Harts Range Spinifex Bore Garnet Project

*Tenth Annual and Final Report for EL 30138*

14th May, 2014 to 21st February, 2017

Formerly part of
GR078/12

**TARGET COMMODITY: GARNET**

<table>
<thead>
<tr>
<th>Map Sheet</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcoota</td>
<td>1:250,000</td>
</tr>
<tr>
<td>Delny</td>
<td>1:100,000</td>
</tr>
</tbody>
</table>

**PROJECT OPERATOR:** *Australian Abrasive Minerals Pty Ltd*

Author: John Baxter

13th February, 2017
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EXECUTIVE SUMMARY/ABSTRACT

Australian Abrasive Minerals Pty Ltd has surrendered EL30138 being part of the Harts Range Garnet Project. The tenement was located along the valley of the Plenty River and originally covered approximately 79km² or 25 blocks. Australian Abrasive Minerals Pty Ltd (AAM) acquired the Harts Range Garnet Project from Matilda Zircon Ltd in 2009. AAM were granted EL30138 on 14th May, 2014 consisting of 25 blocks which was reduced to 13 blocks on 14th May 2016.

This report is the annual and surrender report for EL30138. The tenement has been explored in a reconnaissance manner for garnet without success. AAM have concluded that it has no further interest in this tenement as it does not contribute to the Harts Range Garnet Project to the west of this area.

Work Completed

The data acquired by Australian Abrasive Minerals covered by the surrender of EL30138 indicates that prior to 2014, other than a brief assessment of the uranium potential, no work has been undertaken.

Since 2014 AAM has undertaken a brief remote sensing review that was unsuccessful in identifying any garnet concentration.

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INTRODUCTION

The Harts Range Garnet Project has group reporting GR78/12 originally including EL24360, EL24378, EL28696 & EL30138. Since then EL24378 and EL30138 have been surrendered. EL30138 covers an area of 13 blocks or about 41 km². The project and tenements are located about 220km east of Alice Springs on the Plenty Highway (Figure 1). A garnet resource has been identified and is now covered by ML28614.

Australian Abrasive Minerals Pty Ltd (‘AAM’) acquired the tenement in 2014.

To date $37,860 has been spent on the tenement on exploration.

<table>
<thead>
<tr>
<th>Lease</th>
<th>Grant Date</th>
<th>Rent</th>
<th>Covenant</th>
<th>Current Area</th>
<th>Anniversary</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL30138</td>
<td>14/05/2014</td>
<td>$1127</td>
<td>$13,750</td>
<td>13 Blocks</td>
<td>13th May</td>
</tr>
</tbody>
</table>

Table 2 Historical Expenditure on the Spinifex Bore Garnet Project

<table>
<thead>
<tr>
<th>Tenement</th>
<th>2014 Expenditure</th>
<th>2015 Expenditure</th>
<th>2016 Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL30138</td>
<td>$6,500</td>
<td>$14,175</td>
<td>$17,175</td>
</tr>
</tbody>
</table>

In this reporting period 14th May, 2014 to 15th February, 2017 the main focus for Australian Abrasive Minerals Pty Ltd (AAM) has been acquiring and constructing the wet plant at Spinifex Bore and the dry plant at Woodforde.

Location

The Harts Range Garnet Project, located within the Northern Territory, is approximately 134km northeast of Alice Springs (Figure 1). The project is accessed via travelling north along the Stuart Highway for 68km then east along the Plenty Highway for a further 143km. The first 103km along the Plenty Highway is sealed after which the remainder of the access is unsealed; with loose gravels and corrugations regularly encountered. Ten (10) km further along the Plenty Highway a pastoral track heading northeast leads into the tenement area.

The Plenty Highway provides excellent access to the tenement. From the highway there are numerous tracks that are generally negotiable except after heavy rain. The tenement is north of the Plenty Highway.
Figure 1 Location Plan for Harts Range Garnet Project 2017
Figure 2 Tenements in the Harts Range Garnet Project showing access

Australian Abrasive Minerals Activities

Between 2014 and 2016 Australian Abrasive Minerals scoured available data using digital terrain models, Google Earth images and NTGS geophysics in an attempt to identify paleochannels that may contain garnet deposits, a potential water source or any other potential mineralisation. These observations were integrated into the regional uranium exploration data obtained previously on adjacent tenements.

