

EXPLORATION LICENCE 50/2008

Mt. Selina Project, Tasmania

ANNUAL PROGRESS REPORT

for the period between 17 March 2010 and 16 March 2011



Yunnan Tin Australia TDK Resources Pty Ltd

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Signed: 

Date: April 2011

Distribution: Yunnan Tin Australia TDK Resources Pty Ltd
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Mineral Resources Tasmania

*Co-ordinate system used in maps and diagrams within this report is MGA55 (GDA94),
unless otherwise specified.*

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Abstract

Exploration completed during the reporting period consisted of:

- Two EH4 survey lines were completed over Lady Dora Copper Mine area in southern half of the tenement, with a combined length of 1,350 meters.
- Work planning for Year Three

EH4 ground geophysical survey over Lady Dora area has not identified significant targets. Future work will be focused over Mt. Selina area in northern part of the tenement.

All exploration activities are being conducted in an environmentally sensitive manner.

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(Digital files)

Appendix 1	EL502008_201104_02_Appendix 1_EH4 Survey Station Coordinates.xls
Appendix 2	EL502008_201104_03_Appendix 2_EH4 Resistivity data-Line 1-1'.txt
Appendix 3	EL502008_201104_04_Appendix 3_EH4 Resistivity data-Line 2-2''.txt

1. Introduction

1.1 Tenement Location and Access

EL50/2008, Mt. Selina, is located between Rosebery and Queenstown, on the western coast of Tasmania (Figure 1).

