

EXPLORATION LICENCE 50/2008

Mt. Selina Project, Tasmania

THIRD ANNUAL PROGRESS REPORT

for the period between 17 March 2011 and 16 March 2012



Yunnan Tin Australia TDK Resources Pty Ltd

Author: Joe Xie **Supervisor:** Mr. Xiang Tong

Signed:

Signed:

Date: March 2012

Distribution: Yunnan Tin Australia TDK Resources Pty Ltd
Yunnan Tin Group, Yunnan, China
Mineral Resources Tasmania

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

EXPLORATION LICENCE 50/2008

Mt. Selina

ANNUAL REPORT

For the period between 17 March 2011 and 16 March 2012

Abstract

No field exploration work was carried out during the reporting year. However, an extensive DDH drilling programme has been developed with a number of field excursions to validate proposed drill sites.

Delay in drilling programme was mainly caused by approval of exploration funding by our parent company, Yunnan Tin Group, in China. A formal approval has been granted in January 2012, which will enable the commencement planned drilling soon.

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

Table of Contents

Contents

1. Introduction.....	1
2. Geology and Mineralization.....	3
Mount Read Volcanics (MRV)	4
Owen Group.....	4
3. Exploration Completed During the Reporting Period.....	5
4. Work Planning for Year 4.....	6
5. Environment.....	6
6. Expenditure Statement	7
References	8

List of Figures

Figure 1	EL50/2008 Mt. Selina locality plan.....	1
Figure 2	Tenement Geology	3
Figure 3	Proposed drillhole locations	5

List of Tables

Table 1	Proposed drillhole's coordinates	5
Table 2	Planned Expenditure for Year Four	6
Table 3	EL50/2008 Expenditure for third year.....	7