No targets were generated.
GEOLOGICAL SETTING – EXPLORATION RATIONALE

Physiography

The Harts Range Garnet Project covers the floodplain of the Plenty River predominantly over the Kanandra Land System. It includes alluvial plains of Stones, Eblana, Ulgama, Watson and Brett Creeks.

The Kanandra System is characterized by sparsely timbered, red sandy plains on the north side of the Harts Range. The system can contain low dunes that particularly occur at the gradation to the Simpson land system which is characterized by large dunes.

The vegetation of the Kanandra system within the project area is dominated by scattered Ironwood trees (Acacia estrophiolata), tall shrubs of Witchetty Bush (Acacia kempeana), Cassia (Senna artemisioides subsp. filifolia), low shrubs such as Saltbushes (Rhagodia species) and grasses (Aristida species and Eragrostis species).

Geology and Mineralisation

Garnet bearing sands in paleochannels have been identified along the Plenty River floodplain from Aturga Creek to Entire Creek.

The stratigraphy of the region is now well known based on drilling and pitting, that has been conducted on the project over the past 10 years. It is summarized in Table 3.
### Table 3 Stratigraphy of Harts Range Spinifex Bore Project Area

<table>
<thead>
<tr>
<th>Range</th>
<th>Lithology</th>
<th>Cement</th>
</tr>
</thead>
<tbody>
<tr>
<td>10cm</td>
<td>Red fine-grained silty sand - windblown – dunes to east</td>
<td>Unconsolidated</td>
</tr>
<tr>
<td>1.5m</td>
<td>Brown-Orange fine to medium grained sand-floodplain</td>
<td>Partly consolidated with iron coating on grains</td>
</tr>
<tr>
<td>0</td>
<td>Calcretised grey-white sand and pebbles-paleochannel</td>
<td>Usually free flowing, but may be partly cemented by calcrete</td>
</tr>
<tr>
<td>1m</td>
<td>White-grey sand and cobbles - paleochannel</td>
<td>Often hard well-cemented</td>
</tr>
<tr>
<td>1m</td>
<td>Calcrete</td>
<td>Well-cemented</td>
</tr>
<tr>
<td>40m</td>
<td>Schist and clay with abundant biotite and chlorite OR Tertiary clay and sand</td>
<td>Lithified</td>
</tr>
</tbody>
</table>

### 2014-17 EXPLORATION

#### Exploration Index Map

No on ground exploration has been conducted on EL30138.

#### Access Considerations

The Harts Range Spinifex Bore Project is located on pastoral land of Mt Riddock Station and is the subject of required clearances with AAPA and the CLC.

The project area has a significant network of tracks established for pastoral and previous mining exploration and these provide good access for exploration.
Geological Studies

In order to assess the potential for garnet in paleochannels and abandoned channels of the Plenty River and Entire Creeks AAM scoured available data using digital terrain models, Google Earth images and NTGS geophysics in an attempt to identify paleochannels that may contain garnet deposits or any other potential mineralisation. These observations were integrated into the regional uranium exploration data obtained previously on adjacent tenements.

Extensive, Tertiary calcretes (chalcedonic limestone) are exposed as prominent outcrops to 20 m above plain level, in the headwaters of Plenty tributaries on and near to Australian Abrasive Minerals tenements. These occurrences attest to extensive Tertiary alluvial sediments in the area.

Mineralogy and Metallurgy

No Mineralogy or metallurgy was completed between 2014 and 2016

Geophysics and Remote Sensing

No remote sensing or geophysics was done between 2014 and 2016.

Surface Geochemistry

No soil or grab samples were taken between 2014 and 2016.

Drilling

No drilling was conducted on EL30318

Geotechnical Studies

No geotechnical studies were between 2006 and 2016

Resource estimation

No resource estimations were made between 2006 and 2016

CONCLUSIONS

No significant garnet or water source targets were identified.
Recommendations

No further exploration for channel uranium, water or garnet be undertaken.