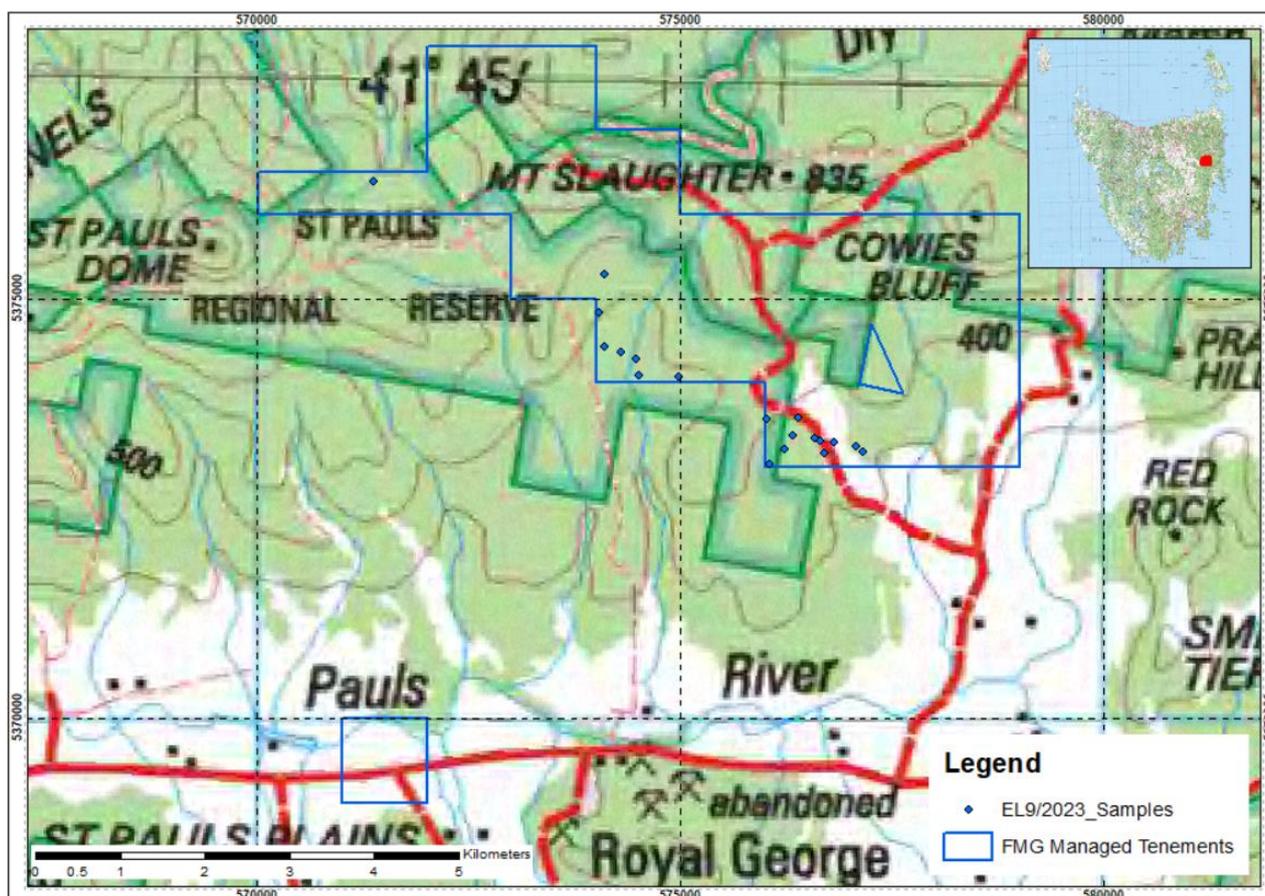


Figure 1: Summary activity map of EL9/2023.

3. INTRODUCTION

3.1 Exploration Rationale

Fortescue is exploring the license for large scale lithium bearing greisens similar to that seen at the Cinovec/Zinnwald deposit located across the border between the Czech Republic and Germany.