1. Introduction

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

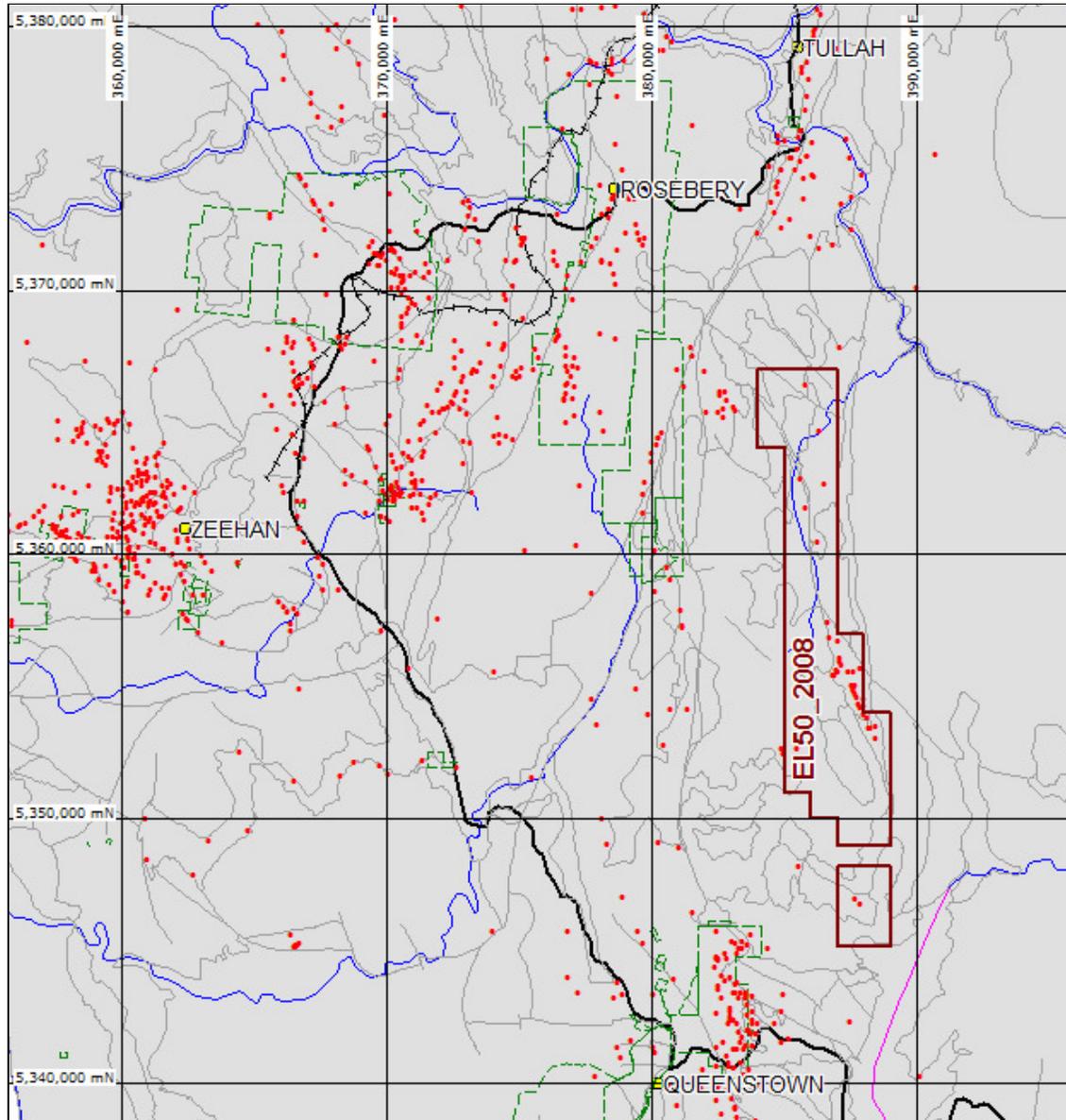


Figure 1: EL50/2008 Mt. Selina locality plan

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.

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.

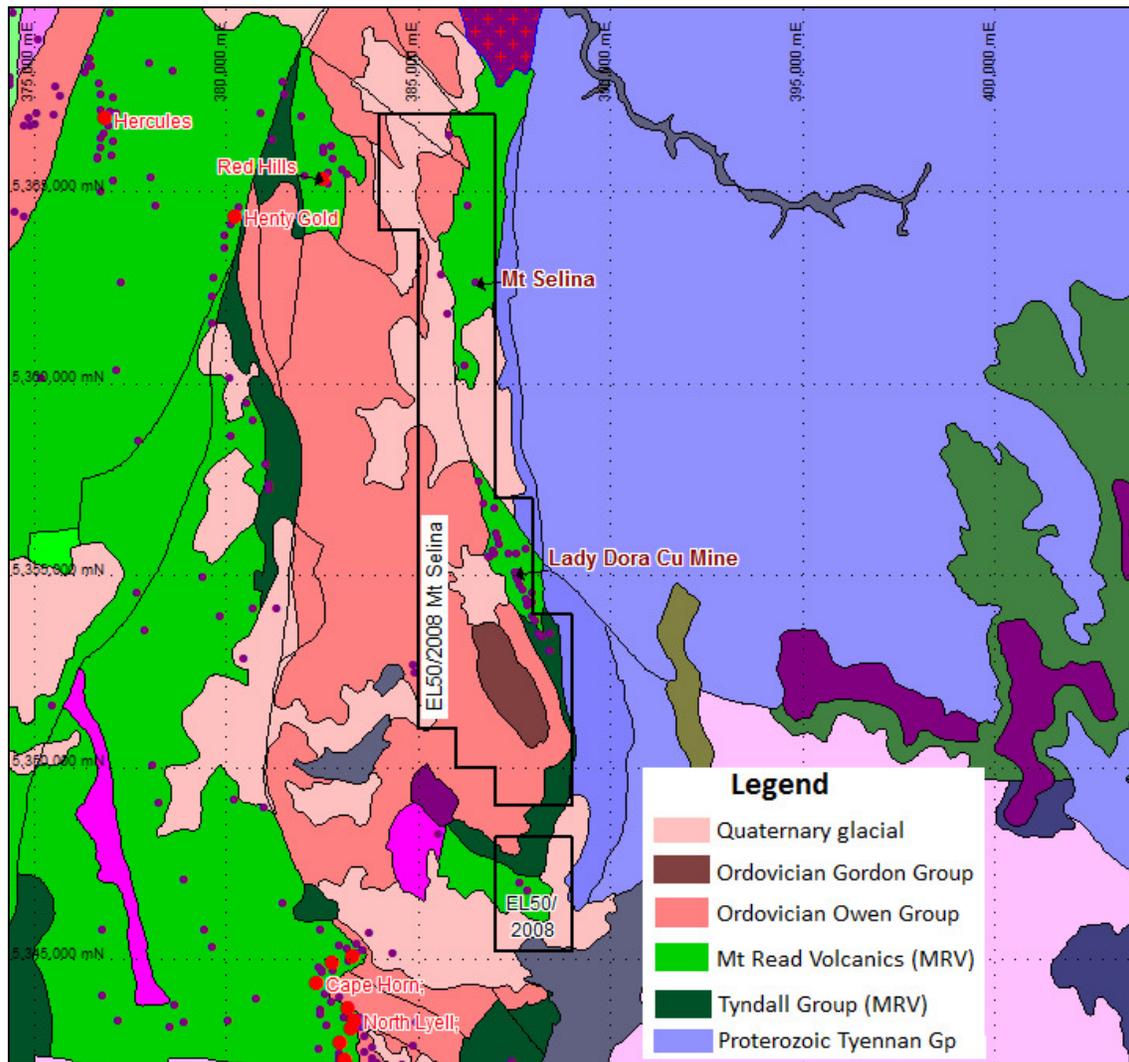


Fig. 2: Tenement Geology

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 During the Reporting Period

Following on from EH4 ground geophysical survey in Year 2 of the tenure, a drilling programme has been developed. Coordinates and locations within the tenement are presented in following table and plan.

