AUSTRALIA CHINA CORPORATION OF COAL GEOLOGY ENGINEERING PTY LTD

(ACCCGE)

EL31/2010

THIRD ANNUAL REPORT

Period ending 25th May 2014

May 2014

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1. **Mineral Resources Tasmania**
2. **ACCCGE 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 2014

2. INTRODUCTION

No field work was done by ACCCGE during the last twelve months.

During 2013/2014 ACCCGE have entered into a Joint Venture with Jiyuan Mining Pty Ltd to expend $300,000 on exploration of EL31/2010 for tin, tungsten and other minerals.

3. TENEMENT STATUS

The Exploration Licence (EL31/2010) covers 62 square kilometres in north-eastern Tasmania in the Blue Tier district. It is located approximately 70 kilometres north-east of Launceston, 40 kilometres east of Scottsdale and 20 kilometres north of St Helens.

The Licence was granted to ACCCGE on 26th May 2011 for a period of 5 years.

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

4 TOPOGRAPHY AND ACCESS

EL31/2010 is located largely within the Blue Tier Forest Reserve and accessed via the Tasman Highway that connects Scottsdale and St Helens.

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

5. GEOLOGY AND MINERALISATION

(Reproduced from Annual Report 2012 by Jane Capp)

The Blue Tier district is dominated by Silurian-Devonian Mathinna Beds, intruded by the Devonian Blue Tier Batholith.

Late stage leucocratic tin-bearing granites belonging to the Late Devonian Lottah Suite intrude the older granites in the area of the 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 district has been classified as three distinct types (Suppree, 1985):

1. Steeply dipping greisen veins or 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 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 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 pegmatic 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 30-40mof 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.

6 PREVIOUS EXPLORATION AND MINING

Prospecting and exploration from 1874 onwards has defined numerous alluvial tin deposits and small tonnage greisens (Supree 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 Lyall and Railway Company conducted a significant program of trenches and diamond drilling in 1906 targeting vein greisens. The best intercept of 3.5m @ 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 tons of tin until 1918 from a number of open pits. Other short term operations in the area produced an additional 1,500 tons (Suppree 1985)

Renison Ltd, previously Aberfoyle Tin Development Partnership, commenced modern exploration of the Anchor deposit in 1964 and continued through to 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 closure (Fulton, 2009).

An estimated 215,000 tons 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 outside the Anchor mine is as follows:

- In 1974 Geophoto conducted exploration from Cross Ck to Cream Ck with the conclusion that mineralisation in this area was sub-economic (Supree, 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 Ck workings was terminated after completion of 2 holes due to heavy water flows.
- Amoco Minerals Australia held an exploration licence over the northern part of EL31/2010. They completed mapping, soil and rock chip sampling of the Schroeder's Ck, Tallewang Ck and Spinks area, but failed to locate significant greisen-tin mineralisation.

7. WORKS COMPLETED DURING REPORT PERIOD

No work was completed during the report period, however ACCCGE have been successful in locating a Chinese company, Jiyuan Mining Pty Ltd to acquire EL31/2010 (subject to MRT approval) and expend $300,000 on exploration in 2014-2015.