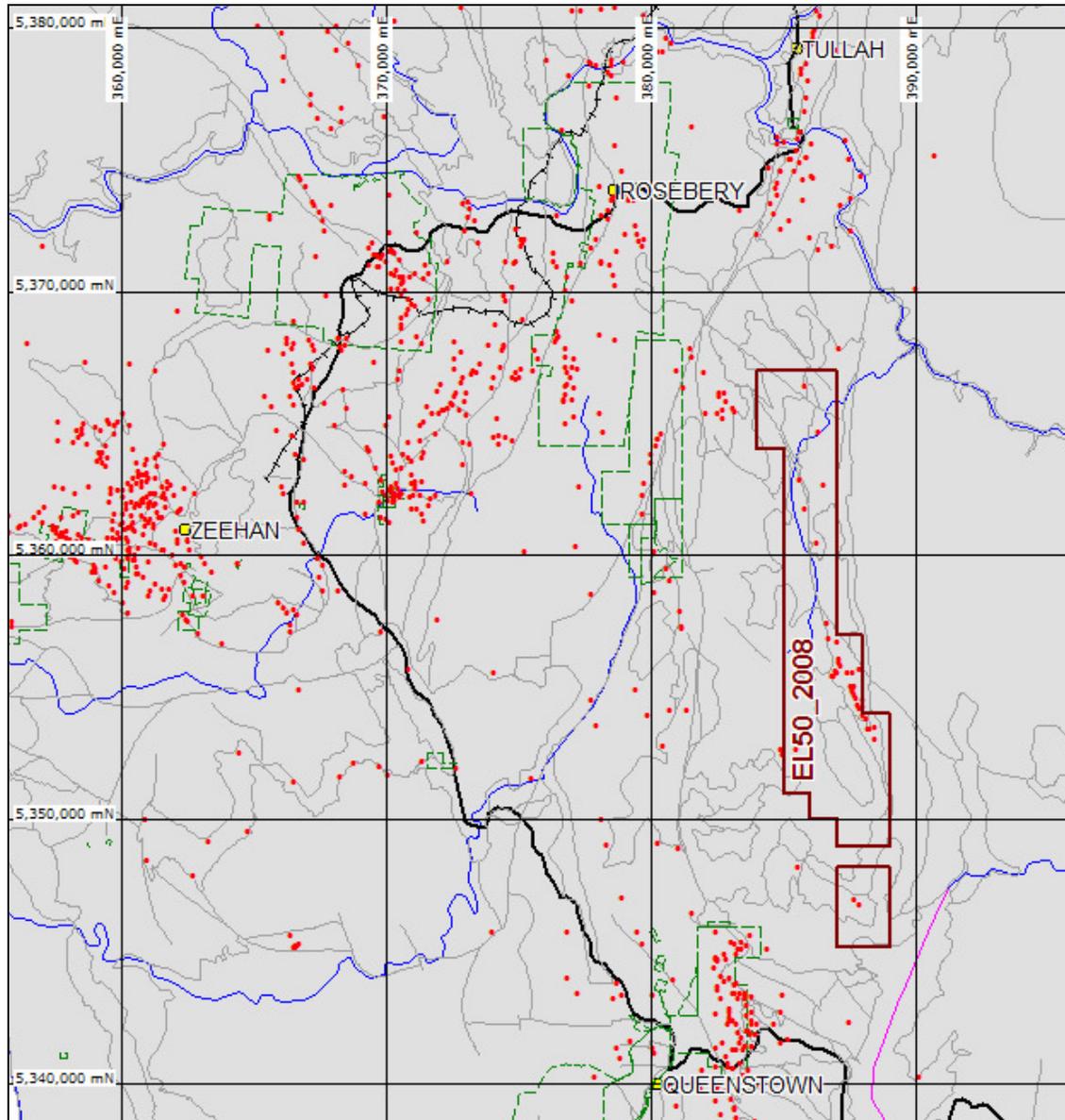


Figure 1: EL50/2008 Mt. Selina locality plan

This tenement is found on Selina, Tyndall and Gormanston 1:25,000 map sheets, with combined area of 55 sq. kms from two portions of the tenement.

Access to the area is via 4WD track off Anthony Rd, opposite Henty Gold Mine turn-off. The track provides access to area close to Mt. Selina in northern part of tenement and to historical Dora Lake workings in the south. Any other areas will require walking on foot or helicopter support.

Most of the tenement area is covered by the Tyndall Range Regional Reserve and the Lake Beatrice Conservations areas. The topography in the area is characterised by rugged steep wooded slopes, deep valleys and grassed flat plateaus and broad plains. Pleistocene glacial deposit fills low valley areas. A number of lakes and closed catchment basins are located throughout the tenement area.

1.2 Tenement Holdings

The title holder was YTC Resources Ltd (ASX:YTC), who had applied for, and consequently been granted, this tenement on behalf of its largest shareholder, Yunnan Tin Group (Holding) Company Ltd (“Yunnan Tin Group”), China. During this year, the title was transferred to Yunnan Tin Australia TDK Resources Pty Ltd, a wholly owned subsidiary of Yunnan Tin Group.

All exploration work during the year was conducted by Yunnan Tin Australia TDK Resources Pty Ltd.

2. Geology and Mineralization

The basement rock in the region is Proterozoic Tyennan Metamorphics, which outcrops extensively to the east of the tenement area. The Mt. Read Volcanics (“MRV”) unconformably lie on top of Tyennan Metamorphics. MRV hosts a number of significant polymetallic Volcanogenic Hosted Massive Sulphide (“VHMS”) deposits in the region. Owen Group sediments overlay these volcanoclastic units in the central and western portion of the license areas. Cambrian Murchison Granite lies to the north of the tenement area and has been also identified within the tenement area as smaller intrusive bodies.

