



**AUSTRALIA CHINA CORPORATION OF COAL
GEOLOGY ENGINEERING PTY LTD**

E 31/2010

ANNUAL REPORT

FOR

PERIOD ENDING 25 MAY 2013

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DATE: April 2013

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Location: Tasmania
Sheet Name: 1:250 000 SK5504 Launceston
1:100 000 8515 Georges Bay
8415 Forrester
Datum: GDA94

1. INTRODUCTION

This report details the work completed on EL31/2010 for the twelve month period ending 25th May 2013.

Australia China Corporation of Coal Geology Engineering Pty Ltd (ACCCGE) completed field reconnaissance and collected rock chip samples to assess the potential for tin, tungsten and associated base metal mineralisation hosted in the Silurian – Devonian Mathinna Beds

2. 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 licence 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.

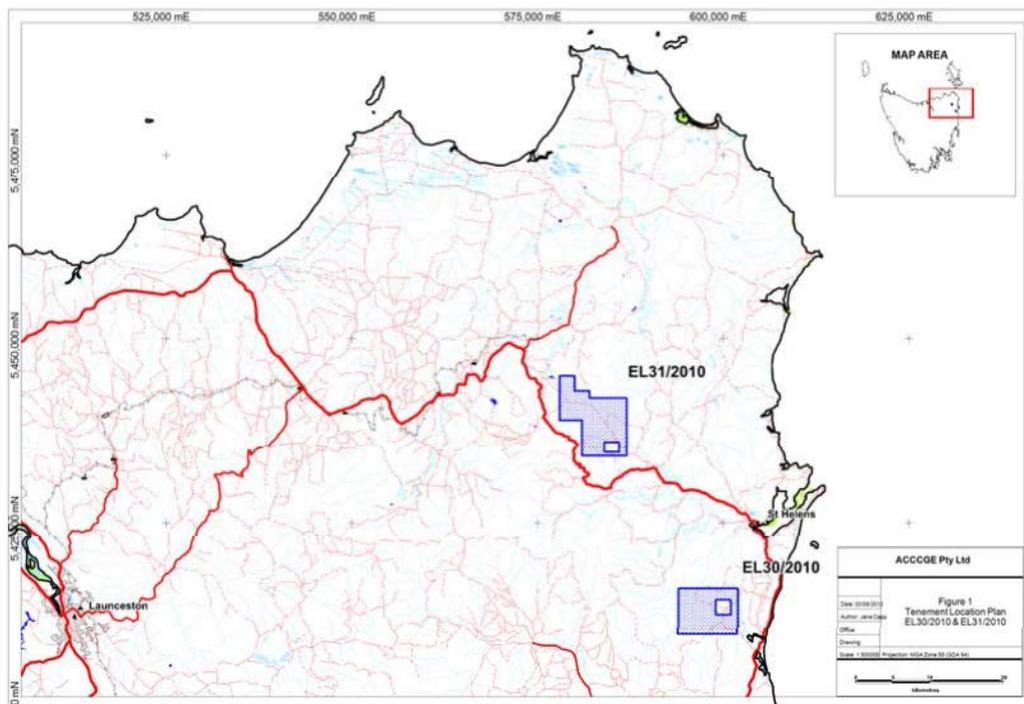


Figure 1: Location of Licence

3. TOPOGRAPHY AND ACCESS

EL 31/2010 is located largely within Blue Tier Forest Reserve and can be accessed via the Tasmanian Highway that connects Scottsdale and St Helens. Good vehicle access to the licences area is via a number of graded tracks.

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

4. GEOLOGY

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 (Supprey, 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).

