

**LYNCH CREEK  
TASMANIA  
EL 1/2009**

**ANNUAL REPORT FOR THE YEAR ENDING THE 25 MAY 2012**

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## **SUMMARY**

This mineral exploration licence is for a total of 11 sq. km and is primarily focused on metallic minerals, specifically silver, lead, reported to have been located in Lynch Ck and the Just in Time prospects.

Exploration in recent months has confirmed that the Lynch Ck prospect lies 110m west of the Western boundary of EL 1/2009 on EL 26/2009 held by Rubicon Min Tech Pty Ltd (Stellar Resources).

## **INTRODUCTION**

The Lynch Ck and the Just in Time districts are very rugged State Forest. The majority of the area is covered with myrtle or eucalypt rainforest.

Access to the Lynch Ck prospect is via Boco Rd then via the Higgins Ck Track, both navigable by standard vehicles, with care.

Although the Just in Time area was accessed by 4WD in late summer with difficulty, this method of access was abandoned due to difficulties involved with crossing the Hatfield and Que Rivers.

## **EXPLORATION PHILOSOPHY**

Initially this licence was acquired to locate and assess the Lynch Ck prospect (ref 2260), which is reported to be located at 375240E 5387480N (AMG66). No record of modern exploration has been located since a visit by McIntosh Reid in 1918 (GSB\_28).

The new owners of EL 1/2009, Australia Lianghuai Resources Pty Ltd decided to also investigate the Just in Time prospect (ref 2207) located at 374845mE 5391475mN (AMG 66), in the North of the licence, to see if there is any connection between the two prospects and if it warranted further exploration.

## **GEOLOGY**

I am not qualified to comment on the geology of the district. Please refer to Appendix 1 for a review of the geology of the district, by Karen Adams.

## **PREVIOUS EXPLORATION**

### **1918**

The Lynch Ck prospect was first discovered by A. McIntosh Reid and reported in Geological Survey Bulletin No.28. He described it as a “**strong lode**” and that it is “probably the continuation” of the “**Just-in-Time claim**”. “Very large loose blocks of ore were first discovered in the bed of Lynch Ck.” “The indications of the potentialities of this ore bearing horizon as a source of galena are decidedly encouraging.” (GSB 28 - pages 98-100 plus map)

### **1963 – 1988**

Comstaff carried out significant regional exploration and identified the Will O Wisp and Just in Time prospects. (85\_2401)

Several reports mentioned the Lynch Ck prospect but that is all. (68\_0540)

Comstaff soil sampled what they called the North and South Lynch Ck Prospects but these are located **west** of the “**OLD**” Lynch Ck Prospect, the subject of this licence. (71\_0838 & 72\_0849)

Several reports indicated that no work was done on the “**OLD**” Lynch Ck Prospect. Report 85\_2392 provides an overview of Comstaff exploration in the area

### **1994**

Sipa Exploration mentioned Lynch Ck Prospect but did not locate it (page 2 in 96-3725).

However this report shows the relationship of Lynch Ck. Prospect to the Bobadil Fault and indicates the Bastyn Dam Prospect is along strike to the south. It also has some interesting comments on the geophysics of the area. (96\_3907)

**1993 – 1997**

Pasminco Exploration explored the Just in Time prospect but did no work on the Lynch Ck Prospect. (97-4004) Lead isotope studies suggested that the galena at the Just in Time was possibly of Devonian origin. Whilst this may be the case it is unusual for Devonian silver lead deposits to carry significant barite.

**2007 – 2009**

Bass Metals conducted no work on the Lynch Ck Prospect or the Just in Time Prospect. (08\_5680)

**EXPLORATION COMPLETED 2009/2010****Lynch Creek South**

1. The foot track from Higgins Ck Track cut in 2010/11 was relocated and prospecting was conducted along Lynch Ck (by experienced Field Assistant/Prospector Howard Armitage), within EL 1/2009 to try and locate the Lynch Ck prospect. No indication of mineralisation other than a minor pyrite in float rocks coming from the East of the licence was found. It was therefore deduced that the prospect must be located downstream, beyond the Western boundary of the Licence.
2. A review of historical records of the Lynch Ck Prospect and the location of Atkinson's Track was conducted by Howard Armitage. With the approval of Ken Morrison of Stellar Resources a prospecting traverse down Lynch Ck was carried out. The Lynch Ck prospect was located at 374890mE 5386710mN (GDA), just 110 metres West of EL 1/2009 boundary.
3. No sampling was done other than a grab sample of barite/pyrite galena mineralisation for Ken Morrison's inspection.
4. A Work Program application was submitted to MRT to cut a track from Higgins Ck Track, direct to the boundary of EL 1/2009 to the prospect, to enable inspection by Ken Morrison and Australia Lianghuai representatives. This work was completed in April.