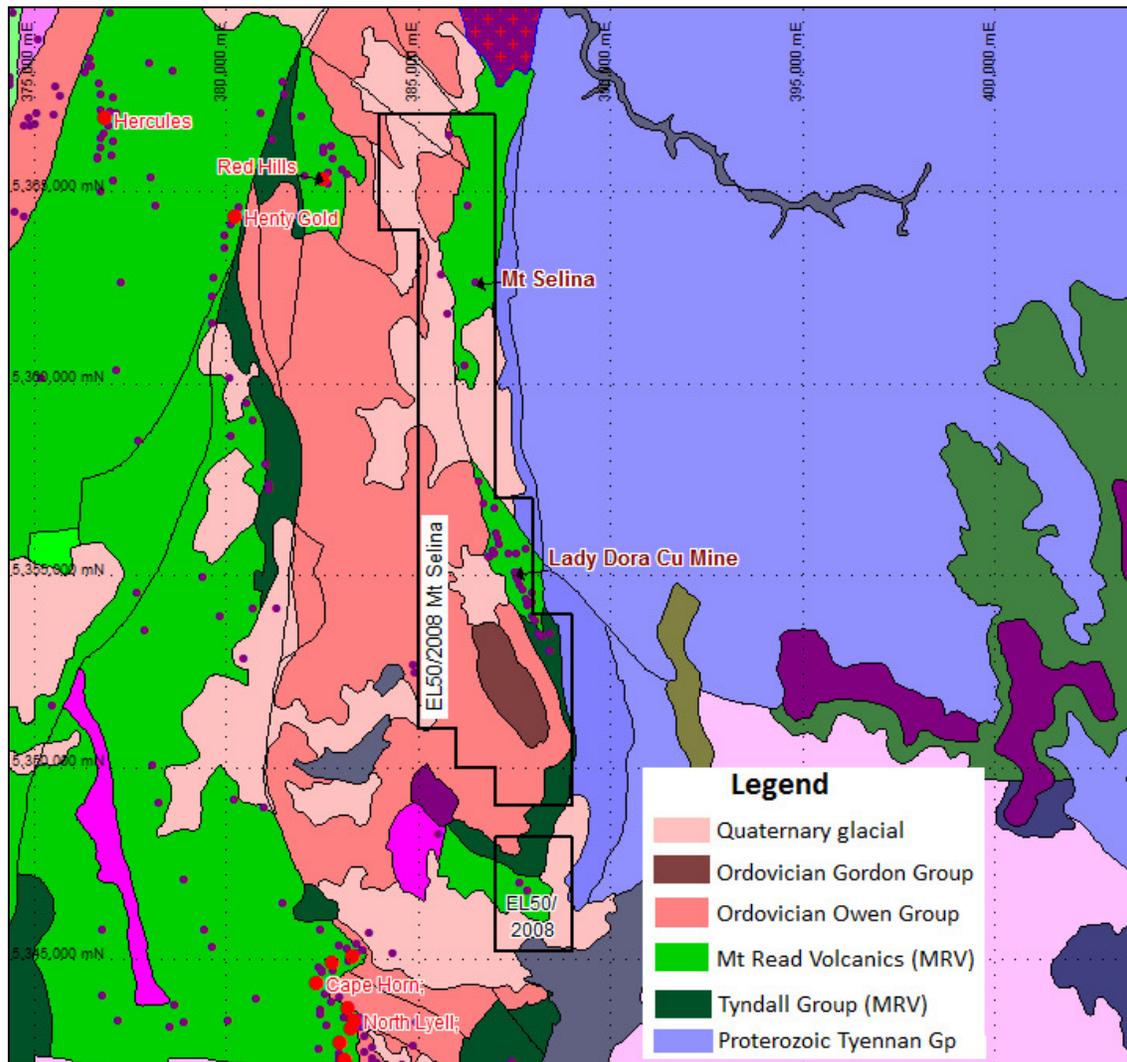


Fig. 2: Tenement Geology

Mount Read Volcanics (MRV)

The deposition of Mount Read Volcanics, from early Middle Cambrian to early Late Cambrian, coincided with the most important metallogenic event in Tasmania (Seymour, et al. 2007). MRV hosts Tasmania's world class VHMS deposits, including Rosebery, Mt Lyell, Hellyer and Que River.

The main mineralised belt of the MRV between Mt Darwin and Hellyer is the Central Volcanic Complex (CVC), which is dominated by proximal volcanic rocks and andesite and rare basalt deposited in a marine environment.

This belt is flanked to the west by the coeval Western Volcano-Sedimentary sequence (WVS) of lithicwacke turbidite, mudstone, siltstone, shale and subordinate intrusive rock and lavas. A small area in the northern most licence area is mapped as belonging to WVS (Bates, 2008).

These units are overlain by the Tyndall Group, a unit of quartz-bearing volcanoclastic sandstone and conglomerate of mixed felsic and andesitic province. Considerable erosion took place locally before deposition of the Tyndall Group.

Mineralisation was concentrated in a short time interval in the late Middle Cambrian at the top of the CVC and in places in the immediately overlying Tyndall Group rocks (Seymour, et al. 2007).

Owen Group

The Owen Group is Cambrian to Ordovician in age and sits unconformably on the MRV. This unit typically includes large volumes of coarse siliciclastic conglomerates composed dominantly of meta-quartzite clasts derived from the Tyennan Proterozoic sequence.

The exploration target within the tenement has been MRV stratigraphy with the potential of discovering Cambrian VHMS mineralisation of all styles.

Located immediately to the west of the tenement area is the Henty gold mine (2.83Mt @ 12.5 g/t Au), which has been interpreted as related to Cambrian VHMS mineralisation and possible Cambrian granite-related mineralisation.

3. Exploration Completed

3.1 EH4 Survey in Lake Dora area

During the second year of the tenure, work carried out has included two lines of EH4 geophysical survey over prospective zone in Lake Dora area (See Fig. 3) below.

