

**Harts Range Jinka/Mt Riddoch Regions
Final Report
For
EL25098
Being part of
GR-078/09
8th March, 2014**



Site Preparation on Hole HR137, Harts Range

TARGET COMMODITY: GARNET

Map Sheet: Huckitta

1:250,000

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8th April, 2014

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EXECUTIVE SUMMARY/ABSTRACT

Australian Abrasive Minerals Pty Ltd propose to relinquish EL25098 being part of the Harts Range Spinifex Bore Garnet Project tenements. The tenement is located along the valley of the Plenty River and cover approximately 6 blocks. Australian Abrasive Minerals acquired the Harts Range Spinifex Bore Garnet Project from Matilda Zircon Ltd in 2009. The area covered by EL25098 is entirely within the area of ML28614 and as such it is hoped the information within this report will not be released to the public while the project is operating.

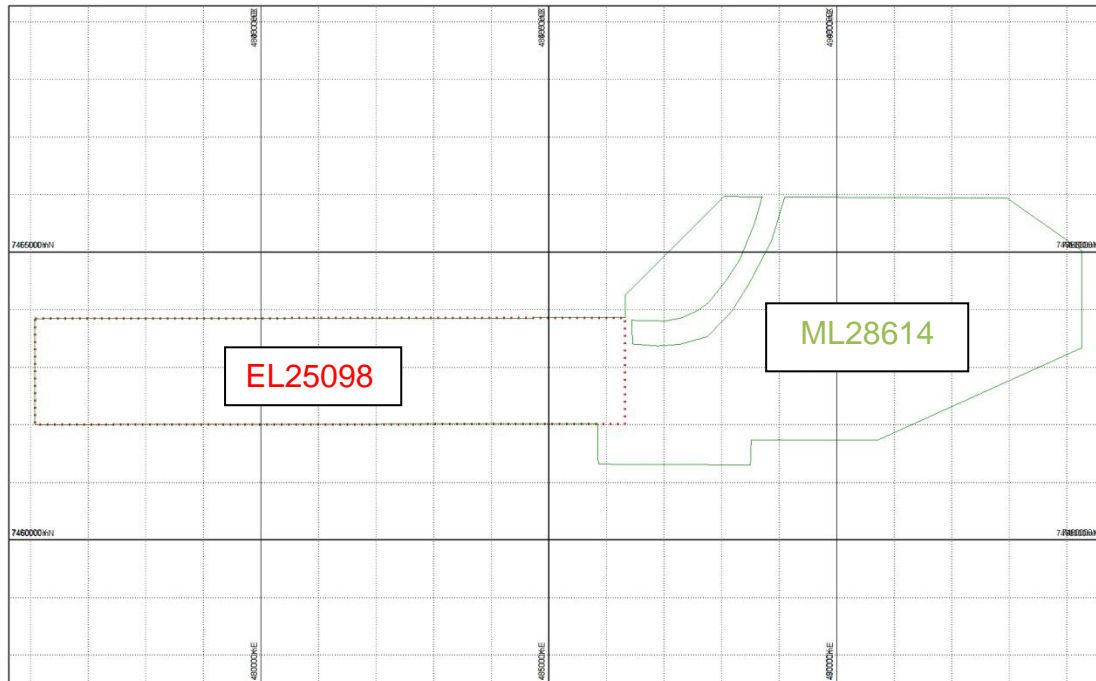


Figure 1 Location of EL25098 (Red dots) and ML 28614 (in green)

This report is the final report for EL25098. The area covered by the tenement has been explored in a detailed manner for garnet over 9 years and a deposit of abrasive garnet has been found and will be developed by Australian Abrasive Minerals in 2014-2015.

Work Completed

Australian Abrasive Minerals has records of 125 drill holes from EL25098. Some of those holes were drilled by Olympia Resources Ltd (later renamed Matilda Zircon Ltd) on EL9190 which was covered by EL25098 and is now included in ML28614.

INTRODUCTION

The Harts Range Spinifex Bore Garnet Project consists of a group of four tenements that have previously been grouped as GR078-09 for the purposes of reporting. The project and tenements are located about 220km east of Alice Springs on the Plenty Highway (Figure 2). The tenements are within the Mt Riddoch and Pastoral Leases. The tenements are listed in Table 1 and shown on Figure 3.

