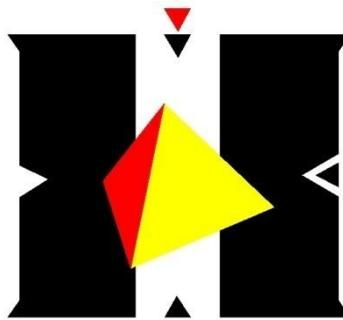


# Retention Licence 1/2008 Mariposa

## FIRST ANNUAL PROGRESS REPORT

For the period

01/02/2013 - 01/02/2014



Australian Hualong Pty Ltd

Author: Laurie Veska

Signed:

A handwritten signature in black ink, appearing to read 'L. Veska'.

Date: January 2014

Distribution: Australian Hualong Pty Ltd

Mineral Resources Tasmania

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

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## 2 Foreword

### 2.1 Function of the Annual Report

This Annual Report has been prepared as a public document for submission to Mineral Resources Tasmania (MRT). The report provides a summary of the work undertaken by Australian Hualong P/L) within the licence area during the period February 2013 - February 2014.

### 2.2 Role in the Regulation Process

This document fulfils the role of an Annual Report for the period February 2013 - February 2014, as required under Section 28 of the *Mineral Resources Development Act 1995*.

### 2.3 Datum

Geodetic Datum MGA55 (GDA94) has been used for this report unless stated otherwise.

## **3 Introduction**

### **3.1 Purpose of This Document**

This document fulfils the role of an Annual Report for RL 1/2008 during January 2011 - January 2012 as required under Section 28 of the Mineral Resources Development Act 1995.

### **3.2 The Proponent**

Australian Hualong P/L (AHL) is a privately owned resources company incorporated in NSW and owned by Mr. Zhian Zhang.

AHL currently holds Retention Licence 1/2008, Mariposa following the acquisition in March 2013 of all of the licences held by Creat Resources Holdings Limited.

### **3.3 Tenement Location**

#### **3.3.1 Mineral Exploration Area**

Retention Licence 1/2008 covers an area of 3 square kilometres and is located south east of Zeehan, West Tasmania.

#### **3.3.2 Site Location**

RL 1/2008 covers approximately 3 km<sup>2</sup>, and is located 5km south east from Zeehan, Western Tasmania. The Zeehan Highway follows the eastern boundary of the tenement for approximately 1.5km and provides road access to RL1/2008 via the Mariposa track. The tenement is located entirely within Exploration licence 20/2002, which is also held by Australian Hualong P/L.

#### **3.3.3 Licence Tenure**

RL1/2008 was originally granted to ZZ Exploration (a 100%-owned subsidiary of Creat Resources Holdings Limited) on February 20, 2009 for a period of 2 years, and applies to all Category 1 minerals. Australian Hualong P/L acquired RL1/2008 from Creat Resources Holdings Limited on 26<sup>th</sup> March 2013.

