



Australia China Corporation of Coal Geology Engineering Pty Ltd

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1 ABSTRACT

This report details the work completed on EL31/2010 for the twelve month period ending 25th May 2012.

Australia China Corporation of Coal Geology Engineering Pty Ltd (ACCCGE) completed field reconnaissance and collected rockchip samples to assess the potential for granite greisen related tin, tungsten and associated base metal mineralisation hosted in the Devonian Blue Tier Batholith.

2 INTRODUCTION

This report details the work completed on EL31/2010 for the twelve month period ending 25th May 2012.

Australia China Corporation of Coal Geology Engineering Pty Ltd (ACCCGE) completed field reconnaissance and collected rockchip samples to assess the potential for tin, tungsten and associated base metal mineralisation hosted in the Devonian Blue Tier Batholith.

3 TENEMENT STATUS

The exploration licence (EL31/2010) covers 62 square kilometres in northeastern Tasmania in the Blue Tiers. It is located approximately 70 kilometres northeast of Launceston and 40 kilometres east of Scottsdale and 20 kilometres northwest of St Helens (Figure 1).

The license was granted to ACCCGE Pty Ltd on 26 May 2011 for a period of five years.

The license contains an excluded area – retention licence 1/2009 that covers the abandoned Anchor tin mine that is held by TNT Mines Ltd.

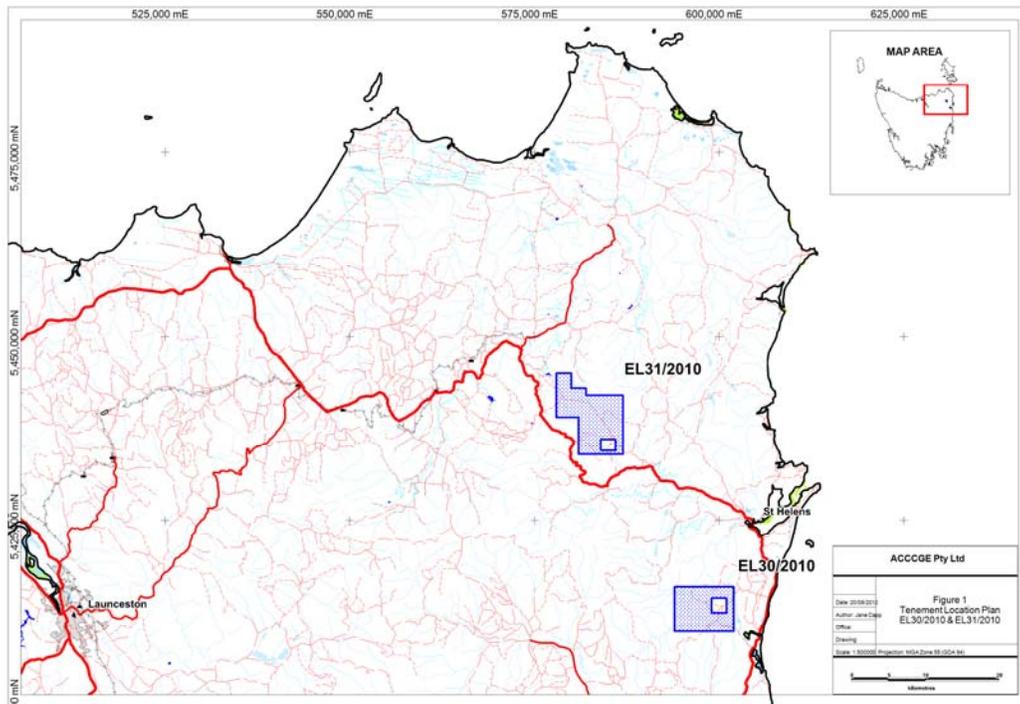


Figure 1: Tenement Location Plan – EL31/2010.

4 TOPOGRAPHY AND ACCESS

EL31/2010 is located largely within the Blue Tier Forest Reserve and be accessed via the Tasman Highway that connects Scottsdale and St Helens. Good vehicular access to the license area is via a number of graded tracks.