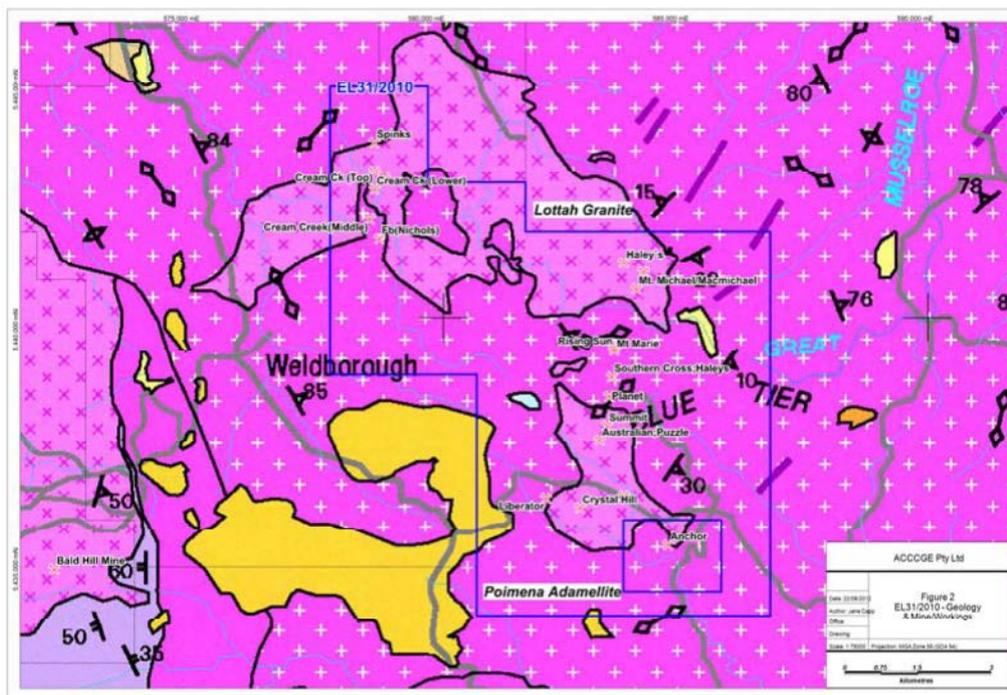


Figure 2: Regional Geology

5. PREVIOUS EXPLORATION

Prospecting and exploration from 1874 onwards has defined numerous alluvial tin deposits and small tonnage greisens (Suppree, 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 (Suppree, 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 (Suppree, 1985).

Renison Limited, previously the Aberfoyle 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 215,000 tonnes at 0.52% tin was produced between 1988 and 1996. A sulphide concentrate of 30% copper and 2% bismuth was also 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 (Suppree, 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 exploration licence over the northern part of EL31/2010. They completed mapping, and soil and rock chip sampling of the Schroeders Creek, Tallewang Creek and Spinks area in the mid-1980's, but failed to locate significant greisen-tin mineralisation.

6. WORKS COMPLETED DURING REPORTING PERIOD

The unforeseen Global Financial Crisis which hit in November 2011 had undeniably affected companies worldwide and unfortunately severely affected ACCCGE Pty Ltd. The markets direction at the time severely hinged international companies investing in exploration throughout Australia, leaving them too scared to invest so much into an unstable economy.

ACCCGE Pty Ltd failed to draw the investments needed to conduct the required exploration over the tenement and as such, have applied for an exemption for this period.

Thank-fully, stability in the market has since increased investor confidence and has allowed ACCCGE Pty Ltd to obtain the requirement investments to move forward with their exploration over the next 12 months.

As of the 13/02/2013, ACCCGE Pty Ltd have been FIRB approved

7. PROPOSED EXPLORATION

Visa processing for the related personnel and preparing for field work from June 2013 to July 2013, from August 2013 to February 2014, the work including 1: 50,000 soil test, grid 500x100, sampling 300, rock chip sampling 50, total line length 130KM, cutting grid about 40KM which is easily for people to access, preparing road 5 KM which is easily for vehicle to access, Preparing periodic report from March 2014-May 2014.

The proposed expenditure for this period is \$696,000.00

8. ENVIRONMENTAL

No ground disturbing activities were completed during the reporting period.