

Partial Relinquishment Report

Lake Pieman

China Coal Resources Pty Ltd

Title: EL 15/2007

Reporting Period From: 23 July 2007

To: 22 July 2014

Licensee: China Coal Resources Pty Ltd

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Abstract

EL15/2007 is located 15km west of Renison Bell tin mine and approximately 30km west of Rosebery in western Tasmania. Access is limited and topography rugged with much of the tenement comprising the steep sides of the Pieman valley.

ASF Resources Limited entered into a joint venture with China Coal Geology Engineering Corporation to explore for polymetallic mineralisation. The project is managed by China Coal Resources Pty Ltd (CCR) which is exploring for epigenetic base metal mineralisation associated with Devonian granite emplacement with Renison Bell type mineralisation and skarn mineralisation being the primary exploration models.

There has been no field based exploration by CCR in the relinquished portion of EL15/2007:

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Introduction

EXPLORATION RATIONALE

In 2011, ASF Resources Limited entered into a joint venture with China Coal Geology Engineering Corporation to explore for polymetallic mineralisation over the tenement under the joint venture company China Coal Resources Pty Ltd (CCR).

The joint venture is exploring for epigenetic base metal mineralisation associated with Devonian granite emplacement with Renison Bell type mineralisation and skarn mineralisation being the primary exploration models.

The relinquished portion has been determined to have no exploration potential for the above mineralisation types.

GEOLOGICAL SETTING

The geology of the relinquished portion is dominated by the Neo-Proterozoic (1000-750Ma) Oonah Formation, a sequence of greywacke, pelites, siltstones and quartz sandstones. This unit was probably the precursor to the Dundas Trough.

Intrusive rocks in the tenement are represented by Oonah Formation gabbro in the southwest and a few diabase veins in the east. Granite is seen in a small number of locations with the exposed area of about 15m². The weathering surface of granite is pale tan with a massive structure, mainly composed of feldspar and quartz, with the grain size of 2-5 mm. Feldspar has been weathered to kaolin, with clear quartz grains. Diabase veins are mainly distributed in the east of the tenement. They have a fine grained texture and massive structure with the main minerals being pyroxene and plagioclase (usually <0.5mm grain size). Accessory minerals are sparsely disseminated iron pyrite and chalcopyrite with a grain size less than 0.1 mm and less than 0.1% content.

The strike of the strata in the tenement is mainly NW-SE and to a lesser extent, E-W and N-S direction while the overall basin structure includes three direction groups: NW, NE and EW.

Based on the regional and local geological characteristics, CCR's exploration targets are iron ore, copper, zinc and tin of epigenetic vein and skarn styles as well as volcanogenic deposits.

To the immediate south of the tenement, tin mineralisation is developed within the aureole of the Devonian Heemskirk Granite both as veins associated with tourmaline and as alluvial deposits (Laffers, St. Dizier and Tasman River). Similar tin deposits occur to the immediate north of the tenement associated with the large Livingstone Creek Devonian granite batholith. The large replacement tin deposit of Renison Bell is located approximately 5km to the east of the tenement eastern boundary.