The terrain is undulating to steep. Vegetation is mostly light, open, eucalyptus forest with thick undergrowth.

5 GEOLOGY and MINERALISATION

The northeastern area of Tasmania is dominated by the Silurian – Devonian Mathinna Beds. These typically consist of alternating sequence of dominantly bedded sandstones up to 10m with lesser siltstone and shale sequences up to 5m thick (Figure 2). The sequence was folded during the Tabberabberan Orogeny into open NNW trending folds. Major faults and shear zones also trend NNW. Low grade metamorphism has resulted in the formation of quartzites and slates.

The sedimentary sequence was been intruded by the multiphase middle to late Devonian Blue Tier Batholith during the end of the Tabberabberan Orogeny.

The bulk of the licence area is underlain by the Poimena Pluton a middle Devonian porphyritic and coarse grained biotite granite/adamellite. It typically consists of large K-feldspar phenocrysts in a medium grained groundmass.

Late stage leucocratic tin-bearing granites belonging to the Late Devonian Lottah Suite intrude the older granites in the area of the exploration licence. The Lottah granites comprise equigranular fine grained muscovite-biotite granites, granite porphyries, leucogranite, aplite, pegmatite and greisen.

Greisens are typically composed of quartz, muscovite, minor albite and abundant coarse grained fractured cassiterite crystals. Accessory minerals may include green biotite, carbonate, topaz, chalcopyrite, bornite, molybdenite and fluorite.

Late stage acid and basic dykes also occur.

Mineralisation within the Blue Tier area has been classified as three distinct types (Supree, 1985):

1. Steeply dipping greisen veins of pipes in tin-bearing granite;
2. Flat lying greisen sheets in tin-bearing granite; and
3. Quartz and quartz greisen veins in porphyritic adamellites.

The Anchor Mine is an example of the flat lying greisen sheet. The area within RL1/2009 has an early coarse grained granite (Poimena Adamellite) intruded by a later fine grained stanniferous granite (Lottah Granite). The Anchor tin deposit is a cassiterite-bearing greisenised granite developed in the roof zone of the younger fine grained granite (Ross, 1981).

At Anchor the Lottah Granite has been divided further into an alkali tin-bearing granite and a barren micro-adamellite (Ross, 1981). Petrological studies suggest the micro-adamellite closely predates the Anchor tin-bearing granite.

The distribution of the mineralisation is controlled laterally by flexures in the granite contact. Vertically the best mineralisation occurs beneath the contact with coarse grained earlier granite phase. Tin mineralisation also occurs at depth related to pegmatitic and aplitic lithologies, but is considered of lesser importance.

The intensity of greisenisation and mineralisation decreases with depth. The majority of the mineralisation is confined to the top 30-40m of the later granite phase (Ross, 1981). The tin-bearing granite phase weathers to highly stanniferous soils.

Other lesser occurrences of the sheeted greisens include Crystal Hill, Liberator, North Liberator, Don, Australia, Summit, Mount Michael, New Moon and Ken Deposits (Figure 2).

