

**SERPENTINE RIDGE PROJECT  
TASMANIA  
EL5/2018**

ANNUAL REPORT  
31<sup>ST</sup> JANUARY 2020 TO 30<sup>TH</sup> JANUARY 2021

**Tenement Holder/Manager**  
Monclar Pty Ltd  
8 Amour Avenue Maroubra NSW 2035

**Prepared By:** Dr Pierre RICHARD - Director  
On behalf of Monclar Pty Ltd

**Distribution:** Mineral Resources Tasmania  
Monclar Pty Ltd

**Note:** All figures and grids are according to the GDA94 datum and MGA94 grid system.

## **ABSTRACT/EXECUTIVE SUMMARY**

The Serpentine Ridge Project (EL5/2018) is located in western Tasmania, 6km north-northwest (NNW) of Renison Bell. The exploration licence covers an area of 15km<sup>2</sup>.

The main focus of Monclar Pty Ltd (“Monclar” or “the Company”) at the Serpentine Ridge Project is lateritic nickel-cobalt. The project area contains known ironstone caprock and there is anomalous nickel (Ni) and cobalt (Co) reported in historical soil sampling results. Monclar aims to explore for Ni and Co at Serpentine Ridge with future production of products to be undertaken at an industrial site in Tasmania.

Work completed in the reporting year 2020-2021 included further field reconnaissance examining the development of the laterite profile in the regolith. Environmental work, including a field visit, was completed to support a program of works application.

A drilling program comprising 7 aircore drill holes is planned. Drilling was not undertaken due to disruption due to the COVID-19 pandemic and concerns over staff safety due to ongoing protests in the area.

Work planned for the coming year will include drilling the planned 7 aircore holes that were not completed during this year.

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Digital files submitted with this report:

Filename	File format
EL052018_202101_01_Report.doc	<i>doc</i>

# 1 INTRODUCTION

The Serpentine Ridge Project (EL5/2018) is located in western Tasmania, 6km north-northwest (NNW) of Renison Bell. The exploration licence covers an area of 15km<sup>2</sup> (see figure 1). The Serpentine Ridge tenement can be accessed via the Pieman Road, through the Riley DSO iron ore mine ML, and adjacent 4WD tracks.

The exploration licence covers an area of 15km<sup>2</sup> and was granted on 31<sup>st</sup> January 2019 for a period of five years. It is owned 100% by Monclar Pty Ltd and is not subject to any current agreements with other companies. The exploration target is lateritic nickel-cobalt mineralisation.