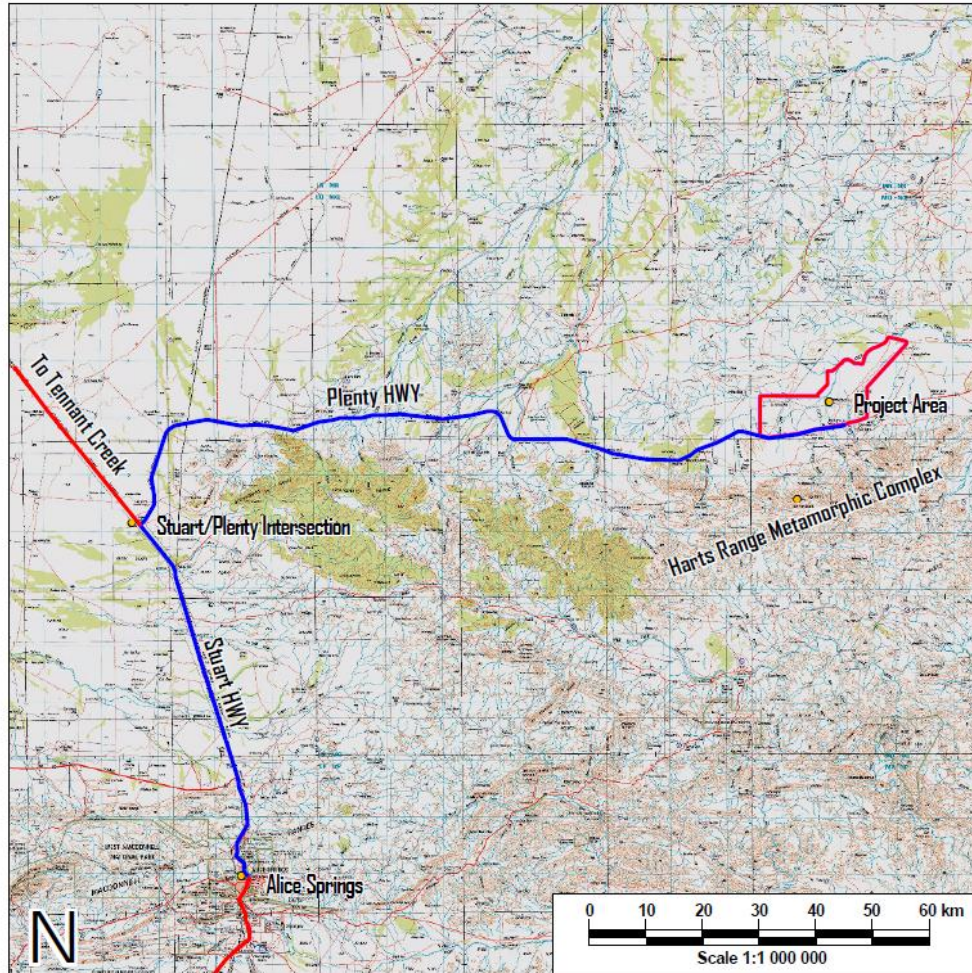


Figure 2 Location of the Harts Range Spinifex Bore Project

Australian Abrasive Minerals Pty Ltd ('AAM') acquired the Harts Range Spinifex Bore Garnet Project tenements from Matilda Zircon Ltd in 2009. Matilda had previously conducted exploration on EL25098.

Table 1 Australian Abrasive Minerals Tenements, 2014

Project	Prospects	Tenements	Rent 2013	Area (Blocks)	Area (km ²)	Commitment	Anniversary
Harts Range	Plenty River	EL25098	\$ 1,360	6	19	\$ 20,000	4 th October
	Spinifex	EL24360	\$11,425	61	190	\$ 101,500	14 th
	Bore						September
	Irrerlirre	EL24378	\$27,895	40	125	\$ 71,500	14 th
	Mt Riddoch	EL28696	\$ 1,257	15	47	\$16,000	September 11 th October

All tenements are granted. EL25098 has become redundant since granting of ML28614 which entirely covers EL25098 (Figure 1). Since the ground covered by EL25098 has been explored Australian Abrasive Minerals and the previous explorers \$126,251 has been spent on exploration activities.