5.

5. The mineralisation is exactly as described by McIntosh Reid, with a large block (4 x 3 x 2 metre wide) of solid barite with minor pyrite and galena sitting in the middle of the creek. Similar mineralisation was found in the bedrock of the creek. The perceived strike of the mineralisation appears to be roughly east-west, as described by McIntosh Reid.
6. Australia Lianghuai geologist Mr. Wang inspected the prospect in company with his assistant Howard and me, on the 15<sup>th</sup> May. Mr. Wang was pleased with the mineralisation and requested a work program be developed to see if the mineralisation can be detected under cover rocks within EL 1/2009.

### **North Lynch Creek**

1. A vehicle reconnaissance of Huskisson drive by 4WD was conducted in March. Ford crossing is possible over the Hatfield and Que Rivers at low water only and culverts have been removed from the road by Forestry to prevent unauthorized 4WD access. Access over Huskisson Drive is controlled by Gunns and a permit is required. Due to the impending winter season this route was discounted and a Helicopter supported Work Program was submitted to MRT and carried out in May.
2. No suitable landing sites were located on or near Huskisson Drive/Just in Time, therefore the Helicopter landed in the Huskisson River. A camp was established and Howard and his assistant set up a Camp and located the Just in Time Prospect at or near the MRT co-ordinates. The bulldozer cuts carried out by Pasminco (?) were overgrown but still identifiable. Significant barite with minor pyrite as well as gossan mineralisation was located. No galena was sighted on the brief visits. Further similar mineralisation and brecciated rocks were located in a creek to this South of the prospect, but this does not appear to have been previously inspected.
3. No sampling was undertaken as the Just in Time Prospect has been well sampled by Pasminco, see 94\_3567.

6.

6.

4. The prospect was inspected by Mr. Wang on the 16<sup>th</sup> May. Stream sediment sampling by Pasmenco outlined a number of creeks to the south of the Just in Time Prospect as having barite anomalism greater than that associated with the Just in Time Prospect. He requested a plan for further work to be conducted south of the prospect.
5. The Camp has been left in there until next season. A break in the forest cover was located which would make a good Helicopter LZ/ Campsite for further operations later in the year.

### **PROPOSED WORK 2011/2012**

The following work has been submitted to Australia Lianghuai Resources for approval to proceed:

1. Conduct a desktop collation of existing geophysical data to see if any trend of mineralisation is evident relative to the Lynch Ck (eastwards) and Just in Time (southwards) prospects.
2. Conduct soil sampling east of the Lynch Ck prospect within EL 1/2009
3. Conduct stream sediment and widely spaced soil sampling south of the Just in Time prospect.
4. Engage Ken Morrison to prepare a geological map of the southern end of the licence, relative to the eastern strike of the Lynch Ck prospect.
5. Review results

7.

**EXPENDITURE 2011/2012**

Ron Gregory – supervision	\$6,019.75
Field Assistant labour	\$10,637.50
Track cutting expenses	\$660.00
Vehicles	\$3,338.50
Camp expenses	\$880
Accommodation	\$2898.50
Mapping	\$313.50
Helicopter	\$7,845.75
Discount for early payment	<u>-\$1205.00</u>
<u>Tasmanian expenditure subtotal</u>	<b><u>\$39,066.00</u></b>
Australia Lianguhai administration (wages)	\$4353.00
Australia Lianguhai travel and accommodation in Tasmania	\$3655.35
<b><u>TOTAL</u></b>	<b><u>\$47,074.35</u></b>

**APPENDIX**

**Brief Discussion of Geology of Exploration Licence  
1/2009**

**(Based on literature review)**

**Huskisson River District**

Karen Adams

January, 2011

The Huskisson River Exploration Licence 1/2009 is comprised of four main rock groups: The Oonah Formation (Proterozoic), Dundas Group (Cambrian), Tyndall Group (Cambrian) and the Crimson Creek Formation (Cambrian). Work done in this area previously includes geophysical surveys, stream and soil geochemical analysis and geological mapping. It is noted in the majority of the exploration reports reviewed for this document that the rugged terrain and inhospitable weather are major correlates to the amount of work that has been done on the district. Outcrop is described by White (1996) as being restricted to road cuttings as a result of glacial overburden that can be quite thick and partially cemented.