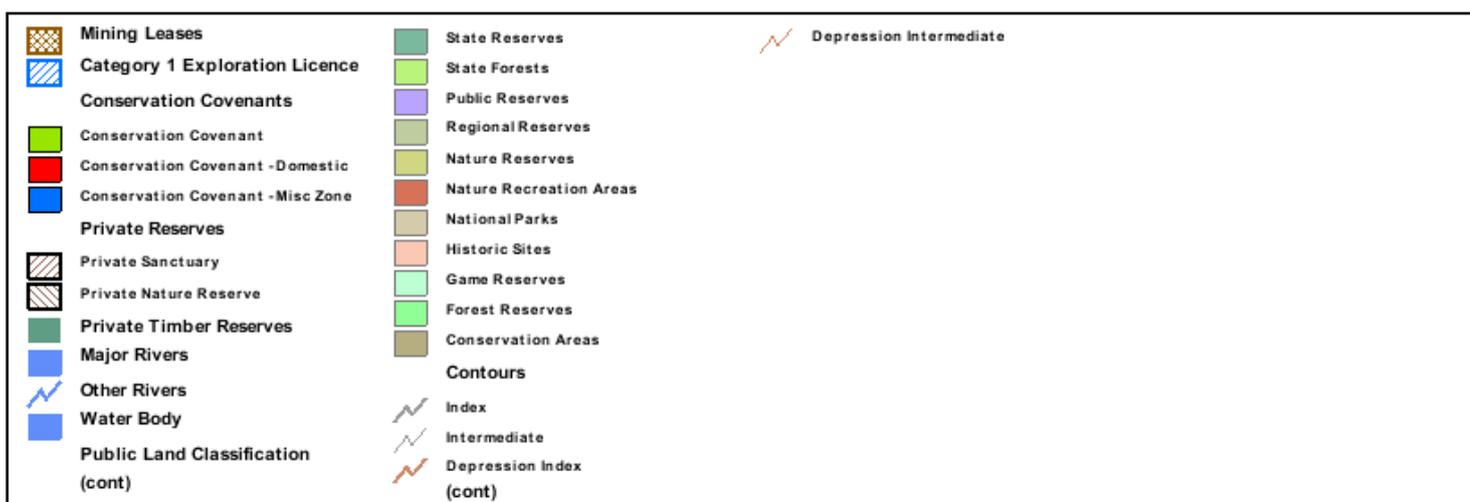
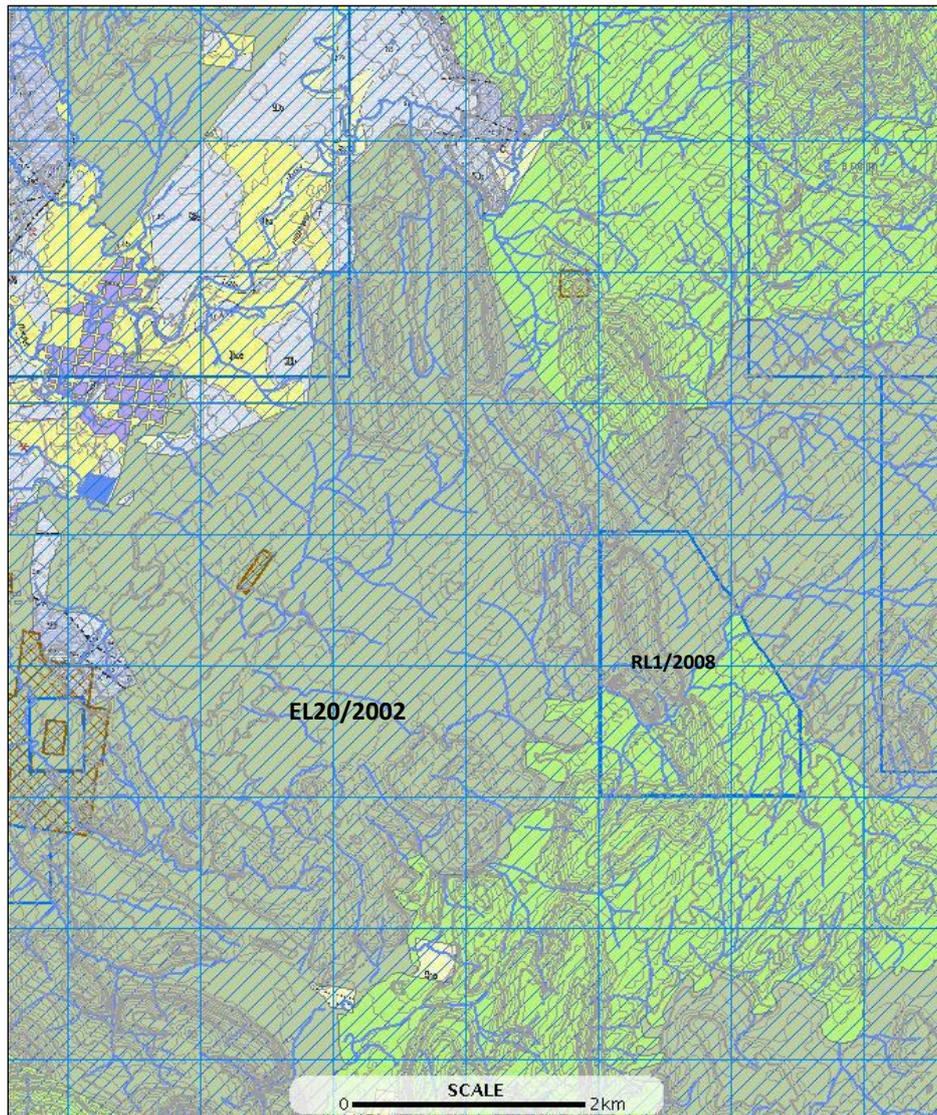


