Rio Tinto Exploration Pty Ltd
ABN 76 000 057 125 / ACN 000 057 125
A member of the Rio Tinto Group

First Partial Relinquishment Report
For the Period 20 April 2012 to 2 October 2014
EL 23287 Blue Mud Bay 2 –
Northern Territory

RTX Report No. 29698

<table>
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<th>Report Title:</th>
<th>First Partial Relinquishment Report for the Period 20 April 2012 to 2 October 2014 EL 23287, Blue Mud Bay 2</th>
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<td>Tenement Number(s):</td>
<td>EL 23287</td>
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<td>Project:</td>
<td>Blue Mud Bay 2</td>
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<tr>
<td>Tenement Holder:</td>
<td>Rio Tinto Aluminium Limited</td>
</tr>
<tr>
<td>Tenement Operator:</td>
<td>Rio Tinto Exploration Pty Ltd</td>
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<tr>
<td>Commodity:</td>
<td>Bauxite</td>
</tr>
<tr>
<td>Author:</td>
<td>G. Hartshorn</td>
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<tr>
<td>Date of report:</td>
<td>2 October 2014</td>
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<td>Mapsheets:</td>
<td>Blue Mud Bay SD53-07  (1:250,000)</td>
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<td>Blane 6171 (1:100,000)</td>
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<td>29698</td>
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<td>RTX Perth Information Centre</td>
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<td>Rio Tinto Aluminium Limited</td>
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1 SUMMARY

This is the first partial relinquishment report for EL 23287 (Blue Mud Bay 2).

Exploration Licence EL 23287 (Blue Mud Bay 2) was granted on 20/04/2012 to Rio Tinto Aluminium Limited. This tenement was originally part of application ELA 1163 (Blue Mud Bay) and was split out as an application in its own right on 27/6/2001 following the granting of a reconnaissance exploration permit by the Northern Land Council (NLC) under instructions from the traditional landowners in October 1998.

EL 23287 was granted over an area of 107.1 km² (32 blocks) which is approximately 15% of the original application (ELA 1163). This relinquishment is for 13 blocks.

Rio Tinto Exploration Pty Limited (RTX) has an agreement with Rio Tinto Aluminium Ltd whereby RTX manages and explores the licence areas. The main target mineral is bauxite.

The tenement is located approximately 120 km southwest of Nhulunbuy in north-east Arnhem Land and is processed under the Aboriginal Land Rights Act 1975 (ALRA).

There was no ground work conducted within the relinquished blocks. The blocks are being relinquished due to the lack of prospectivity for bauxite and the requirement from the Mines department dated 23 June 2014.

Exploration completed has been restricted to reviewing the previous exploration, developing a work programme and conducting an on-country Work Programme Meeting convened by the NLC.

2 INTRODUCTION

Exploration Licence EL 23287 (Blue Mud Bay 2) was granted on 20/04/2012 to Rio Tinto Aluminium Limited. This tenement was originally part of application ELA 1163 (Blue Mud Bay) and was split out as an application in its own right on the 27/6/2001 following the granting of a reconnaissance exploration permit by the Northern Land Council (NLC) under instructions from the traditional landowners in October 1998.

EL 23287 was granted over an area of 107.1 km² (32 blocks) which represents approximately 15% of the original application (ELA 1163). This relinquishment of 13 blocks is effective on 2 October 2014.
3 TENURE STATUS

Exploration Licence EL 23287 (Blue Mud Bay 2) was granted on 20/04/2012 to Rio Tinto Aluminium Limited. It lies within Arnhem which is subject to the Aboriginal Land Rights Act 1975 (ALRA). Tenement details are listed in Table 1 below.

Table 1: Tenement Details

<table>
<thead>
<tr>
<th>Tenement No.</th>
<th>Tenement Name</th>
<th>Ownership</th>
<th>Grant Date</th>
<th>Area Granted</th>
<th>Area Relinquished</th>
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<tbody>
<tr>
<td>EL23287</td>
<td>Blue Mud Bay 2</td>
<td>Rio Tinto Aluminium Limited</td>
<td>20/04/2012</td>
<td>32</td>
<td>13</td>
</tr>
</tbody>
</table>

4 LOCATION AND ACCESS

EL 23287 is approximately 16km east of the community of Gan Gan and 120km southwest of Nhulunbuy in northeast Arnhem Land, Northern Territory. Access is via the Central Arnhem Highway. Permits from the NLC are required to access this area.
Figure 1 Location Map of granted licence area prior to Relinquishment
Figure 2 Location Map of the Relinquished blocks
5 GEOLOGY

The geology of the area consists mostly of recent alluvial sedimentary sequences in the low flat valleys and lateritic material on the higher areas (see attached geology map). Basement rocks which crop out to the west near Gan Gan are Proterozoic sediments (sandstones) of the Parsons Range Group. Laterite occurs in patches which is interpreted to be formed on Cretaceous formations that are potentially equivalent to those on which the Gove deposit is formed.

During the Tertiary period, the region underwent extensive lateritisation resulting in bauxite development such as that seen at Gove. While several occurrences of bauxite have been recorded in the east Arnhem area, further large economic deposits outside of the Gove mine site have not been discovered.

A review of the licence has resulted in the blocks identified to be relinquished as having no potential for bauxite.
6 GEOMORPHOLOGY

The area consists of a low flat surface (~45m RL) that grades into drainage channels leading to low-swamp areas (~0m RL) in the south-eastern corner of the tenement. The relinquished area are mostly low alluvium covered valleys.

7 GEOPHYSICS

The project area is covered by a regional scale aeromagnetic survey flown for the NTGS in 1990-92 (Rawlings et al., 1997). The radiometric data can be used to help distinguish the laterite-covered areas from those of both basement and Quaternary sand cover. This method however does not readily distinguish between bauxitic and non-bauxitic laterite.

Digital terrain data has been acquired and processed to assess areas for plateaus that may be prospective for bauxite. The relinquished blocks do not show any evidence of elevated radiometric signatures and this associated with the DTM suggests that any laterite has been eroded out.

8 PREVIOUS EXPLORATION

There have been two periods of exploration in this area. The first was part of the 1960’s BHP work which was focused on exploring for manganese and bauxite. The second period was by RTX under a reconnaissance permit from the NLC. No significant mineral occurrences have been located.

Table 2: Previous Exploration Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Tenement</th>
<th>Exploration Completed</th>
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<tr>
<td>1998</td>
<td>RTX</td>
<td>ELA 1163</td>
<td>Stream sampling and rock sampling</td>
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9 EXPLORATION ACTIVITIES DURING THE REPORTING PERIOD

No ground work was completed during the reporting period. A work programme was developed that focussed on testing the remnant laterite areas for potential bauxite. This work programme had not been undertaken prior to the relinquishment.
10 REFERENCES


Hartshorn, G., 2013 First Annual Report For the Period 19 April 2013 to 18 April 2014EL 23287 Blue Mud Bay 2 – SD5307 Arnhem Bay Northern Territory RTX Report No. 29469


LOCALITY

Blue Mud Bay SD5307 1:250 000