The Ben Lomond Batholith contains numerous fractionated intrusions associated with tin, tungsten, and topaz formation. These elements and minerals are commonly associated with lithium greisens. Within the batholith the S-type Royal George and Gipps Creek intrusions show extreme levels of fractionation, with highly elevated Li concentrations seen within greisens at the Guinea Pig and Roys Hill historical prospects. These occurrences demonstrate that the desired mineral system is operating at sufficient intensity to produce Li enrichment comparable to that at Cinovec, but the scale remains unproven.

At a broader scale, geochemical data made available by Geoscience Australia, CODES, and UTAS shows prospectivity in various vector elements across certain phases within the Gipps Creek and Royal George Granites.

3.2 Licence Details and Location

EL9/2023 is held and operated by FMG Resources Pty Ltd. EL9/2023 was granted on 14 September 2023 over an area of 21 km², for a term of five years, expiring 13 September 2028.

EL9/2023 is located approximately 70 km southeast of Launceston (Figure 1).

The licence lies on the Snow Hill and Ben Lomond 1:50,000 geological map sheets published by Mineral Resources Tasmania (MRT).

This is the first annual report for the Licence. Exploration in this area is contributing to a wider exploration campaign to diversify Fortescue's resources income base from iron ore bulk commodities.

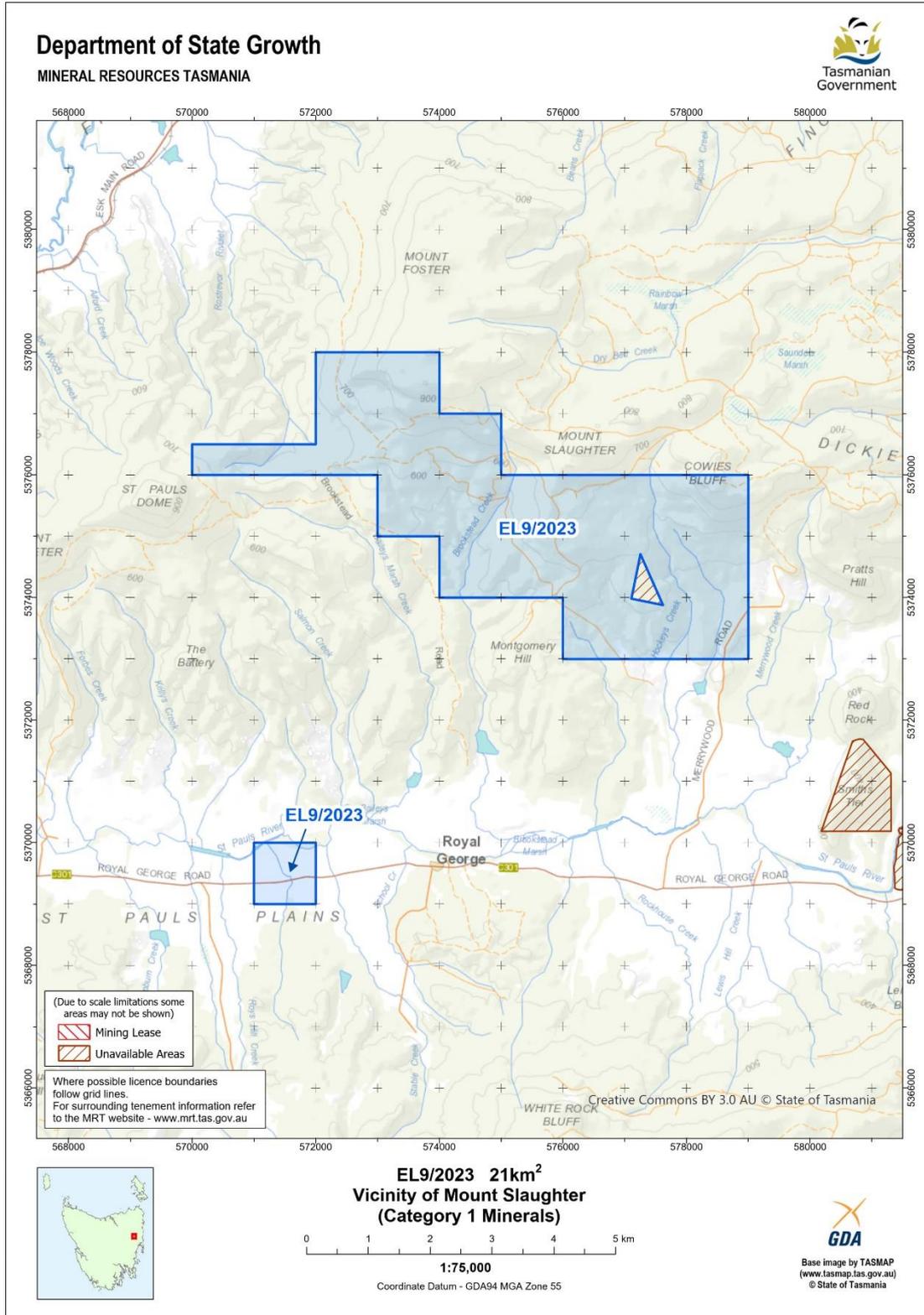


Figure 2: Location map of EL9/2023.

4. REVIEW OF PREVIOUS WORK

4.1 Previous Licences

Evaluation of previous works has primarily used digital data available on the MRT map viewer. Only a brief review of historical reports was conducted. The area has been explored for coal, gold, tin, tungsten, and uranium. However, none of the works located so far have analysed for elements particularly relevant to lithium exploration.

4.2 Previous Work on EL9/2023

This is the first year of the Licence, and therefore, no previous work has been completed on EL9/2023.

5. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

During the reporting period, the exploration activities undertaken by Fortescue on EL9/2023 comprised a rock chip sampling campaign and geological reconnaissance focussed on areas of the microgranitic phase of the Royal George Granite recoded in Geological Survey maps. In total, 19 rock chip samples were taken.

These were analysed by ALS using a combination of four acid digest and sodium peroxide fusion. On their own four acid digest produces incomplete results from resistate minerals, and sodium peroxide fusion has proved troublesome with regards to repeatability. Combining both techniques seems to give the best balance of complete mineral digestion and repeatability.