Figure 1: RL 1/2008 location plan and surrounding land holdings

## 4 Geology and Previous Work

### 4.1 Previous Mining and Exploration within RL1/2008

The Mariposa Project is part of a series of limestone-hosted base metal prospects located around Zeehan which have been subjected to substantial previous mineral exploration. The Oceana lead/zinc deposit/mine provided much of the impetus for such exploration to be undertaken over all the outcropping areas of the Gordon Limestone in the general Zeehan area (Tear 2005a).

The original Mariposa deposit began its mine life in the 1890's as a small trial mining exercise with a shaft and underground drives developed with production amounting to "1000 tons of milling ore" at 33% Pb and 17ozs Ag (Cadwallader, 1951). Various attempts at re-opening the mine ensued until North Broken Hill undertook a diamond drilling campaign in the early 1950's. This work identified a resource and included a scoping study with some estimation of mining costs, but the reports contain no maps and hence four of the twelve drill holes cannot even be located. Macintyre Mines completed some exploration in the 1970's, drilling one diamond hole just south of the main Mariposa Lode (Bates 1972). This intersected weak lead/zinc mineralisation in the expected position.

In the 1980's the area was held as an exploration licence by AMOCO/CYPRUS who subjected the ground to a systematic search looking to find an Irish-type carbonate hosted lead/zinc deposit. This included drilling of the main Mariposa Lode and substantial trenching over the whole carbonate outcrop at Mariposa. Significant mineralisation and geochemical anomalism was encountered but follow up work was limited (Ellis 2002, Jones & Kary 1983 and Kary 1985). CRAE P/L were the subsequent explorers in the mid 1990's and completed an extensive aircore drilling programme coupled with some diamond drilling and other geological studies including mineralogy (Parkinson 1994, Parkinson, 1995, Tear, 1996 and Tear & Russell, 1997). Again significant mineralisation and geochemical anomalism was discovered but follow up work was not completed.

### 4.2 Prospect Geology

The base metal mineralisation that occurs at Mariposa is hosted by calcarenites and calcsiltites of the Ordovician-aged Gordon Limestone. The sequence is steeply dipping to the west with the Crotty Quartzite overlying the limestone, forming a distinct topographic high, possibly as a faulted contact. The footwall to the limestone is believed to be a faulted contact, now called the Mariposa Fault, juxtaposing the limestone with the older Cambrian Dundas Group of sediments and volcanoclastics. Within the limestone is a distinctive non-calcareous, mudstone unit with coarse bioclastic material called the Lords Siltstone. Regionally-related reflux dolomitisation has occurred across the upper part of the limestone creating a vuggy dolomite unit. A siderite alteration zone with anomalous lead/zinc values was identified in the base-of-hole aircore samples, from the CRAE P/L work, that is concomitant with the faulted eastern contact. For the main Mariposa Lode, now called the Western Lode, the lead/zinc mineralisation is associated with a seemingly strata-parallel, siderite replacement unit. Galena is the dominant sulphide species in conjunction with lesser amounts of sphalerite. This lode has been the subject to the majority of the previous diamond drilling. The eastern lodes are weakly defined due to limited shallow drilling, but they are perceived to be steeply dipping and strata-parallel.