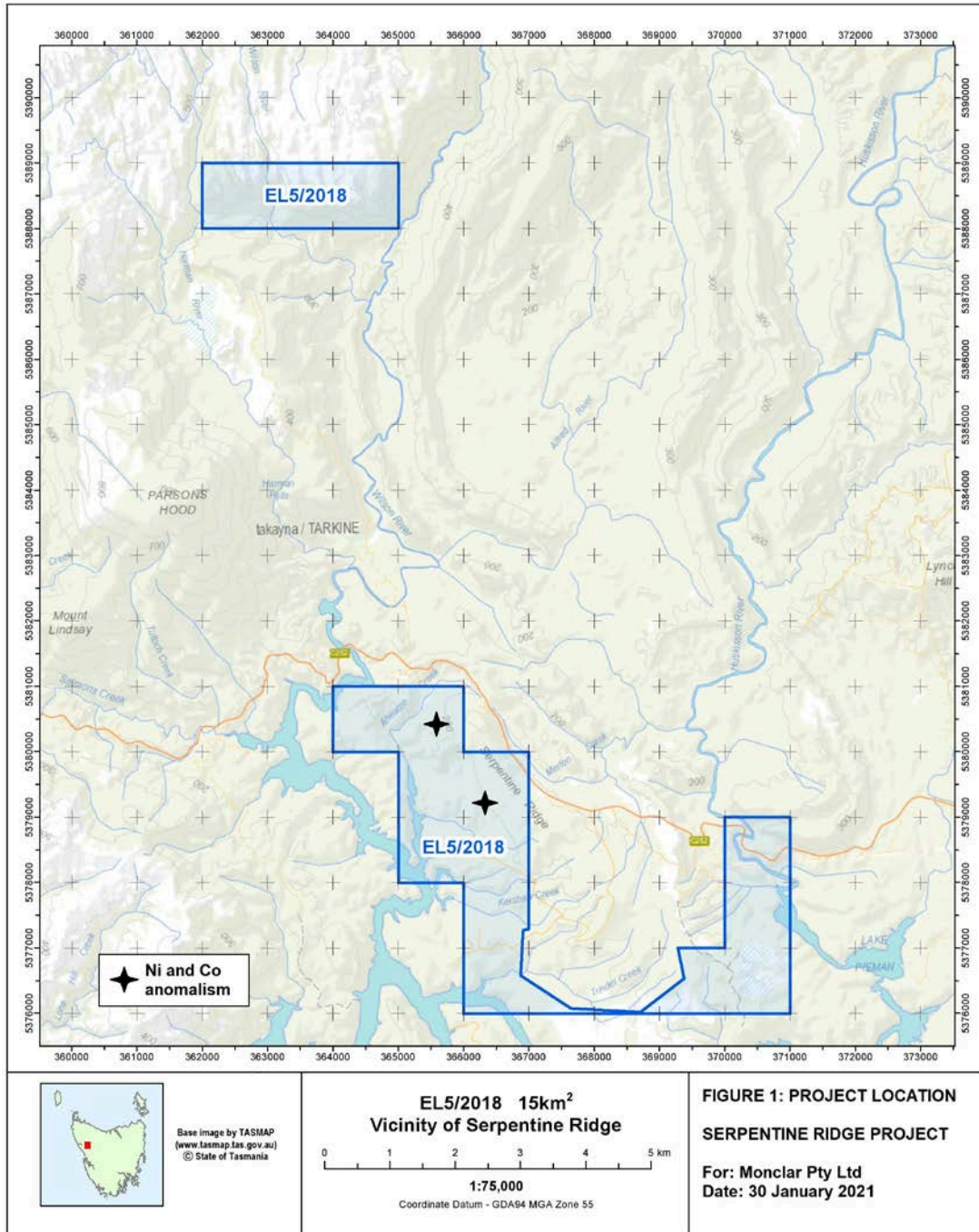


FIGURE 1 SUMMARY ACTIVITY MAP FOR SERPENTINE RIDGE

The land tenure plan shows EL5/2018 is covered by Crown land. The Crown Land is variously classified as Future Potential Production Forest (FPPF), Regional Reserve, and the waterways and Pieman Road are owned by Hydro Tasmania.

Exploration completed during the reporting period has included field assessment confirming laterite soil development of the location elected for a program of air core drilling to test anomalous Ni and Co results returned in previous soils.

## 2 REVIEW OF PREVIOUS WORK AND GEOLOGICAL SETTING

A detailed review of past exploration is reported in the Serpentine Ridge Project (EL5/2018) Annual Report 31st January 2019 to 30th January 2020. Here a shorter summary is presented.

Historical exploration at Serpentine Ridge suggests the potential to host lateritic nickel mineralisation. In particular, the soil sample lines of Adamus Resources Limited on EL18/2002 suggest attractive prospectivity in the tenement area. However, these are only surface samples, and do not provide information on the potential thickness of any weathered nickel mineralisation that may occur at the site. For this, the only relevant information is from earlier exploration in the 1960s. Shallow drilling data generated at that time suggests that a nickel laterite deposit of a possibly economic grade may be hosted on the tenement.

The area of EL5/2018 was formerly part of Serpentine Ridge EL45/2010 held by Venture Minerals Ltd, the owners of the adjacent Mount Lindsay Tin Project. Adamus Resources Ltd previously held the area under EL18/2002. Nickel anomalism is indicated from soils results reported first by Brabham (2006) for Adamus Resources Limited. The Access Database "ADU\_TASsoils" (2007) for EL18/2002 held by MRT contains the Adamus soils data. Adamus did three sets of soils on the Serpentine Ridge area, those at "Wilson" and "Huskisson" (2007) and the earlier "Serpentine Ridge" lines (2005). The lines that cover the Serpentine Ridge license are "Wilson" lines 8 to 17. The peak Ni is in sample 135639 and reached 6173ppm Ni and 589.9ppm Co. Moreover, of the 442 samples in original Serpentine Ridge soils and Wilson lines 8-17, 158 samples returned over 0.3% Ni. The map below in Figure 2 presents the Ni and Co results for the relevant Adamus lines. This shows anomalous (>300ppm Ni) and mineralisation level (>3,000ppm Ni) nickel.