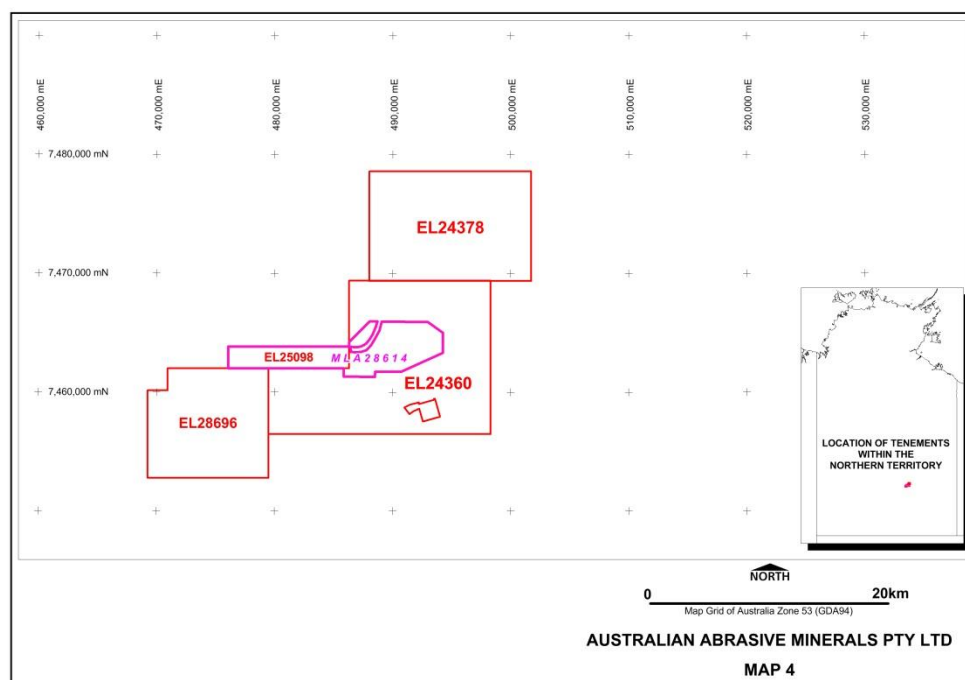


Figure 3 Location of Australian Abrasive Minerals Pty Ltd Tenements, 2013

Title History

The ground covered by EL25098 was originally EL9190. Originally both tenements were held by Olympia Resources Ltd (which changed its name to Matilda Zircon Ltd and later to MZI Ltd). Australian Abrasive Minerals acquired the tenement in 2009.

Targeted Commodities

The tenement was acquired to explore for almandine garnet. No other mineral was sought.

Exploration Rationale

Garnet bearing sands in paleochannels have been identified along the Plenty River valley at Aturga Creek and Entire Creek. In an endeavour to identify a garnet resource in the vicinity of the borefield identified around Spinifex Bore exploration of the floodplains of the Plenty River and Stones and Ulgarna Creeks was completed with a reconnaissance drilling programme by Matilda. Australian Abrasive Minerals continued this exploration with a major drill out of the area in 2010.

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.

Exploration Completed

All drilling undertaken by Australian Abrasive Minerals and the previous explorers is reported in the appendices attached to this report. There were 125 holes drilled by either aircore or hand auger (Figure 4). 444 samples were collected from this program and 424 were analysed for their heavy mineral content.



Figure 4 Exploration Index of drill holes on EL25098

The completed exploration has been included in a resource report by Coxrocks (2010) where Simon Coxhell concluded there were 14.9Mt of sand containing 762,400 t of garnet at a grade of 5.1% in Zone 1 covering EL25098. This result was reported to the Department in 2010. There has been no further resource estimations specifically on EL25098.

CONCLUSIONS/RECOMMENDATIONS

Conclusions

Exploration for garnet on EL25098 has been successful in identifying a resource that is suitable for development.

Recommendations

The Tenement be totally covered by ML28614 and feasibility studies be completed.

BIBLIOGRAPHY

Reports previous submitted to the Department that are relevant to the Exploration of EL25098.

Baxter, J.L., 2006. *Resource and Exploration Drilling Programme 2006. Aturga Minesite, Marshall River, Jinka & Spinifex Bore North*. Olympia Resources Ltd internal report OLY06/093.

Coxhell, S., 2010, Harts Range, Sopinifex Bore Garnet Project Resource Estimation Report for Australian Abrasive Minerals Pty Ltd. Unpublished report August, 2010

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Lennartz, R., 2007. *Aturga Minesite, Spinifex Bore and Exploratory Water Bore Drilling Report*. CM&ES Report OLY07/009.

Stewart, S. and Baxter, J.L., 2008, *Update of Resources at Aturga Abrasives Project, June, 2008* Olympia Resources Report OLY08/003

Stewart, S., 2008, Mineralogy Report 2008 Harts Range Garnet Project Northern Territory Olympia Report OLY08/033

Appendix 1 – Excel File of Exploration Data from EL25098