On face value, the structure for Mariposa has been presented as quite straightforward i.e. a steeply dipping package of limestone, fault bounded on its eastern margin and conformably overlain by sandstones of the Crotty Quartzite.

However it is believed that there is another level of structural complexity, mainly associated with faulting, that may not have been appreciated in the CRAE and AMOCO mapping. In particular the occurrence of cross faults offsetting the geology, a faulted Crotty Quartzite contact and the possibility of shallower bed dips in the northern part of the area. There is some doubt as to the dip direction of the Mariposa Fault.

Also from the 1990's CRAE P/L end-of-hole aircore samples it is possible to delineate additional stratabound dolomitic alteration. This may be due to either reflux dolomitisation or base metal mineralisation. Weathering of the Gordon Limestone produces black clays which accumulate in the valley and can form a surficial deposit ranging from <1m to 50m thick. Other surficial deposits include washed in sand and gravel from eroded Crotty Quartzite forming deposits on the western flank and the floor of the limestone valley.

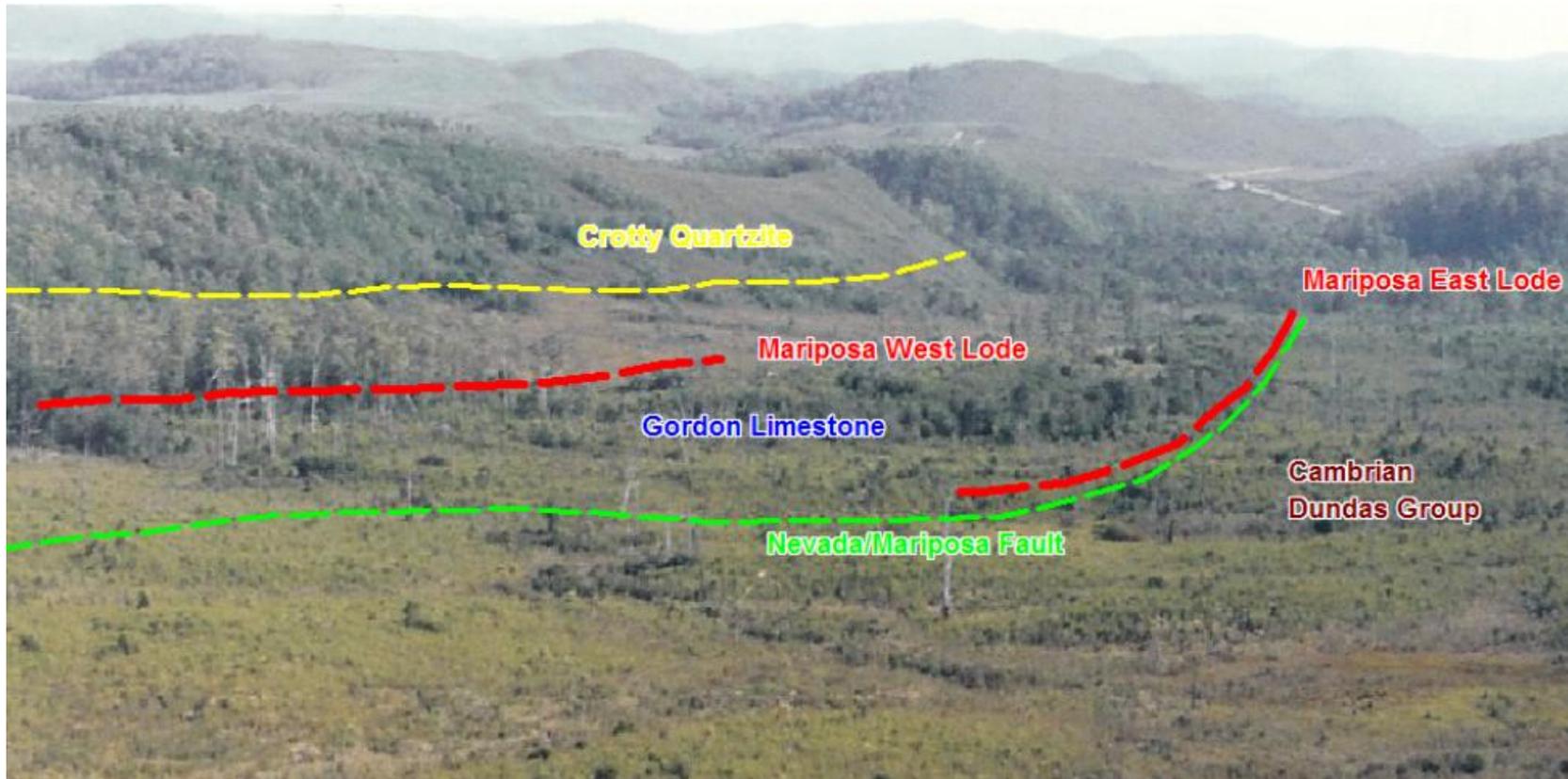


Figure 2: Mariposa Prospect looking North after Tear (2006)