Table 1: Proposed drillhole's coordinates

Drillhole Name	MGA55_E	MGA55_N
ZK4-1	383956.58	5364992.72
ZK4-2	384189.58	5364992.72
ZK4-3	386173.58	5364992.72
ZK4-4	386353.58	5364992.72
ZK0-1	386160.32	5357502.62
ZK0-2	386406.32	5357502.62
ZK3-1	387190.08	5353376.96
ZK3-2	387415.08	5353376.96

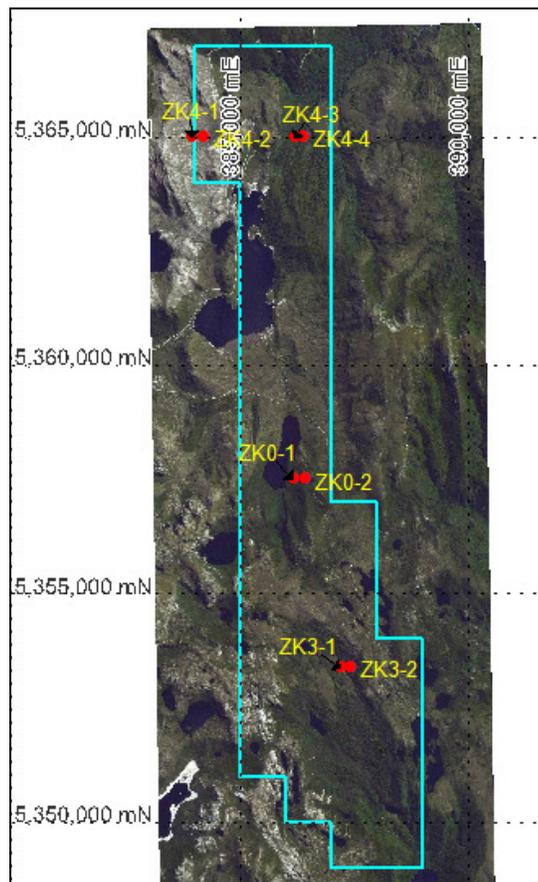


Fig. 3: Proposed drillhole locations

These proposed drill sites were ground checked and are currently reviewed with potential drilling contractor for suitability.

The delay to commence this drilling programme is due to fund approval by our parent company in China. However, this programme has been approved in early 2012 and implementation of the drilling programme is under way.

4. Work Planning for Year 4

The exploration work for Year 4 will be focused on drilling on both Mt. Selina and Lake Dora areas in the tenement.

The proposed expenditures for Year Four are:

Item	Details	Expenditure (\$)
Access	Track clearing at Mt Selina and Lake Dora areas	35,000
Drilling	Initial drilling of 4 DDH holes @ average 450m deep	360,000
Total		395,000

Table 2: Planned Expenditure for Year Four

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

Expenditures for the period 17/03/2011 to 16/03/2012 are:

Expenditure	\$
Geology	5,000
Geochemistry	
Geophysics	
Remote Sensing	
Gridding	
Drilling	
Land Access Costs	1,815
Rehabilitation Costs	
Feasibility Study Cost	
Other Cost	
Administration Cost	682
TOTAL	\$7,497

Table 3: EL50/2008 Expenditure for third year

References

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

Godsall W., 1999. A review of exploration over the Lake Selina area, EL19/98. MRT report 99_4358. Goldfields Exploration Pty. Ltd.

Seymour, D.B., Green, G.R. Calver, C. R., 2007. The Geology and Mineral Deposits of Tasmania. Bulletin 72 Tasmanian Mines Department.

Turnbull C., 2007. Annual Progress Report 31st January 2006 to 30th January 2007, Mount Selina Project, Tasmania. Bass Metals Ltd.

Xie J., 2010. Annual report to 16 March 2010, EL50/2008, Mt. Selina Project, Tasmania. YTC Resources Ltd.

Xie J., 2011. Second annual report to 16 March 2011, EL50/2008, Mt. Selina Project, Tasmania. Yunnan Tin Australia TDK Resources Ltd.