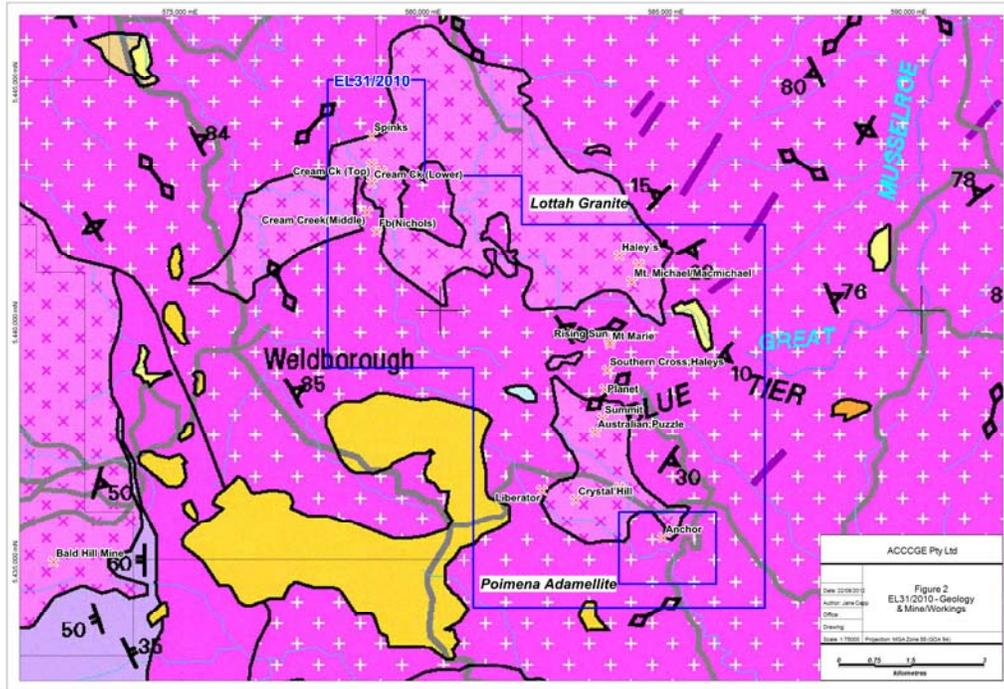


Figure 2: Regional Geology & Mine/Workings – EL30/2010

6 PREVIOUS EXPLORATION AND MINING

Prospecting and exploration from 1874 onwards has defined numerous alluvial tin deposits and small tonnage greisens (Suppre, 1985). A number of sluicing ventures on veined greisens were undertaken at Southern Cross, Lottah, Kent, Haleys, Marie, Planet, Rising Sun, Crystal Hill, Spinks, Cream Creek, Nichols(F-B), Australia and Anchor (Figure 2).

The Mount Lyell and Railway Company conducted a significant program of trenches and diamond drilling between 1906 and 1906 targeting vein greisens. The best intercept of 3.75m @ 0.51% tin was returned from the Moon Mine in Bore 18 (Suppre, 1985).

The Anchor mine was established in 1895 and produced approximately 2,680 tonnes of tin until 1918 from a number of open pits. Other short-term operations in the area produced an additional 1,500 tonnes (Suppre, 1985).

Renison Limited, previously the Aberfolye Tin Development Partnership, commenced modern exploration of the Anchor deposit in 1964 and continued through to the early 1980's. A pre-JORC resource of 8.8Mt @ 0.18% Sn (0.05% cut-off) was determined after infill resource drilling, (Ross, 1981).

Spectrum Resources commenced an underground mining operation in 1988, which was later suspended in December 1991 due to low tin prices. Mining recommenced for a two-year period in January 1995, until low prices again forced the closure of the mine (Fulton, 2009).

An estimated 215,000tonnes at 0.52% tin was produced between 1988 and 1996. A sulphide concentrate of 30% copper and 2% bismuth was aslo produced. Other potential by products include silver, zinc and tungsten (Fulton, 2009).

Exploration in areas outside of the Anchor Mine is as follows.

In 1974 Geophoto conducted exploration of workings from Cross Creek to Cream Creek with the conclusion that mineralisation in this area was sub-economic (Suppre, 1985).

In the late 1970's Aberfoyle explored for repeat Anchor-type deposits north of the Anchor Mine. A planned six hole percussion drill program at Cream Creek workings was terminated after the completion of two holes due to heavy water flows.

Amoco Minerals Australia held an exporation licence over the northern part of EL31/2010. They completed mapping, and soil an rockchip sampling of the Schroeders Creek, Tallewang Creek and Spinks area in the mid-1980's, but failed to locate significant greisen-tin mineralisation.

7 WORK COMPLETED

7.1 Field Reconnaissance and Rockchip Sampling

To supplement a review and assessment of previous exploration and general field reconnaissance of the license and the Anchor mine workings was completed in the reporting period.