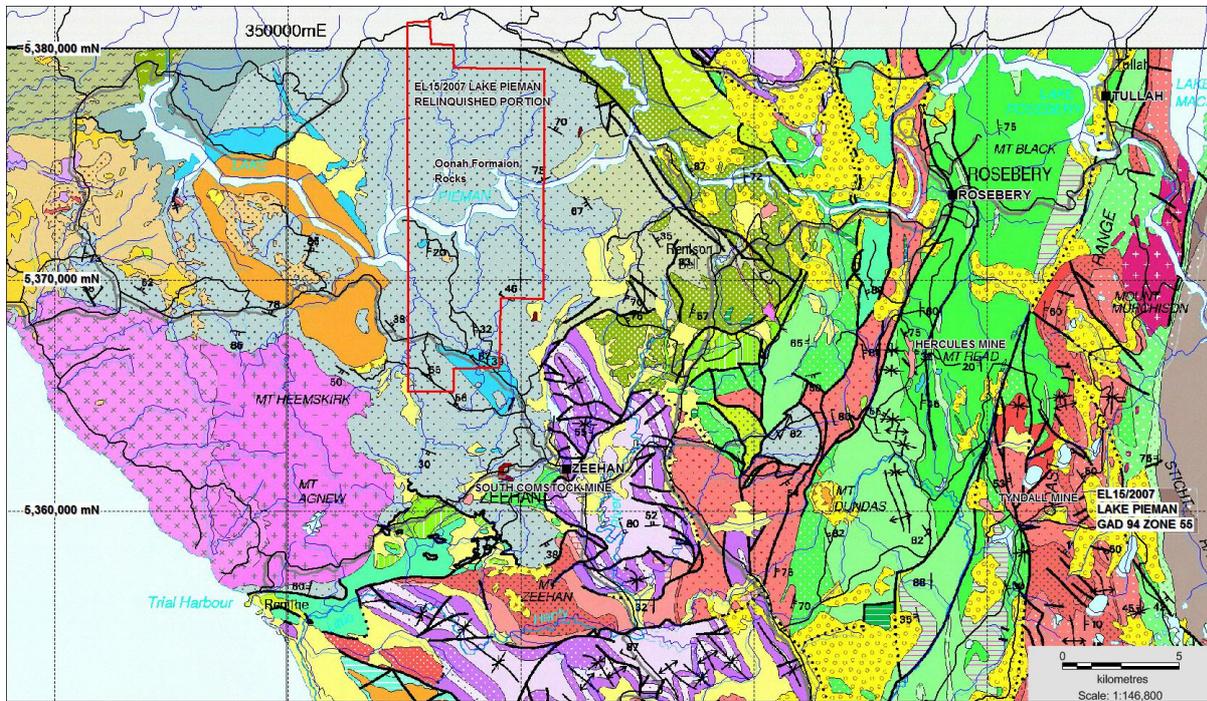


Figure 1: Geology of relinquished portion of EL15/2007

LICENCE

EL15/2007 (Lake Pieman), comprising 249km² was granted to ASF Resources Pty Ltd (“ASFR”) on 23 July 2007 (Table 2). ASFR subsequently formed a joint venture with China Coal Geology Engineering Corporation (“CCGEC”) to explore the tenement by the formation of an Australian joint venture company, China Coal Resources Pty. Ltd (“CCR”). Title has been transferred from ASFR to CCR. In 2014 E15/2007 was further reduced by 75 km² as shown in Figure 2.