8. PROPOSED EXPLORATION BY JIYUAN MINING

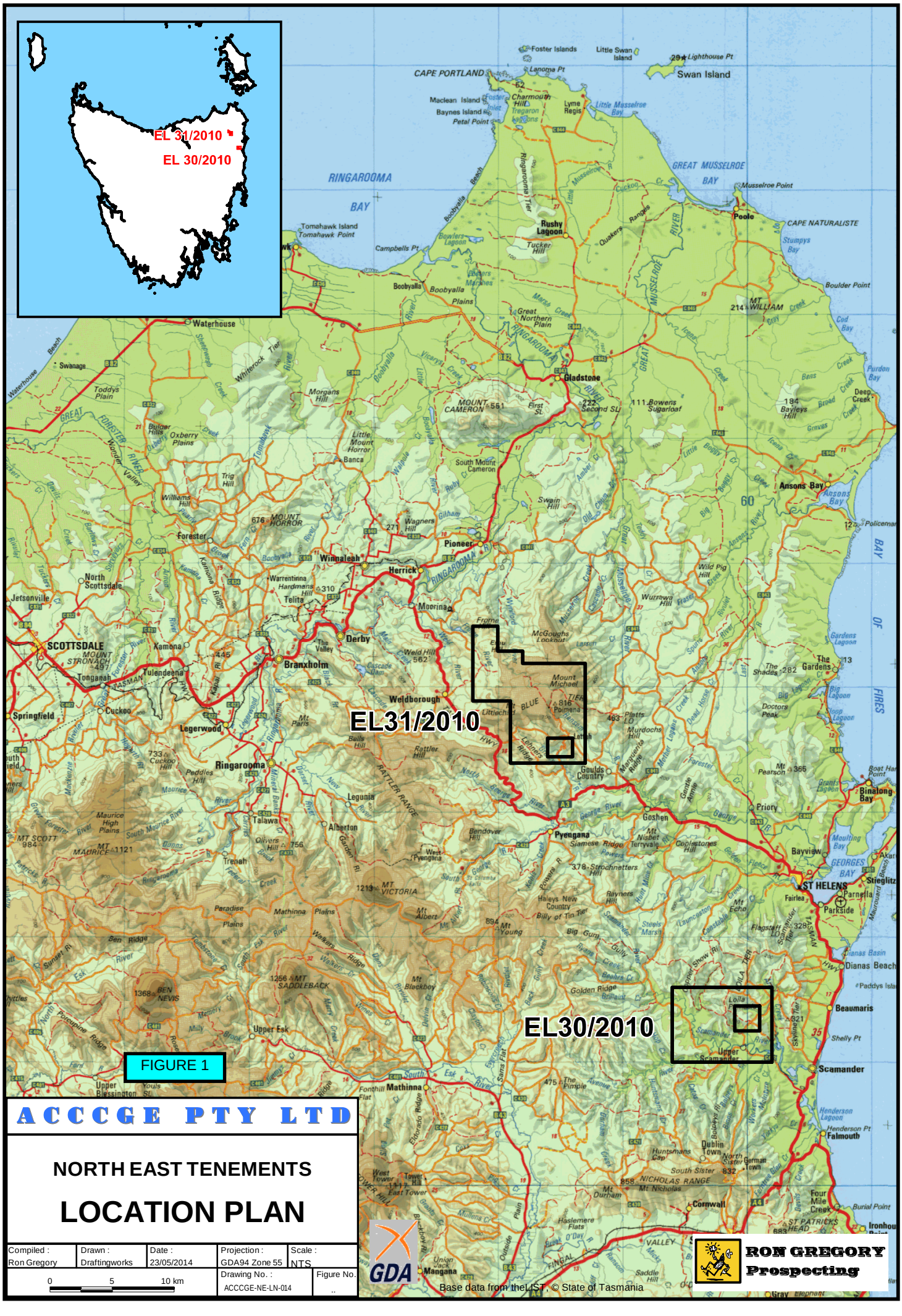
- Review existing geological and geophysical data
- Conduct geological mapping, stream sediment soil and rock chip sampling and geophysical surveys as required.
- Conduct deep drilling should appropriate targets be located.
- Report on results of exploration.

9. ENVIRONMENTAL

No ground disturbance occurred in the reporting period

10. REFERENCES

Ross, A. F. 1981 (81-1596)
Suppree, J. 1985 (85-2378)
Fulton, R. 2009 (09-5954)
Capp, J. 2012 Annual Report EL 31/2010



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NORTH EAST TENEMENTS

LOCATION PLAN

Compiled :	Drawn :	Date :	Projection :	Scale :
Ron Gregory	Draftingworks	23/05/2014	GDA94 Zone 55	NTS