Four rockchip samples were collected and analysed by ALS, Table 2. All laboratory analyses are included in Appendix 1 and sample locations shown in Figure 3.

| SAMPLE | Ag | Cu | Fe | Mn | P | Pb | Sn | Zn |
|-----------------------------|------------|------------|-----------|------------|------------|------------|------------|------------|
| | <i>ppm</i> | <i>ppm</i> | <i>%</i> | <i>ppm</i> | <i>ppm</i> | <i>ppm</i> | <i>ppm</i> | <i>ppm</i> |
| 31D001-H1A | 0.23 | 72.5 | 2.01 | 309 | 440 | 28.2 | 9.2 | 63 |
| 31D002-H1 | 0.84 | 86.6 | 1.65 | 1180 | 510 | 6.3 | 84.4 | 176 |
| 31D002-H2 | 3.97 | 92.7 | 0.81 | 397 | 1560 | 8 | 230 | 112 |
| 31D003-H1 | 0.24 | 33.9 | 13.65 | 588 | 4000 | 42 | 39.8 | 194 |
| 31D003-H1A EXTRA | 0.58 | 59.6 | 1.74 | 179 | 910 | 37.9 | 10.5 | 66 |

Table 2: Rockchip sample multi-element assay results

8 ENVIRONMENTAL

No ground disturbing activities were completed within the reporting period.

9 REFERENCES

Ross, A.F. 1981: *EL9/79 Blue Tier Area North East Tasmania – Geological Report on the Anchor Tin Deposit at the Completion of Infill Diamond Drilling*. Hellyer Mining & Exploration Pty Ltd. 81-1596.

Suppree, J. 1985: *Combined Final and Progress Report, Twelve Months to July 1985, Exploration Licence 32/82, Weldborough Tasmania*. Amoco Minerals Australia Company. 85-2378.

APPENDIX 1

Company: CHICOA - China Coal Resources Pty Ltd
 Consultant Name:
 Data Type: Rockchip Samples
 Date: 21/08/2012
 Tenement: EL31/2010

| SAMPLE DESCRIPTION | Easting_MGA94-55 m | Northing_MGA94-55 m | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 |
|-----------------------|-----------------------|------------------------|-----------|---------|-----------|-----------|-----------|-----------|---------|
| | | | Ag ppm | Al % | As ppm | Ba ppm | Be ppm | Bi ppm | Ca % |
| 31D001-H1A | 582354 | 5436787 | 0.23 | 6.29 | 3.5 | 330 | 3.15 | 2.2 | 0.59 |
| 31D002-H1 | 583686 | 5437981 | 0.84 | 7.93 | 2.2 | 20 | 1.65 | 20.2 | 0.06 |
| 31D002-H2 | 583686 | 5437981 | 3.97 | 6.85 | 1.4 | 30 | 2.09 | 15.45 | 0.24 |
| 31D003-H1 | 582721 | 5437664 | 0.24 | 4.26 | 54.3 | 350 | 1.97 | 0.93 | 0.03 |
| 31D003-H1A EXTRA | 582721 | 5437664 | 0.58 | 6.07 | 38.8 | 30 | 1.65 | 6.48 | 0.08 |

Company:

Consultant Name:

Data Type:

Date:

Tenement:

| | ME-MS61 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| SAMPLE DESCRIPTION | Cd | Ce | Co | Cr | Cs | Cu | Fe | Ga | Ge | Hf | In | |
| | ppm | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | |
| 31D001-H1A | 0.06 | 44.9 | 3.7 | 12 | 24.1 | 72.5 | 2.01 | 19.15 | <0.05 | | 3.4 | 0.13 |
| 31D002-H1 | <0.02 | 5.12 | 2.1 | 5 | 33.2 | 86.6 | 1.65 | 58.9 | <0.05 | | 2.1 | 0.771 |
| 31D002-H2 | 0.27 | 1.59 | 0.6 | 4 | 25.4 | 92.7 | 0.81 | 48.2 | <0.05 | | 1.3 | 1.125 |
| 31D003-H1 | 0.04 | 49.2 | 15 | 61 | 13.8 | 33.9 | 13.65 | 11.15 | | 0.09 | 2.7 | 0.277 |
| 31D003-H1A EXTRA | 0.02 | 7.3 | 0.7 | 9 | 44.9 | 59.6 | 1.74 | 45.4 | <0.05 | | 1.7 | 0.33 |