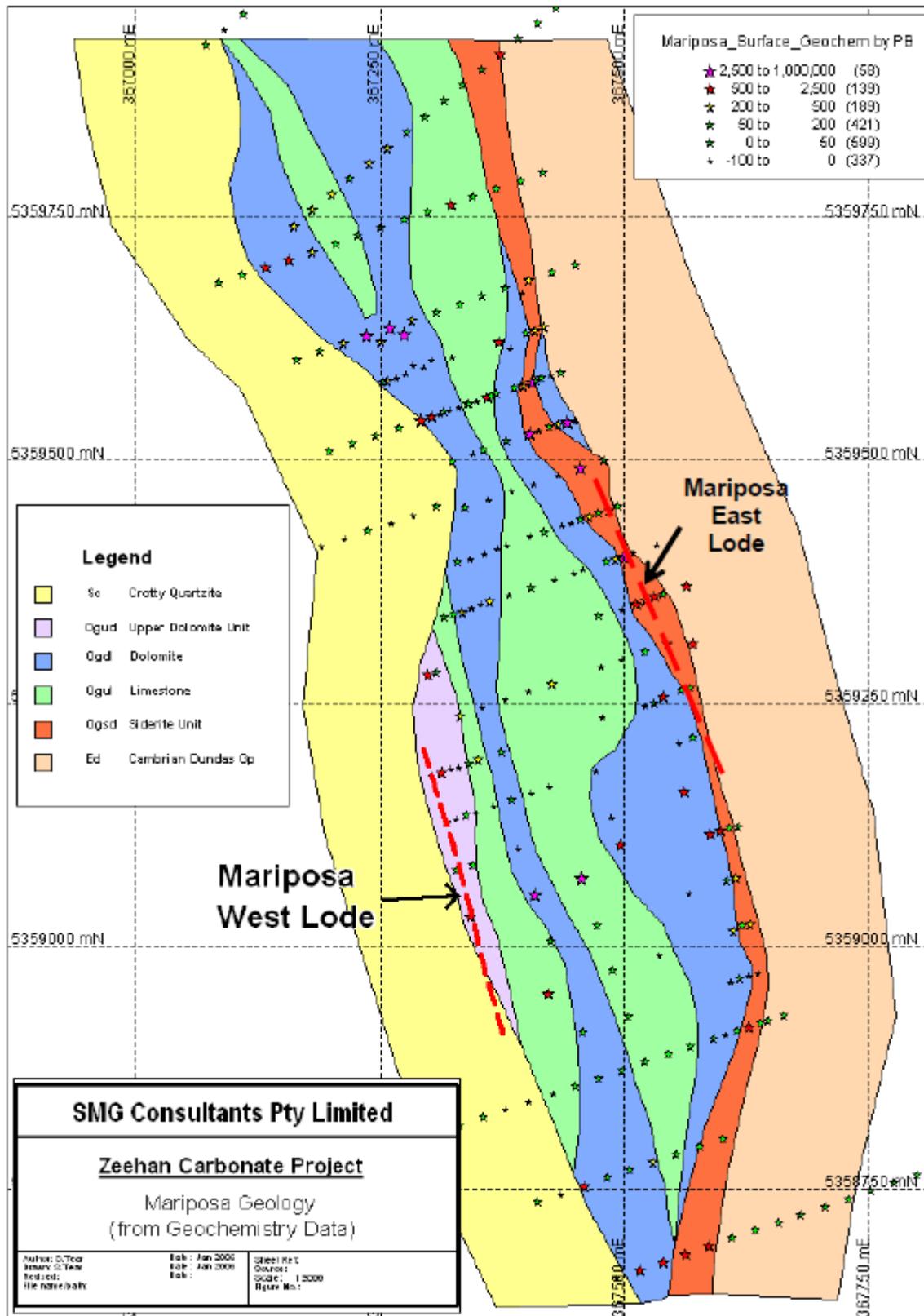


Figure 3: Mariposa Geology map after Tear (2006)

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## **5 Current Activities 2013 – 2014**

### **5.1 Exploration Activities**

During the reporting period, minimal exploration was conducted within the boundaries of the licence. The reporting period was in effect only 10 months given the acquisition date of the Creat licences (26<sup>th</sup> March 2013)

Resurrection of the former Creat Resources drill hole database, application and block model data in an integrated form was undertaken by the author. This activity represented the main exploration related activity completed during the reporting year.

### **5.2 Mining Related Activities**

No mining-related activities were carried out during the reporting period. AHL's medium to long term objective for Mariposa is to confirm, extend and develop the known resource as additional feed for a larger scale lead-zinc project envisaged for the Zeehan area.

### **5.3 Environmental Activities**

During the period no environmental works were required to be carried out by the company. Visual inspection of the site is made on a quarterly basis to monitor any potential impact by activities, past and present.

