EXPLORATION LICENCE 32/2010

Boco, Tasmania

FINAL ANNUAL AND RELINQUISHMENT REPORT

for the period between 24 March 2013 and 23 March 2014

Yunnan Tin Australia TDK Resources Pty Ltd

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Yunnan Tin Group, Yunnan, China
Mineral Resources Tasmania

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

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Abstract

Exploration targets in the tenements were volcanogenic massive sulphide deposits similar to Rosebery, Que River, and Hellyer.

No field work was carried out during the final year of the tenure. Further assessment of VTEM survey results has led to the conclusion that no worthwhile deep targets, especially beneath the Quaternary cover, warrant further investigation. The tenement is therefore allowed to lapse.

All exploration activities are being conducted in an environmentally sensitive manner.

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1. Introduction

EL32/2010, Boco, is located about 5km NW of Tullah, on the western coast of Tasmania (Figure 1). This tenement is found on Charter, Block, Parsons and Ramsay 1:25,000 map sheets, with combined area of 48.2 sq. kms.

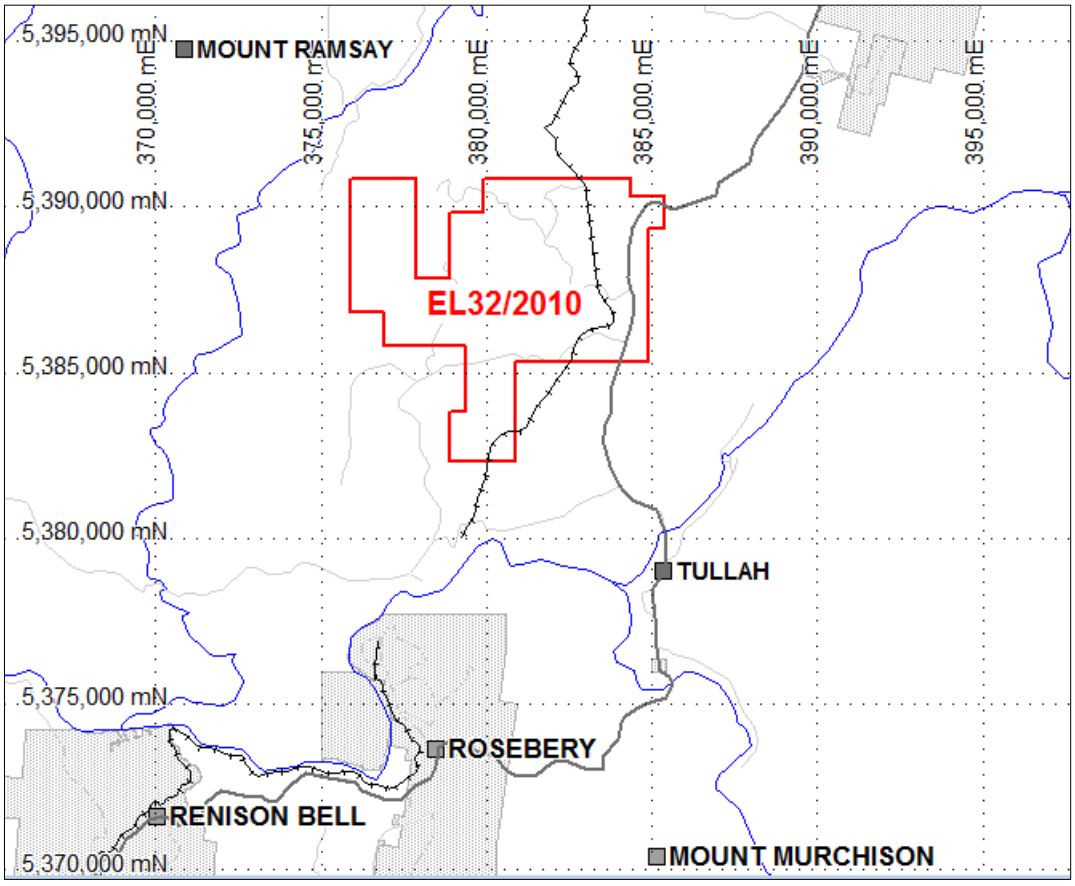

Figure 1: EL32/2010 Boco locality plan

Both Murchison Highway and Emu Bay Railway line run through eastern half of the tenement area. While accesses to the east and central areas of the tenement are via a forestry road, Boco Road and dirt tracks off Murchison Highway, west part of tenement has limited access. Boco siding and rail facility are also located in the area.

The area contains temperate rainforest, eucalypt woodland and relatively open button grass flats. Glacial sediment cover, particularly though the central and eastern sections of the licence has inhibited exploration techniques, particularly EM.

Central and western parts of the tenement area are covered by forest reserve; while eastern part by a combination of state forest, nature recreation and aurora/hydro/transcend lands.

2. Tenement Details

Exploration Release Area 819 was offered for tender by the Tasmanian Department of Mines, as a result of relinquishment of previous EL70/2007 held by TeckCominco. Yunnan Tin Australia TDK Resources Pty Ltd was successful in the tender process for a larger area than EL70/2007. An extended area of Mt. Read Volcanics to the west of original ERA819 was included in the application, which covers Silver Falls lead-silver prospect. The title was granted as EL32/2010 on 24th March 2011 for a period of five years.