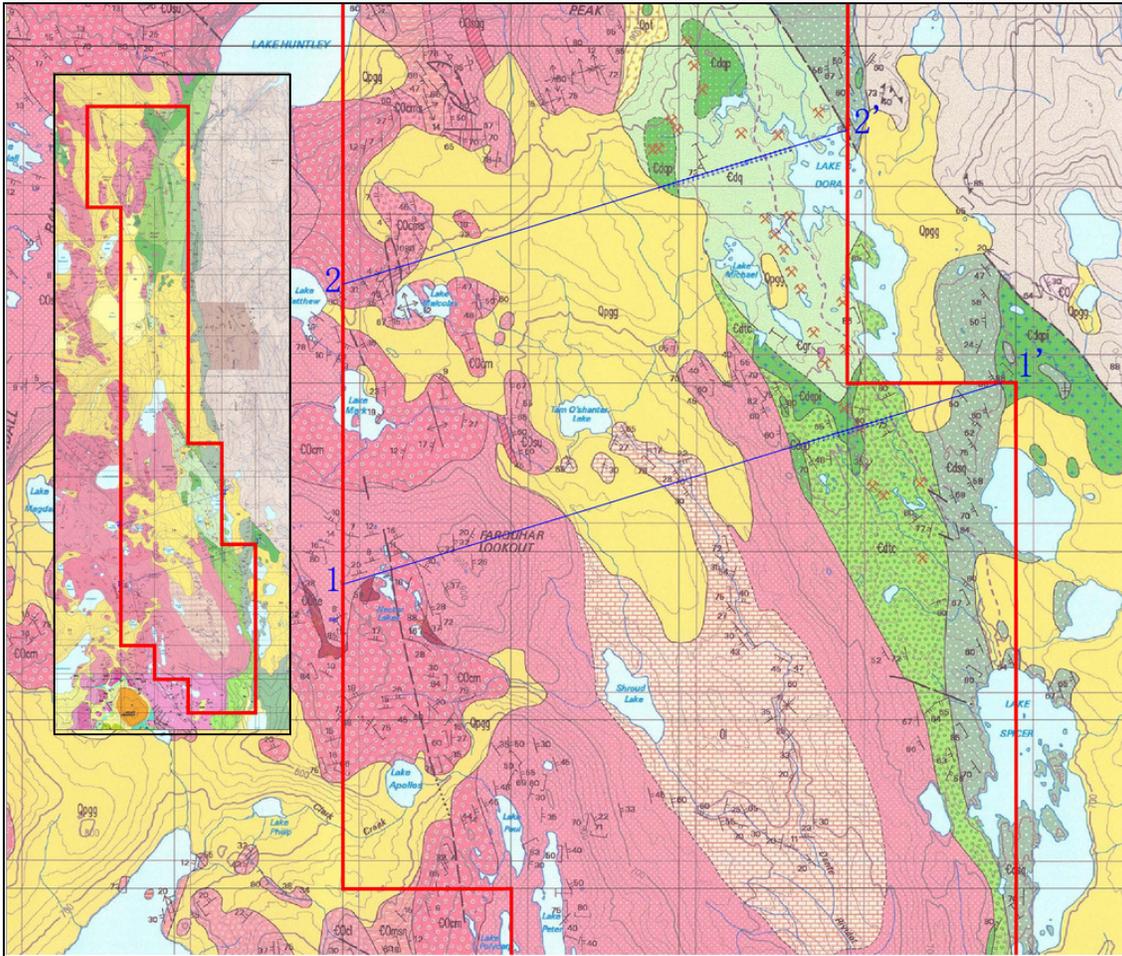


Fig. 3: Geological cross section location with EH4 survey points marked

The Stratagem EH4 system (Geometrics Stratagem model) uses the magnetotelluric method (MT) to measure subsurface conductivity. It provides additional high frequency signals in the range of 1kHz to 70kHz, where natural signals may be lacking. Frequencies as high as 100kHz or as low as 0.1Hz can also be used depending on the desired depth of investigation.

Details of these two traverses are summarised in the table below:

Table 1: EH4 traverses summary

Line No.	Length (m)	Orientation	Start Point	Endpoint
1-1'	628	253° - 73°	386879E 5355159N	387654E 5355396N
2-2'	809	253° - 73°	387654E 5353616N	388256E 5353800N

These EH4 traverses were completed cover NNW trending Tyndall Group in the southern part of the tenement where historical mining occurs and exploration targets were identified by previous exploration. Early work (Turnbull 2007) has identified this area containing both Mt Lyell and Hellyer-Rosebery style VHMS targets (Fig. 4).