## 6 Expenditure

RL1/2008 Expenditure for the year ending 01<sup>st</sup> February, 2014.

**Total: \$ 17,055**

## 7 References

Bates, T.E., 1972; TCR72\_0861 – Final report on Special Prospecting Licence no. 46, Zeehan, West Tasmania (for McIntyre Mines)

Cadwallader, W.J., Garretty, M.D., Loh, R.P., 1951; TCR50\_0106 - Mariposa Mine (for North Broken Hill)

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Jones, P.A., Kary, G.L. 1983; TCR83\_1998 - Progress Report, January to June 1983, Amoco/CSR Joint Venture, Part Exploration Licence 15/76, Dundas, Tasmania

Tear, S.J. Geological Interpretation and Block Model Report for the Mariposa Prospect, Zeehan, West Tasmania, February 2006, SMG Consultants.

Kary, G.L., 1985; TCR85\_2457 - Progress Report July 1984 to June 1985 Part EL 15/76 Dundas, Tasmania (for AMOCO)

Parkinson, R.G., 1994; TCR94\_3551 - Mount Dundas EL 45/92, Tasmania, Report on Exploration for the First Year of Tenure, 16/4/93 to 15/3/94 (for CRAE)

Parkinson, R.G., 1995; TCR95\_3722 - Mt Dundas EL 45/92 Tasmania Report on Exploration for Year 2 16.4.94 to 15.3.95 (for CRAE)

Russell, S.A.J., Tear, S.J., 1997; TCR97\_4009 - Annual Report - EL 45/92 - Mt Dundas (for CRAE)