In addition, an historical desktop review and interpretation of government data was completed.

6. DISCUSSION OF RESULTS

Results were encouraging on a regional scale, but less so on the scale of the tenement. Low level anomalism is seen in most pathfinder elements and Li values typically around 200-300ppm, with two samples reaching 370ppm Li on the edge of outcrop. This adds significant weight to the hypothesis that the Royal George Granite is a fertile pluton.

Unfortunately, no obvious targets were identified. Fortescue is targeting large scale greisen development and with the current land package and sampling density it is hard to envisage where a deposit could be formed that doesn't require blind drilling through overlying Permian sediments. While 370ppm Li is geologically unusual for a granite it is still a long way from an economic grade. With these samples sitting on the edge of outcrop, drilling to follow up on them cannot be justified at this time with such low confidence levels.

Outcrop was found to be significantly worse than expected in the western half of the tenement. As such, the geochemistry collected is much less representative in this area. One of the 370ppm samples came from this area, so a soil sampling programme has been drawn up in order to get a more robust distribution of geochemical data in the next phase of work.

7. CONCLUSIONS

No clear targets were defined in the first phase of work, but that area is still considered prospective for Li enrichment due to widespread geochemical indications of fertility.

The next phase of work will be a soil sampling program over the areas where the granite outcrops poorly and the first phase of rock chips samples is not thought to be a sufficiently robust dataset.

8. FUTURE EXPLORATION

The next phase of work planned is a roughly 120-point soil sampling program at 100x200m spacing over the western half of the mapped granites. It is hoped this will build a more robust picture of the granite geochemistry compared to the small patchy outcrops encountered during reconnaissance.

9. ENVIRONMENTAL MANAGEMENT

There was no environmental disturbance carried out and as such no rehabilitation has been done. Access to sampling areas was on existing tracks using 4WD vehicles where possible, and on foot where no tracks were present.

Sampling was carried out using hand tools (geological hammer for rock chips).

10. EXPENDITURE

Activity:	Expenditure amount:
<i>Geology (field reconnaissance, historical data review)</i>	\$58,690
<i>Geochemistry (19 rock chip samples)</i>	\$1,761
<i>Land access (negotiating with landholders)</i>	\$1,089
<i>Administration (office and administrative incidentals)</i>	\$1,553
TOTAL:	\$63,093

Table 1: Expenditure table for the first reporting year.

11. APPENDICES

Surface geochemistry data – EL92023_202409_02_Geochemistry.zip