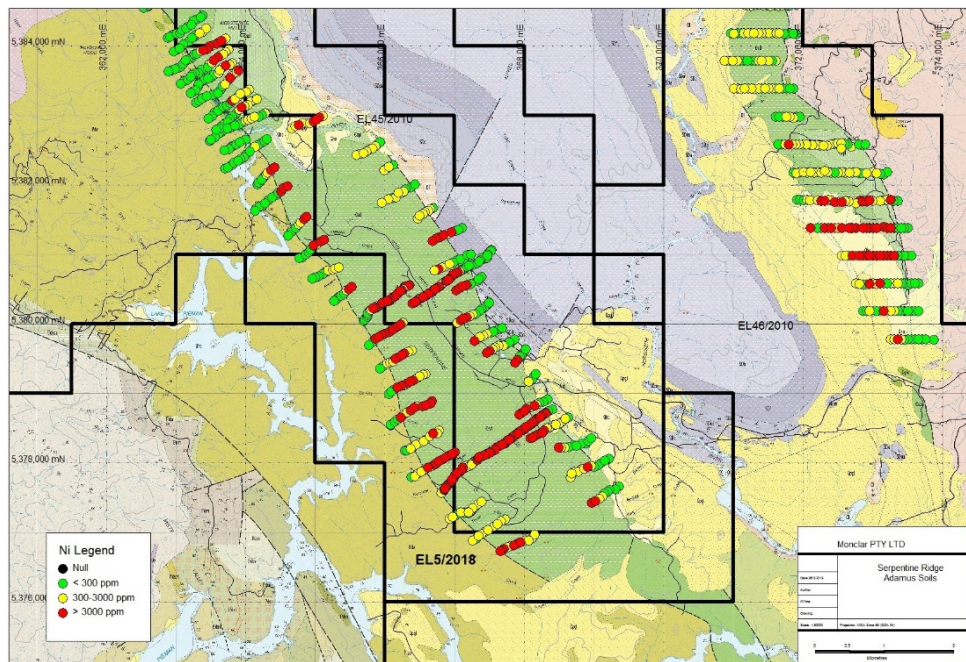
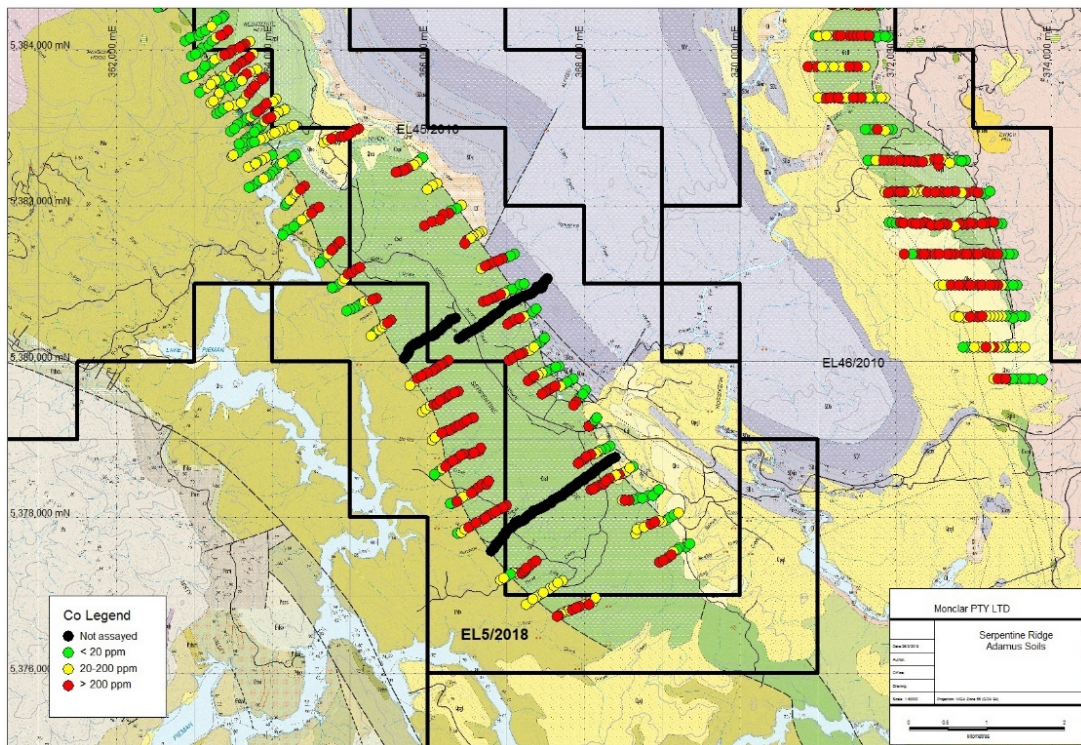