Tenement	Reduced Area(km ²)	Grant Date
EL15/2007	43	23/07/2007

Table 1: EL15/2007 Relinquished Area Details

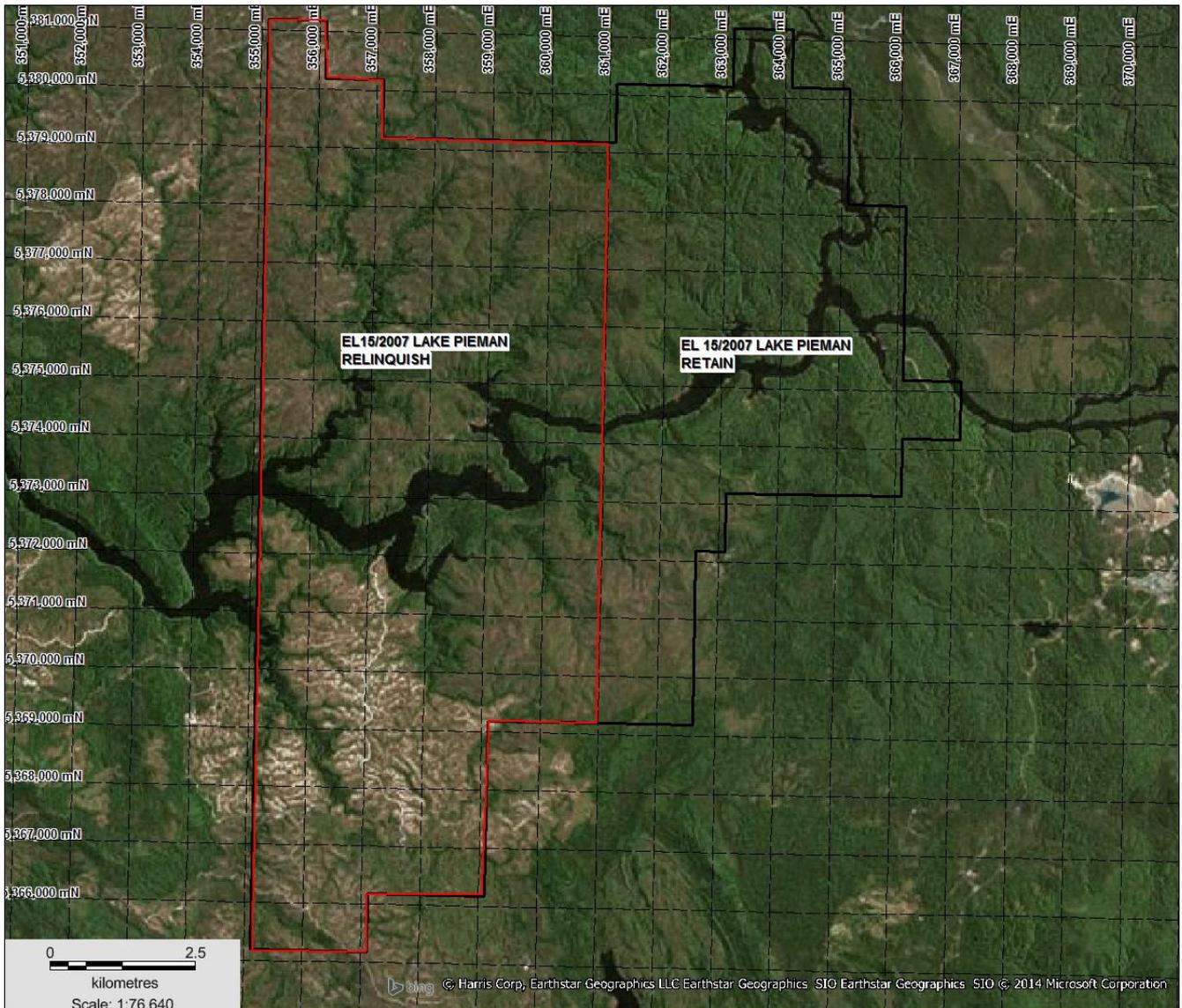


Figure 2: Reduction of EL15/2007 in 2014 – Satellite Image

LOCATION

EL15/2007 is located 15km west of Renison Bell tin mine and approximately 30km west of Rosebery in western Tasmania (Figure 2). The West Coast Highway, A10, borders the eastern side of the tenement while the Pieman Road, 245, provides limited access to the northern sector of the tenement. The Zeehan-Granville Harbour road provides limited access to the southern areas of the tenement. The Pieman River and Dam traverses the centre of the tenement area. Access is limited and topography rugged with much of the tenement comprising the steep sides of the Pieman valley.

The tenement is thickly vegetated with vegetation varying from button grass and heath through thick tea tree scrub and mature eucalypt forest. Altitude difference throughout the tenement is 300-400m. The GDA94 Coordinate System is used in this work and a 13.5° east declination correction was applied for compass bearings.