The oldest rocks on the lease are those of the Oonah formation, part of which is represented by a fault bounded sliver of this Neoproterozoic age formation that dominates the western half of EL 1/2009. These meta-sediments are generally described as thinly bedded calcareous siltstone and conglomerate with minor quartzwacke and mudstone. The Oonah Formation is a highly deformed sequence and is thought to have undergone at least seven different deformation events.

The Cambrian rocks in the area are described as being comprised of shale to sandstone, tuff to greywacke and conglomerate with intercalated volcanic rocks (Everett, 1971).

The Crimson Creek Formation occurs west of the Bobadil Fault in a north trending belt and comprises the central sliver of EL 1/2009. This formation can consist of andesitic volcanic derived coarse and fine grained turbiditic rocks, with some noted occurrences of thinly bedded felsic tuffs (White, 1996). These tuffs are likely to be ash fall tuffs as they are noted to be fine grained. They are noted to be completely composed of fine grained sericite with coarser grained clots.

Dundas Group rocks occur in the south-east corner and north-eastern branch of EL 1/2009. In the south East, they host the Lynch Creek prospect which contains Pb-Ba mineralisation. Previous geochemical analyses have identified base metal anomalies in the vicinity of the Bobadil Fault in this area. In conjunction with the Lynch Creek Ba-Pb association, it should also be noted that barium (commonly in barite lenses) is known to be associated with base metal deposits on Tasmania's west coast. This occurs at Rosebery (Pb-Zn-Ag), North Lyell (Cu +/- Pb), and at the Just In Time and Silver Falls prospects within and Near EL 1/2009.

The Dundas Group in general is comprised of tuffs, slates, greywacke, siltstones and conglomerates and has been aged as middle to upper Cambrian due to fossil occurrences. This sequence is thought to have a conformable contact with the underlying Crimson Creek Formation (Cornwall & McBride, 1968).

Outcropping Dundas Group in the area of EL 1/2009 has been described as coarse volcanoclastic breccias, which are thought to be of acid to intermediate volcanic origin, interbedded with carbonaceous mudstones (White, 1996). White (1996) also points out the possibility that in this area there is limited thickness of the Dundas Group due to a shallowly dipping Rosebery Fault.

The Dundas Group is generally considered a prospective unit for VHMS type deposits. There is also the potential for CSA style Pb-Zn replacement deposits in Dundas Group rocks that are situated in appropriate structural settings along the generally north-south trending Bobadil Fault (White, 1996).

In the far north-eastern corner of EL 1/2009 occurs an area of Tyndall Group rocks. The Tyndall Group is a part of the greater Mt Read Volcanics. This sequence is mainly volcanoclastic to polymictic sandstone, breccia, siltstone, mudstone and conglomerate with contained sequences of dominantly siliciclastic conglomerate and sandstone.

The Silver Falls and Pinnacles Pb-Zn-Ag prospects (to the west and south-west of EL 1/2009) occur within the Mt Read Volcanics, towards the base of the sequence and near the upper Success Creek Stratigraphy, and according to McBride (Cornwall & McBride, 1968), this stratigraphic area (the top of the basal Cambrian Success Creek Group) is prospective for the occurrence of base metal deposits on the west coast of Tasmania. McBride adds that the major mineralisation phenomena in the west of Tasmania could be linked to an orogenic time where the Success Creek and Mt Read Volcanics were separated from the overlying sediments to account for the concentration of known deposits occurring at this particular area of the stratigraphic column.

Cornwall also notes that in the north west of Tasmania the majority of known mineralised occurrences are associated with the Cambrian sediments and volcanics (Cornwall & McBride, 1968). For example, the massive sulphide deposits in the area such as Rosebery, Hercules and Farrell are all located in sedimentary sequences composed of tuffaceous shales within the massive pyroclastic rocks of the Mt Read Volcanics.