FIGURE 2 NI REPORTED IN ADAMUS SOILS ON EL18/2002 (2007)

Similar results are presented for cobalt in Figure 3 below. This shows anomalous (>20ppm Co) and mineralisation level (>200ppm Co) cobalt.



**FIGURE 3 CO REPORTED IN ADAMUS SOILS ON EL18/2002 (2007)**

Jessup and Chenhall (1968) summarise initial exploration undertaken for Aberfoyle Tin on EL2/63. However, some coordinates and maps are not available in the scanned report, making it difficult to accurately locate the sample locations. Nevertheless, results up to 4400ppm Ni and 3300ppm Co were reported in shallow soil samples.

Jordan (1969) on page 004 presents samples collected in shallow pits. These results are promising in that they show Ni and Co mineralisation continuing to depths of up to 12' (3.048m) at values up to 1% Ni, with similar results reported at 8' (2.44m). Auger drilling results reported in Jordan's (1969) report are similar in character and follow on page 005 of that report. Peak nickel results reached 2% Ni and cobalt up to 1.5% Co.

### **3 EXPLORATION COMPLETED DURING THE REPORTING PERIOD**

In the 12 months to 30<sup>th</sup> January 2021, work has included planning an Air Core drill sampling program of 7 vertical holes (shown in figure 4 below). This was a reduced set, from 14 earlier holes. Several holes were abandoned due to field assessment of each hole showing in some cases insufficient laterite development.