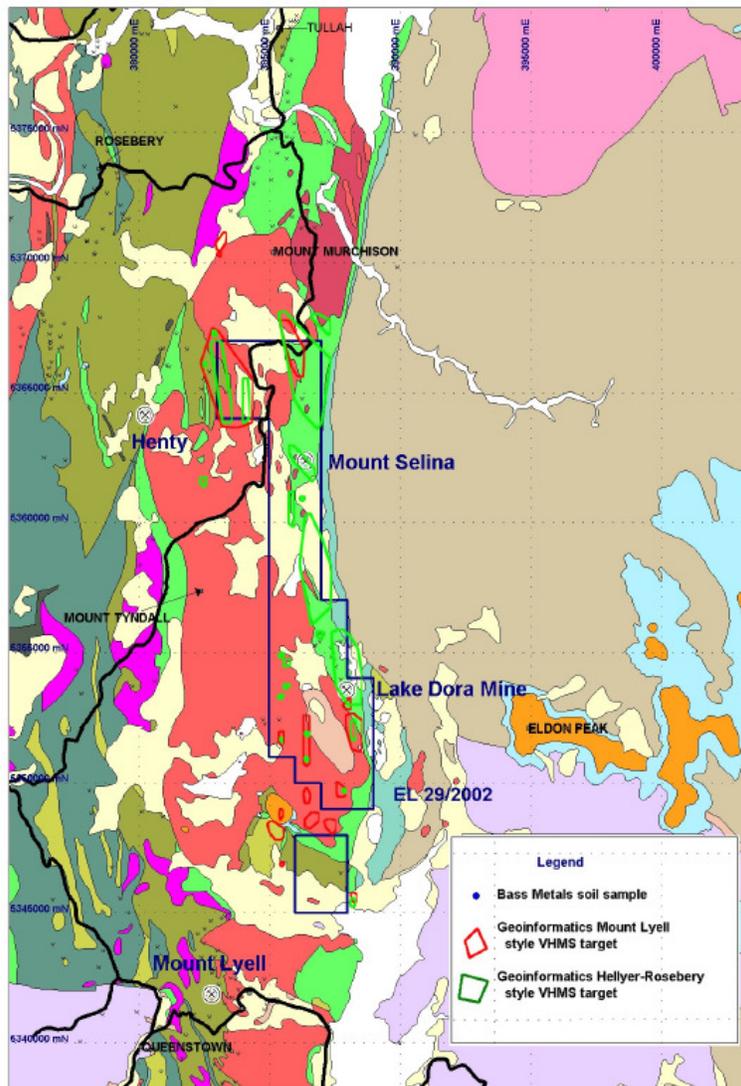


Fig.4: Bass Metals' Geoinformatics VHMS targets and MRT regional geology (Turnbull 2007)

3.2 Survey Results

The EH4 resistivity cross sections for Line 1 and Line 2 are below. The interpretation from EH4 survey results is added onto geological sections, which are deduced from published MRT 1:25k geological map series.