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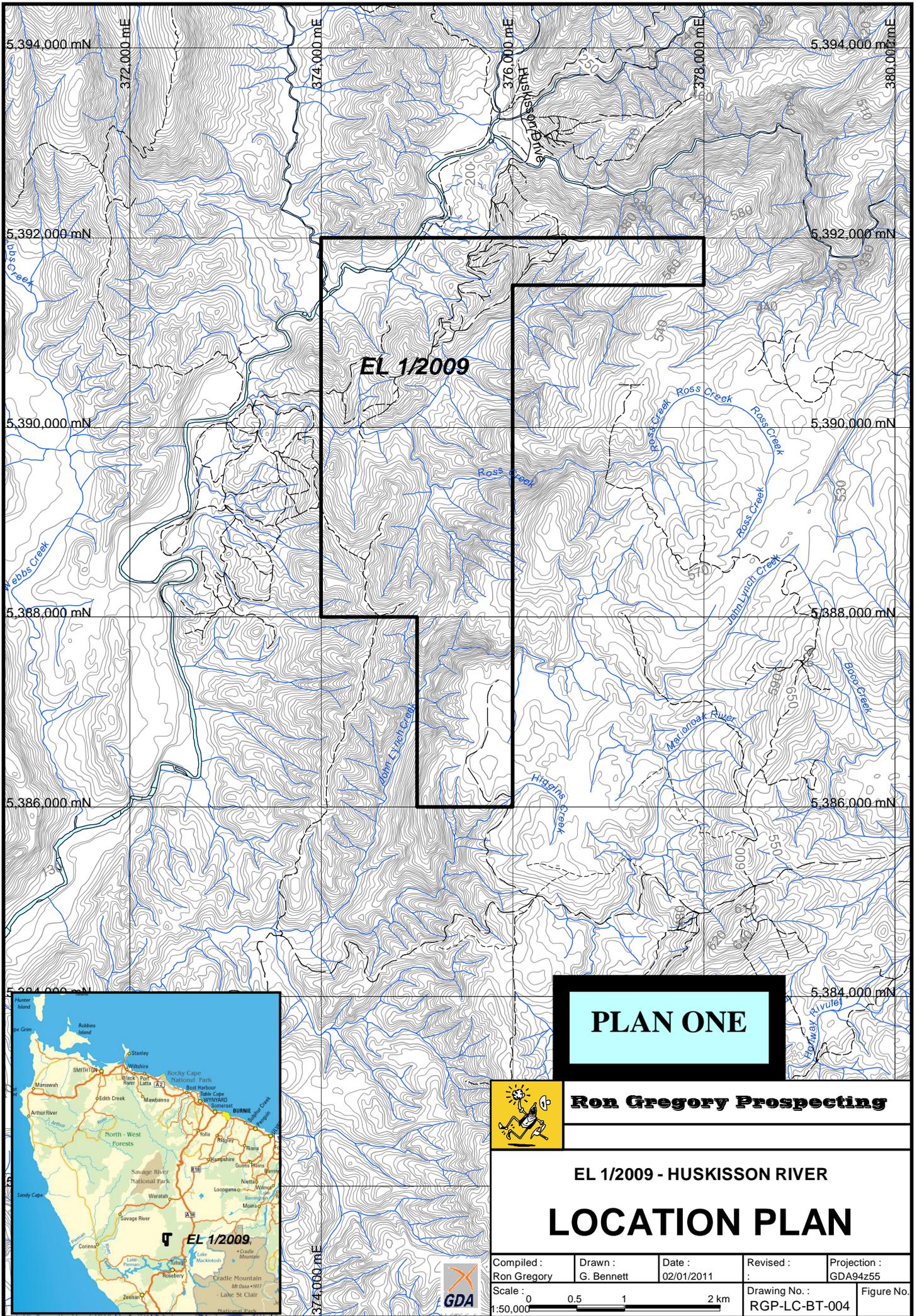
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**EL 1/2009**