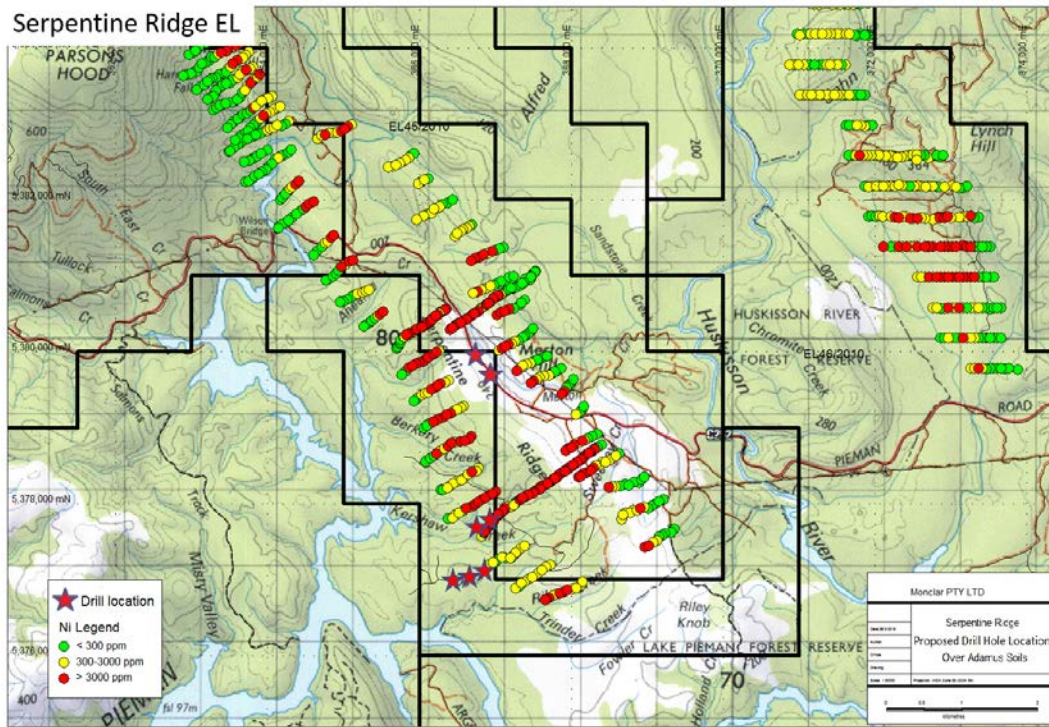


FIGURE 4. REVISED DRILL LOCALITY MAP FOR SERPENTINE RIDGE

#### 4 DISCUSSION OF RESULTS

The proposed air core drilling locations are a narrowed set of 7 selected from 14 initial chosen by a desktop study that identified promising Ni-Co indications from the Adamus soils data. Field investigation showed that most of these sites have little or no laterite cover and are thus unsuitable for drilling. Any nickel mineralisation present is not sufficiently thick to carry the potential to be economically extractable. Moreover, tracks that indicate access to the eastern part of the tenement are re-habilitated or inaccessible. Examples of rejected and accept sites are shown in figures 5 and 6 reproduced from the previous Annual Report.



Comments:  
Unsuitable location. Rocky with thin or no laterite cover

FIGURE 5. EXAMPLE OF UNSUITABLE DRILL SITE WITH EXPOSED BEDROCK



Comments:  
Potential site, limonite in road cut

FIGURE 6. EXAMPLE OF POTENTIAL DRILL SITE WITH LATERITE DEVELOPMENT

Given the weak results, a small scoping and market study assessment of the project was undertaken. This modelling suggested that given the grades and potential extent of mineralisation, only a Direct Shipping Ore (DSO) operation could be considered. This would ship ore from the Port of Burnie to clients that were identified in coastal China, Korea and Japan. The

grades were determined to be unlikely to provide access to the Korean and Japanese markets. Accordingly, economics were assessed against benchmark pricing used for Philippine ore delivered to China. This suggested that a small scale operation could be viable and supported continuing the project.

## 5 CONCLUSIONS

The development of potentially mineralised laterite at Serpentine Ridge has been disappointing. Despite highly anomalous grades of Ni and Co in historical soils, it seems that the regolith is thinly developed and may be sub-economic despite attractive grades.

A narrowed plan of revised drill hole location has now been prepared. Confirmation of grade will allow a further assessment of the potential economics of Ni and Co identified.

## 6 PROPOSED EXPLORATION

The activities proposed to be undertaken at the Serpentine Ridge Project on EL5/2018 in the coming term include:

- Revised program of drilling of 7 aircore holes into reasonably developed laterite.

## 7 ENVIRONMENTAL MANAGEMENT

The 2020-2021 work was low impact, being field and environmental assessment along existing roads and tracks. No earthworks were conducted, and no threatened species were impacted as a result.

Based on assessment, the planned 2021 drilling program will be conducted using existing tracks and roadside access along the Pieman Road. Aircore holes will be plugged below surface using 'octo plugs' and then covered following surveying of collar locations.

## 8 EXPENDITURE

Expenditure from 31<sup>st</sup> January 2020 to 30<sup>th</sup> January 2021 is summarised below for the Serpentine Ridge EL5/2018 licence.

**TABLE 4 EXPENDITURE 31 JANUARY 2020 TO 30 JANUARY 2021.**

1. Geoscience	\$7,691.66
2. Drilling and Gridding	
3. Land Access	\$3,309.33
4. Rehabilitation	
5. Feasibility Studies	\$3,218.33
6. Other	
7. Administration	\$14,219.32
<b>TOTAL - ELIGIBLE</b>	<b>\$15,641.25</b>



## **9 KEY REFERENCES**

**Brabham, G (2006)** 2006 Annual Exploration Report Exploration Licence 18/2002 Serpentine Ridge NW Tasmania. Adamus Resources Limited.

**Jessup, A and Chenhall, B (1968)** Interim Report on the Camp 30 Merton Area, Tasmania. February 1968. MRT document 68-500.

**Jessup, A (1969)** Review of the Summer Exploration Programme Undertaken in EL2/63. West Coast, Tasmania 1968-1969. MRT document 69-601.

**Jordan, M (1969)** Camp 30 Report. Aberfoyle Tin, Mt Lindsay Area report 1. MRT document 69-0598