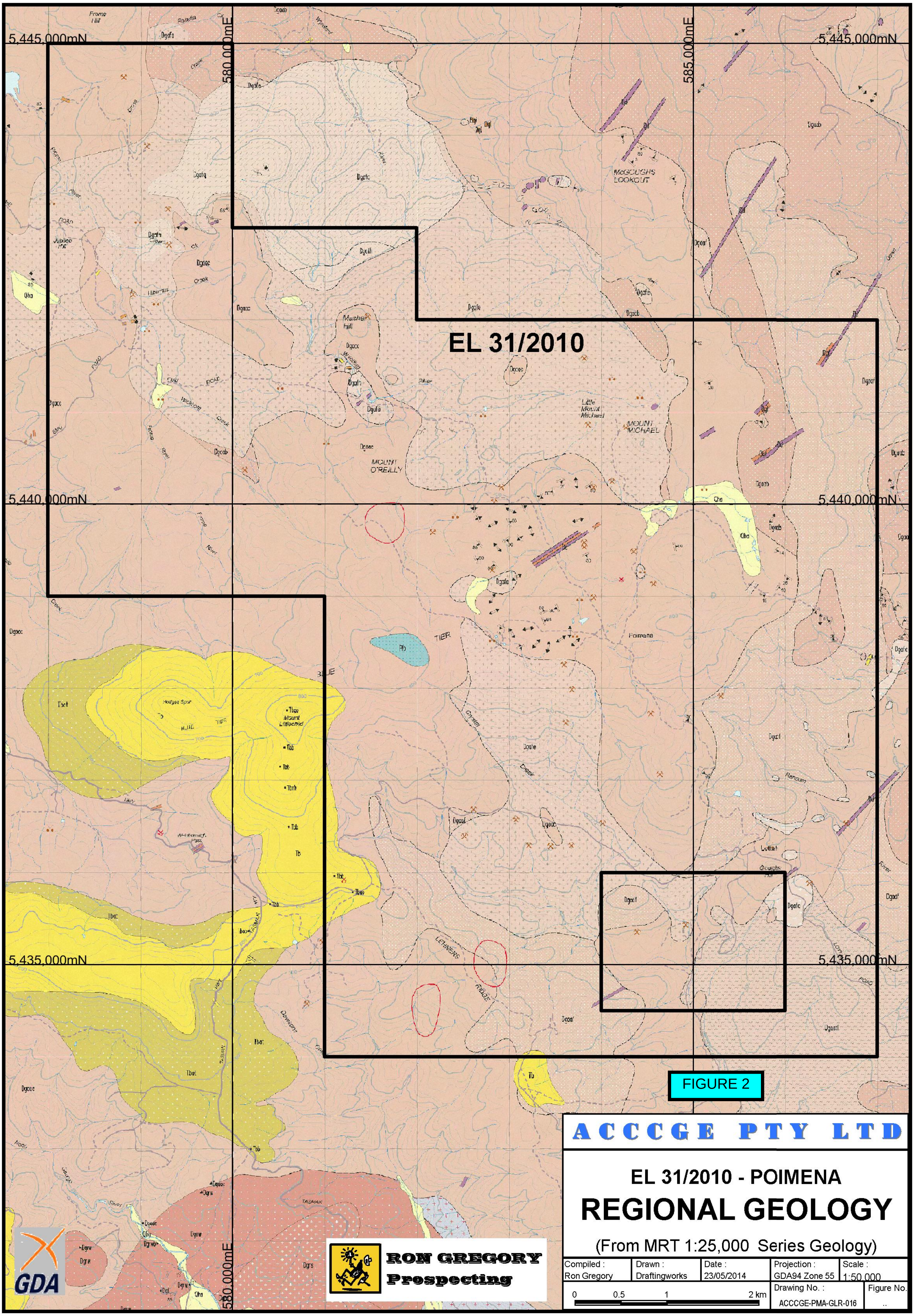
0 5 10 km

Drawing No. : ACCCGE-NE-LN-014

Figure No. ..

GDA

RON GREGORY Prospecting



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EL 31/2010 - POIMENA

REGIONAL GEOLOGY

(From MRT 1:25,000 Series Geology)

Compiled :	Drawn :	Date :	Projection :	Scale :
Ron Gregory	Draftingworks	23/05/2014	GDA94 Zone 55	1:50,000

0 0.5 1 2 km

Drawing No. : ACCCGE-PMA-GLR-016

Figure No. ..