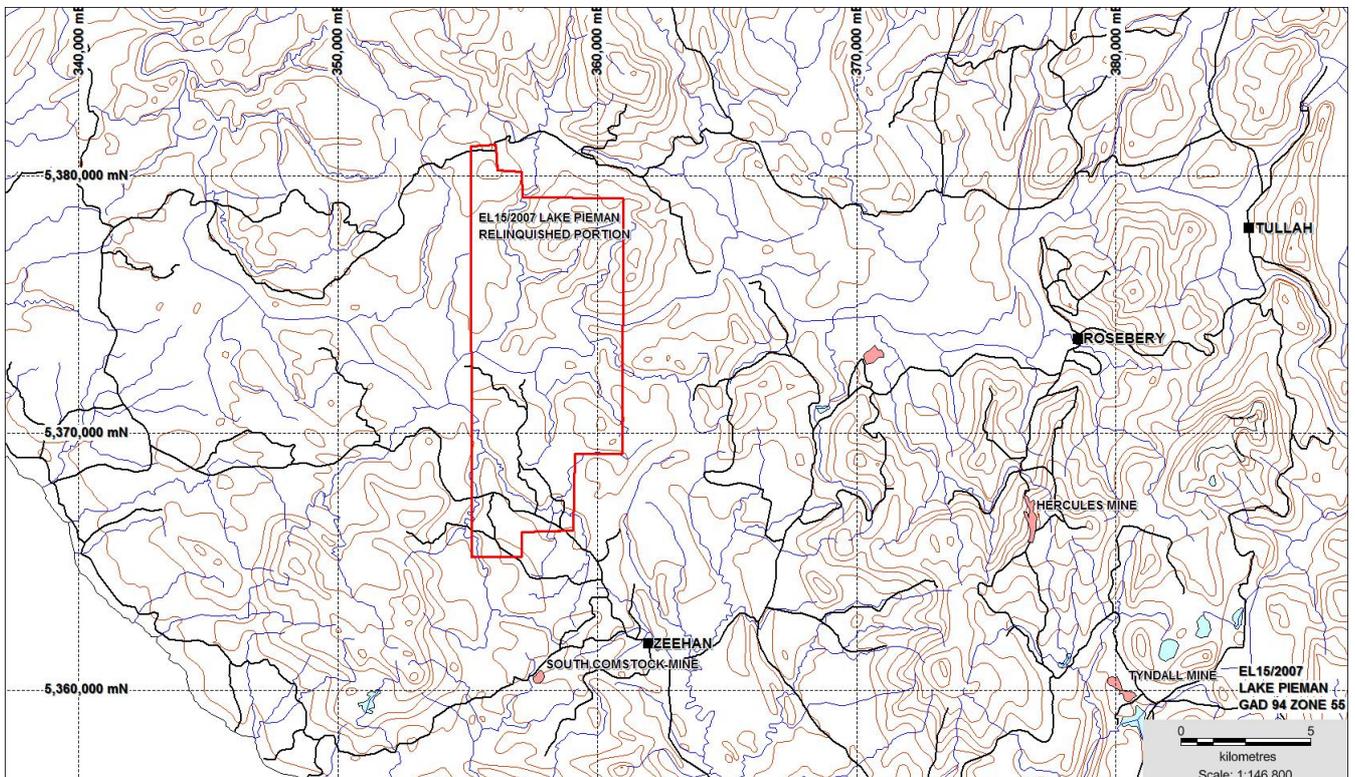


Figure 3: Location of EL15/2007

Review of Previous Work

PRIOR TO CURRENT TENEMENT

Historically there has been relatively little exploration undertaken over much of the area covered by EL 15/2007. The degree of overlap with prior tenements has been minimal, covering only small regions along the fringes of the present day licence, and in some instances exploration coverage may not have extended over these areas. Table 3 provides a brief summary of work completed by former tenement holders where overlap has occurred. A more detailed description of the nature of work and subsequent findings follows.

Company	Period	Licence	Target	Exploration Activities
RGC Exploration	1989 – 1992 1993 - 1994	42/1987	Base metals, tin	C-horizon soil sampling, aeromagnetics, geological mapping & rock chip sampling. Diamond drilling at Sylvester (SY002 – SY016)) and one stratigraphic drill hole (PL001) at Parting Lake. Down hole SIROTEM survey of SY016. Feasibility study of Sylvester Prospect
Cavenridge P/L	1990-1994?	23/1990	Granite	Detailed review of previous exploration and follow-up field reconnaissance
Cavenridge P/L	1990-1994?	29/1992	Granite, tin	As above
Bruce Resources N.L.	1995	12/1994	Chromite, gold, osmiridium, platinoids & tin	Detailed literature search & assessment of prior exploration
JV : Goldstream Mining N.L. & Titan Resources	1995 - 1999 2000	43/1994	Proterozoic iron formation-hosted lode gold	Stream sediment sampling & aeromag survey of entire licence. Detailed follow-up of anomalous areas incl. stream sediment & soil sampling, & diamond drilling (8 cored DDH) Airborne heli-EM survey
Adamus Resources Ltd	2002 - present	18/2002	Ni, Platinoids & Au	Review of previous exploration & aeromag results with follow-up stream sediment sampling and analysis

Table 2 Previous Work by Other Companies over EL 15/2007

RGC Exploration commenced work on EL 42/1987 in 1989 with a program including c-horizon soil sampling, aeromagnetics, detailed geological mapping and rock chip sampling. This EL had a small area of overlap in its top NW corner with EL 15/2007. Two areas were chosen for more detailed follow-up – Parting Lake and Comstock (later named Sylvester) - and grids were established to cover the areas. During 1990/1992 diamond drilling was undertaken at Sylvester: to test a 1.2 km Zn-Pb-(Sn-Au) anomaly (holes SY002 & SY003) associated with ironstones and decomposed carbonates of the Upper Oonah Formation, and to test the source of two intense magnetic anomalies associated with the Balstrup Fault (SY004 & SY005). These delineated a significant base metals skarn, and a further 10 holes were completed to test the extent of the deposit. Exploration ceased in 1992, however, when drilling failed to identify any such extension. A single stratigraphic hole (PL001) was drilled at Parting Lake to test for potential base metal / stanniferous replacement deposits above a gravity defined granite cupola, however the hole failed to intersect significant carbonates.

In 1992 the northern half of the EL (which included the overlap with EL 15/2007) was relinquished. Work on the remaining tenure included a down-hole SIROTEM survey of DDH SY016 and a feasibility study of the Sylvester Prospect was undertaken. In 1994 joint venture partners were sought, unsuccessfully, and in 1995 the remainder of the EL was relinquished.