Company:
 Consultant Name:
 Data Type:
 Date:
 Tenement:

| | ME-MS61 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| SAMPLE DESCRIPTION | K | La | Li | Mg | Mn | Mo | Na | Nb | Ni | P | Pb | |
| | % | ppm | ppm | % | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm |
| 31D001-H1A | 3.58 | 19.7 | 80.1 | 0.29 | 309 | 1.79 | 1.93 | 14.3 | 8 | 440 | 28.2 | |
| 31D002-H1 | 2.51 | 1.9 | 141.5 | 0.03 | 1180 | 10.9 | 1.43 | 65.5 | 3.2 | 510 | 6.3 | |
| 31D002-H2 | 2.72 | 0.7 | 106.5 | 0.03 | 397 | 2.03 | 2.09 | 84.6 | 4.1 | 1560 | 8 | |
| 31D003-H1 | 1.26 | 23.4 | 19.1 | 0.19 | 588 | 1.44 | 0.12 | 10.4 | 28.9 | 4000 | 42 | |
| 31D003-H1A EXTRA | 3.42 | 3.7 | 640 | 0.01 | 179 | 2.13 | 2.7 | 66 | 7.1 | 910 | 37.9 | |

Company:

Consultant Name:

Data Type:

Date:

Tenement:

| | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | |
|--------------------|-----------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------|
| SAMPLE DESCRIPTION | Rb ppm | Re ppm | S % | Sb ppm | Sc ppm | Se ppm | Sn ppm | Sr ppm | Ta ppm | Te ppm | Th ppm | |
| 31D001-H1A | | 281 | <0.002 | <0.01 | 0.16 | 5.5 | 1 | 9.2 | 107.5 | 2.54 | <0.05 | 18.4 |
| 31D002-H1 | 1250 | <0.002 | 0.01 | 0.1 | 0.1 | 2.6 | 1 | 84.4 | 27.9 | 23.2 | <0.05 | 13.8 |
| 31D002-H2 | 1120 | <0.002 | 0.01 | 0.11 | 1.4 | <1 | | 230 | 69 | 37.1 | <0.05 | 8.9 |
| 31D003-H1 | 120 | <0.002 | 0.02 | 1.09 | 6.9 | | 2 | 39.8 | 21.7 | 1.86 | <0.05 | 11 |
| 31D003-H1A EXTRA | 1590 | <0.002 | 0.02 | 0.89 | 2.2 | | 2 | 10.5 | 32.2 | 14.7 | <0.05 | 7.4 |

Company:
 Consultant Name:
 Data Type:
 Date:
 Tenement:

| SAMPLE DESCRIPTION | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | ME-MS61 | Au-ST43 |
|-----------------------|---------|-----------|----------|----------|----------|----------|-----------|-----------|-----------|---------|
| | Ti % | Tl ppm | U ppm | V ppm | W ppm | Y ppm | Zn ppm | Zr ppm | Au ppm | |
| 31D001-H1A | 0.166 | 1.78 | 5.7 | 24 | 5 | 17.8 | 63 | 115 | 0.0007 | |
| 31D002-H1 | 0.017 | 8.04 | 14.7 | 5 | 7.1 | 1.8 | 176 | 22.6 | 0.0004 | |
| 31D002-H2 | 0.009 | 7.23 | 5.8 | 2 | 9.2 | 1.7 | 112 | 12.1 | <0.0001 | |
| 31D003-H1 | 0.219 | 0.86 | 2.4 | 52 | 2.4 | 10.7 | 194 | 91.1 | 0.0004 | |
| 31D003-H1A EXTRA | 0.019 | 10.05 | 3.9 | 4 | 19.7 | 2.5 | 66 | 23.4 | 0.0015 | |