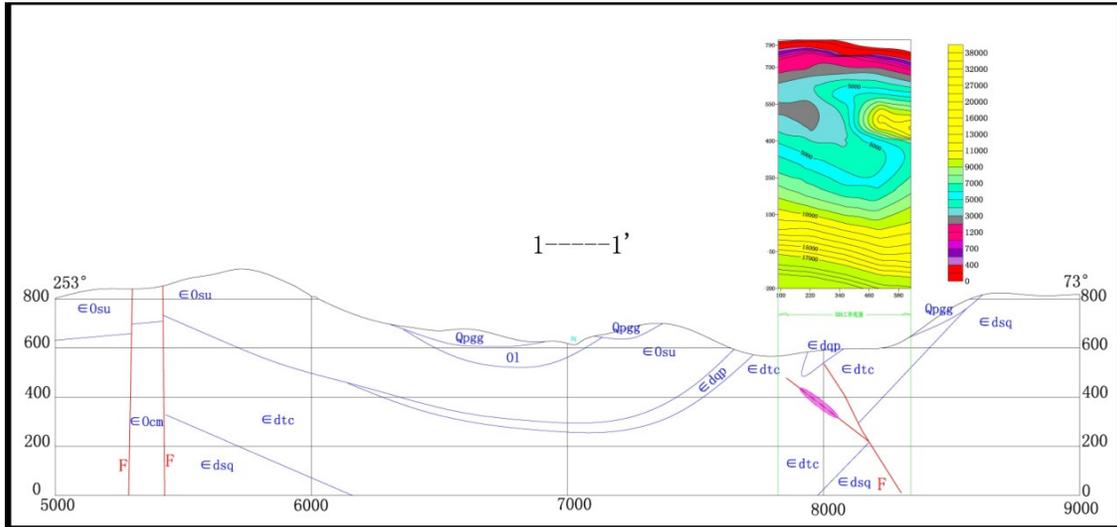


Fig. 5: Geological cross Section 1-1' with EH4 resistivity survey result

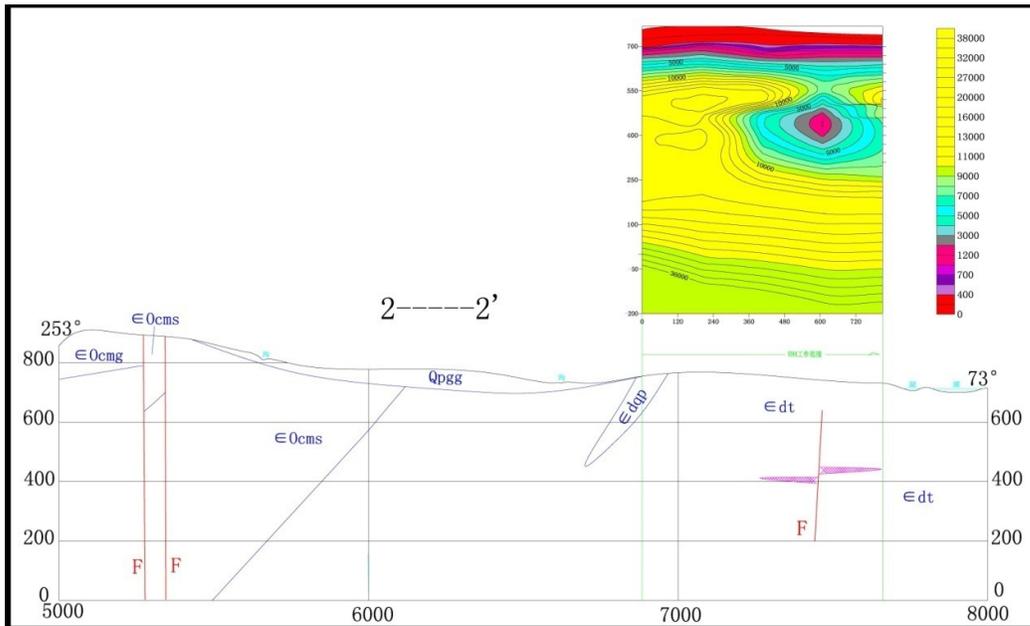


Fig. 6: Geological cross Section 2-2' with EH4 resistivity survey result

Both traverses only showed minor conductors, which are interpreted as minor sulphide bodies, which probably have similar tenor as to these intersected by drilling as reported by Bass Metals (Bates, 2008).

3.3 EH4 Survey Summary

1. EH4 results indicated generally high resistivity, without any significant structures.
2. Layers of uniform high resistivity until the depth were caused only by variation in lithology.
3. Abundant water bodies, as swamps and lakes, would have interfered with EH4 readings.

4. Work Planning for Year 3

The exploration work for Year 3 will be focused on assessment of Mt. Selina area in the northern part of tenement. Also a brief review of Beatrice area located at the extreme south of the tenement is planned.

The proposed expenditures for Year Three are:

Item	Details	Expenditure (\$)
Review of Beatrice area	Field excursion and data review	5,000
Access	Track clearing at Mt Selina Prospect	35,000
EH4	EH4 team conducting EH4 survey at Mt Selina	100,000
Total		140,000

Table 2: Planned Expenditure for Year Three

5. Environment

Yunnan Tin Australia TDK Resource Pty Ltd has environmental policies in place to always ensure minimisation of the impact that exploration activities have on the environment.

All vehicular travel within the tenement has been on the existing tracks. Off-track activities have been restricted to walking by the team.

6. Expenditure Statement

Expenditure for the period 17/03/2010 to 16/03/2011:

Expenditure	\$
Geology	
Geochemistry	
Geophysics	43,965
Remote Sensing	
Gridding	
Drilling	
Land Access Costs	
Rehabilitation Costs	
Feasibility Study Cost	
Other Cost	
Administration Cost	4,397
TOTAL	\$48,362

Table 3: EL50/2008 Expenditure for second year

References

Bates, S., 2008. Final Report, EL29/2002, Mount Selina Project, Tasmania, 31st, January 2008. Bass Metals Ltd.

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