During the early 1990's, Cavenridge Pty Ltd carried out an exploration program in the Mt Heemskirk area on EL 23/1990, which was subsequently expanded toward the west coast to become EL 29/1992. The top NE corner of these EL's was co-incident with EL 15/2007. Their target was the mineralized Devonian-Carboniferous Heemskirk Granite for dimension stone as well as tin and base metal potential. A detailed review of previous exploration and results was undertaken, together with some field reconnaissance, and based on favourable projections, recommendations for future work programs were proposed. It appears from subsequent reports, however, that no further investigations eventuated, and the EL was relinquished around 1995.

Located to the NE of EL 15/2007, Bruce Resources NL commenced exploration over EL 12/1994 during 1995. Overlap with the present day EL 15/2007 is confined to a very small corner in the top NE section. Again, work comprised a detailed literature search and assessment of past exploration, with interest primarily focused on chromite, gold, osmiridium, platinoids and tin. The ultramafic rocks were regarded as being highly prospective for platinoids, gold and chromite while the Mt Lindsay tin skarn was considered indicative for the area to host granite related mineralization. Despite optimistic projections for the area's potential, it appears that no further investigations proceeded and the tenure was relinquished in 1995.

Following the granting of EL 43/1994 to Joint Venture partners Goldstream Mining NL and Titan Resources NL in February 1995, an extensive exploration program was commenced. This tenement was located to the NW of EL 15/2007, and again the area of overlap is extremely small compared to the overall size of the EL. The primary target was Proterozoic iron formation-hosted lode gold. Work undertaken prior to 1999 included stream sediment sampling and an aeromagnetic survey of the entire licence, which highlighted three areas of interest; Lefroy Ridge East and known historical workings at Rocky River and Lucy Spur. The prospects were followed up with detailed stream sediment sampling, soil sampling and diamond drilling. A total of eight cored drill holes were completed over the three prospects, however with only low order gold anomalies identified, no further work was undertaken. In late 1999 approximately half of the EL (NW portion) was relinquished. In 2002 an airborne heli-EM survey was flown in conjunction with Mineral Resources Tasmania (MRT), targeting Cu-Zn bearing massive sulphides associated with the Savage River magnetite deposits. Follow-up investigations failed to identify any further areas of interest, and after extensive testing of all anomalies showed no economic mineralization, the remainder of the EL was relinquished in 2002.

Goldstream Mining also held several other tenements to the north and east of EL 43/1994 during the 1990's and beyond. In closest proximity to EL 15/2007 were EL 42/1996 and EL 22/1998, to the immediate north, however neither of these were coincident, and consequently have not been included in this review.

EL 18/2002 which is located to the NE of EL 15/2007, was granted to Adamus Resources Ltd in 2002. Their principal target focused on primary nickel, platinoid and gold mineralization. As can be seen in the EL Map for 2003 in Appendix 1, overlap occurred in the NE corner of EL 15/2007. Following a review of historic exploration data and publicly available aeromagnetic data, Adamus carried out a stream sediment sampling program from drainages to the west of Serpentine Ridge. All samples were

analysed for low-level Au, Pt and Pd, and Cr, Cu, Ni and S. A review of these results led Adamus to identify some areas within the tenement as non-prospective, and a total area of some 40 sq km was identified for release in 2004. Included in this relinquished zone was the overlap portion with EL 15/2007. Adamus continue to have tenure for the remaining areas of the EL.

DURING CURRENT TENEMENT TERM

2007-2008

Exploration completed (Derriman & Lee, 2008) included:

- Review of geological setting and mineralisation
- Compilation of previous exploration data

2008-2009

Exploration completed (Derriman, 2009) included:

- All available open file GIS data was assembled for review in Mapinfo.
- A brief field visit to the project area was made by ASF Resources staff to review the geology and magnetic character of the rocks with an iron rich skarn model in mind.

2009-2010

Exploration completed (Derriman, 2010) included:

- All available open file GIS data was assembled for review in Mapinfo.

2010-2014

No field based exploration occurred during this period

Conclusion

The relinquished portion of EL15/2007 has no exploration potential for the target commodities sought and is being relinquished.

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Keywords

File Name	
Location Name:	Lake Pieman
Earth Science Related Terms:	Geological Mapping
Commodities:	Iron ore, Copper, Zinc and Tin
Stratigraphic Name:	Oonah Formation
Lithologic Name:	Greywacke, Sandstone, Pelites, Siltstone
Geological Province:	Dundas Trough
Geological Age:	Cambrian

Table 3: Key words associated with EL 15/2007