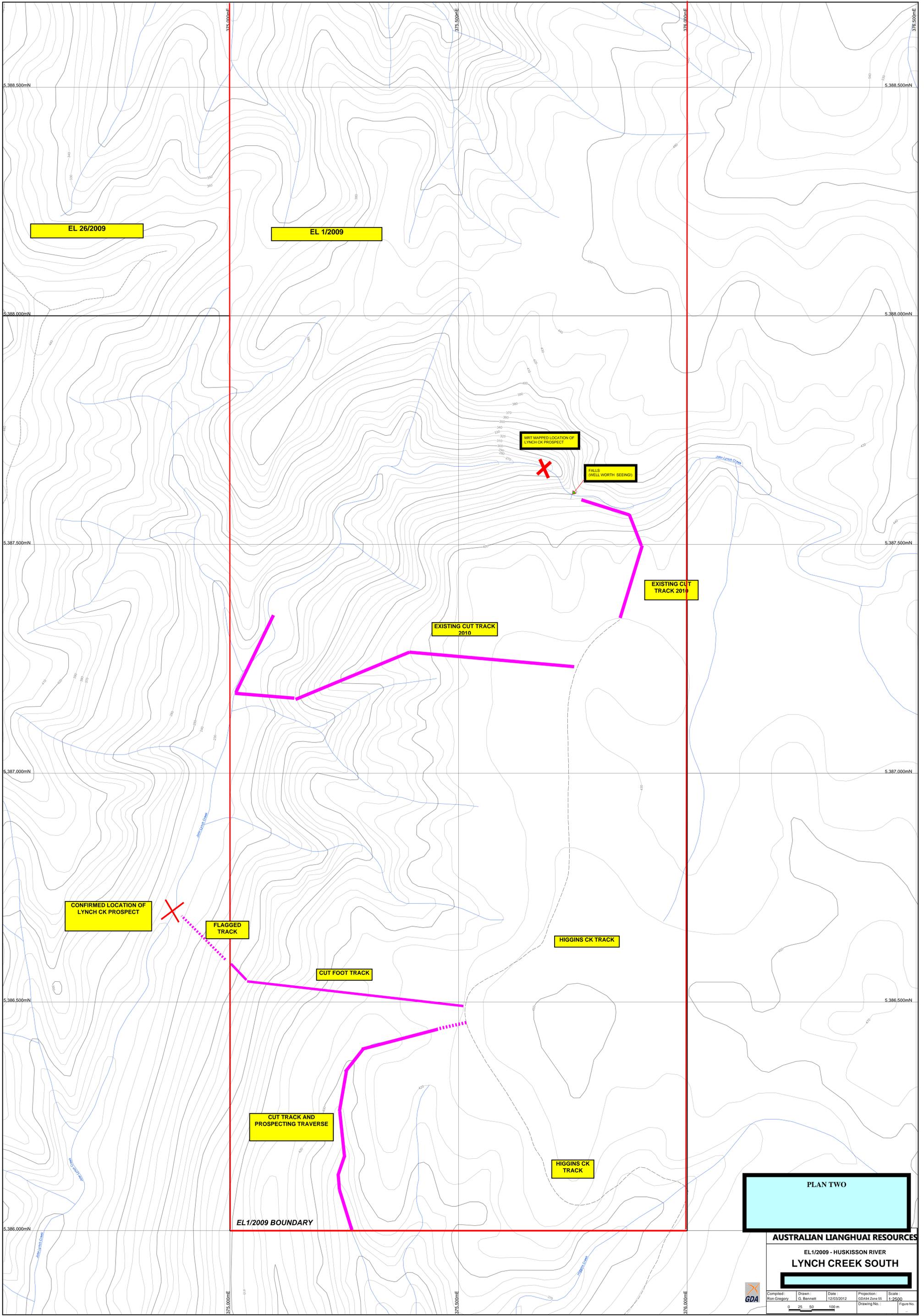
**PLAN ONE**

**Ron Gregory Prospecting**

**EL 1/2009 - HUSKISSON RIVER**

**LOCATION PLAN**

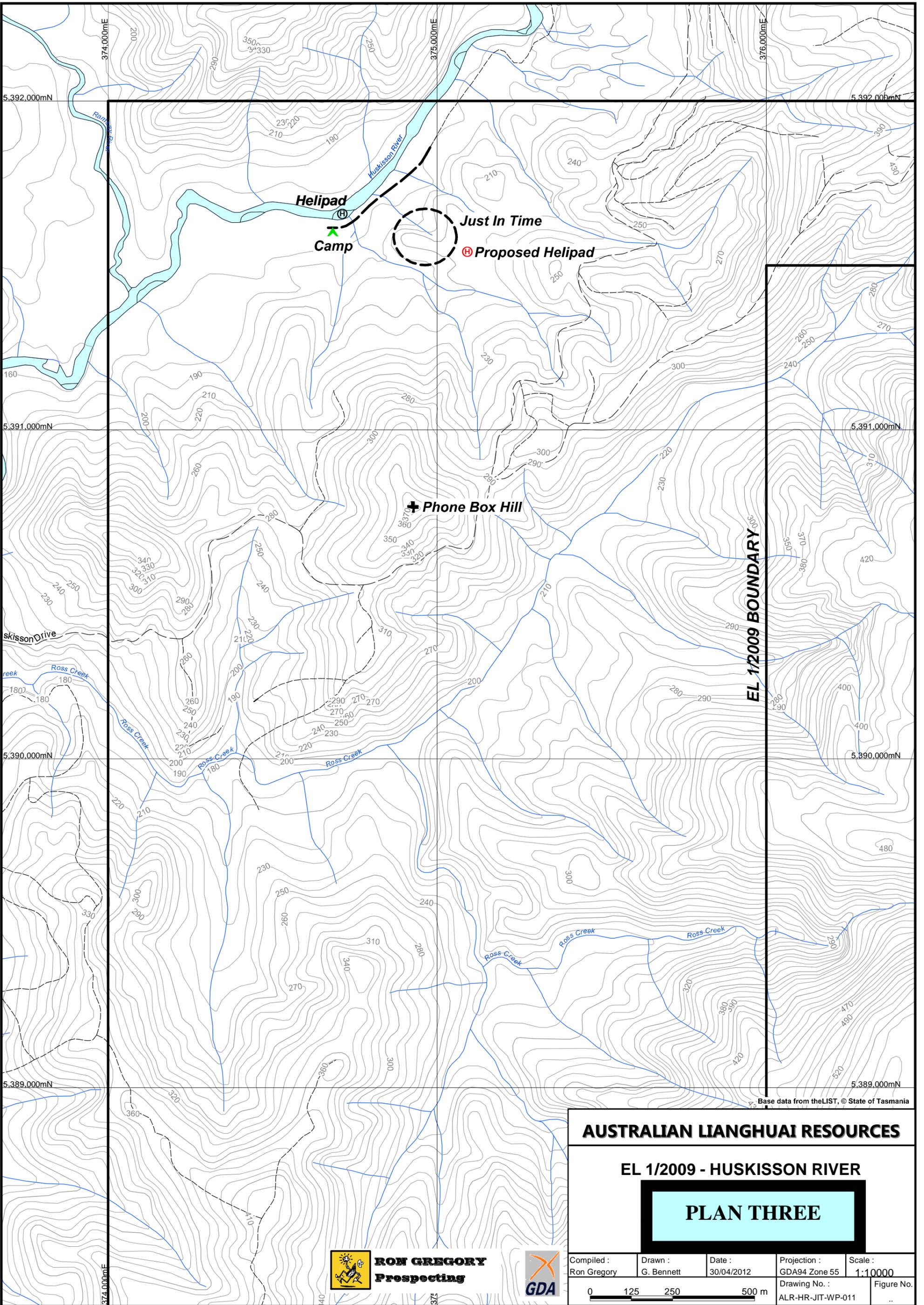
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Scale : 1:50,000			Drawing No. : RGP-LC-BT-004	Figure No.:



**PLAN TWO**

**AUSTRALIAN LIANGHUI RESOURCES**  
**EL1/2009 - HUSKISSON RIVER**  
**LYNCH CREEK SOUTH**

Compiled: Ron Gregory	Drawn: G. Bennett	Date: 12/03/2012	Projection: GDA94 Zone 55	Scale: 1:2500
0 25 50 100 m			Drawing No.:	Figure No.



Base data from theLIST, © State of Tasmania

**AUSTRALIAN LIANGHUI RESOURCES**

**EL 1/2009 - HUSKISSON RIVER**

**PLAN THREE**



**RON GREGORY  
Prospecting**



Compiled : Ron Gregory	Drawn : G. Bennett	Date : 30/04/2012	Projection : GDA94 Zone 55	Scale : 1:10000
0 125 250 500 m			Drawing No. : ALR-HR-JIT-WP-011	Figure No. : ..