3. Geology and Mineralization

3.1 Regional Geology

EL32/2010 Boco is located in the Dundas Trough in western Tasmania. The VHMS prospective sequence forms part of the mid- to late-Cambrian Mt Read Volcanics (Fig. 2).

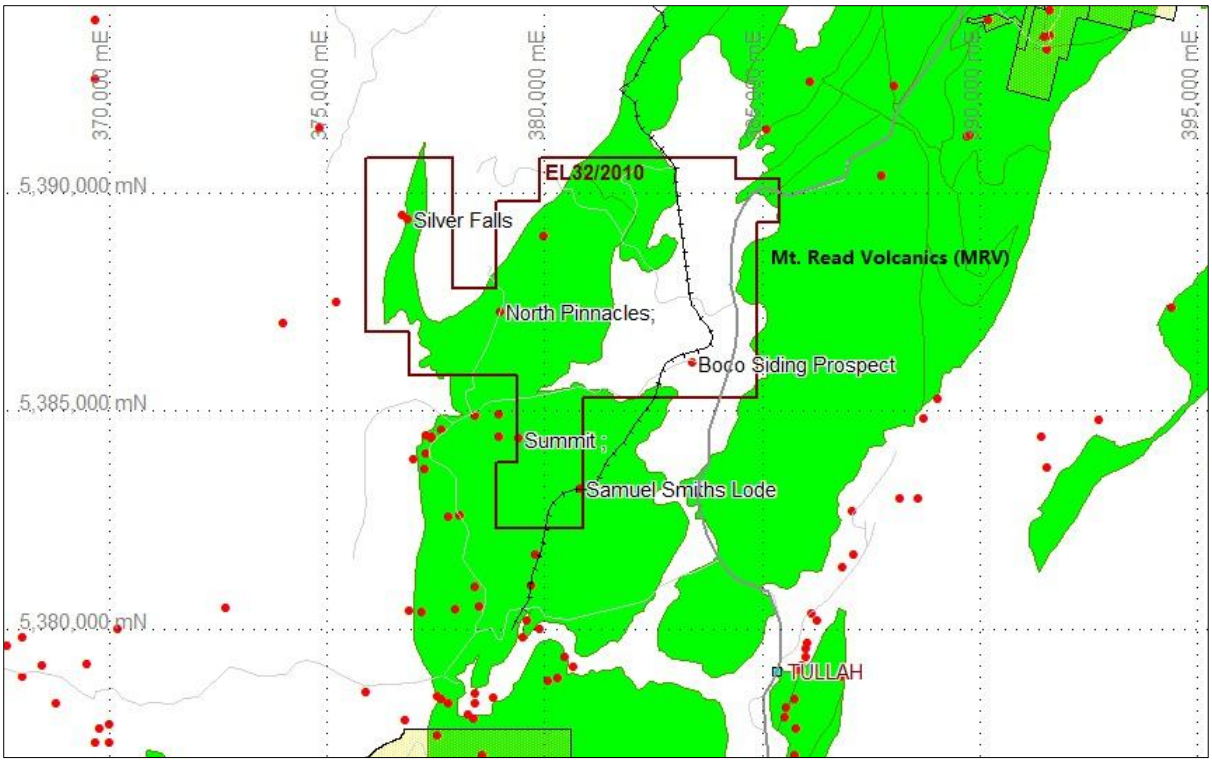

Fig. 2: Presence of Mt. Read Volcanics (MRV) in and around the tenement area

Basement in western Tasmania is Precambrian in age, comprising predominantly greenschist facies metasediments with minor basalts and dolerites, although higher grade amphibolite and eclogite facies rocks are also present (Burrett and Martin, 1989).

Cambrian volcanism and sedimentation development on the margin and within the rift can be subdivided into the Eo-Cambrian tholeiitic Crimson Creek Formation (CCF) and the mid to late Cambrian Dundas Group and predominantly calc-alkaline Mt Read Volcanics (MRV) (Skirka and McNeill, 2005).

The CCF was deposited in shallow but rapidly subsiding basins (Brown, 1986). The CCF consists of basaltic lavas and volcaniclastics, turbidites, carbonates, chert and minor evaporites. This formation is exposed west of the licence.

Ultramafic cumulates and volcanic equivalents were thrust onto the CCF in the mid Cambrian (Crawford and Berry 1991). These rocks generate strong magnetic anomalies and outcrop within the Huskisson Syncline, to the west of the licence. The ultramafics are interpreted at depth beneath the licence (Leaman, 1992).

The MRV form a 200km long by 20km wide north-south trending belt along the eastern side of the Dundas Trough, adjacent to and in some areas on lapping and intruding the Precambrian basement. The volcanics include intermediate to felsic lavas, sub-volcanic porphyries and granites, volcaniclastics and basement-derived sedimentary rocks. The MRV host six economically significant volcanic hosted massive sulphide deposits (Simpson and McNeill, 2001).

Equivalents of the MRV underlie all the EL32/2010 Boco licence except western margin, and vary from massive felsic lavas, volcaniclastics and subvolcanic intrusives of the Central Volcanic Complex (CVC) in the east and south. This package is overlain, in part, by a thin micaceous greywacke and shale sequence, correlated with the Animal Creek Greywacke, and the Hollway andesite, a package of feldspar-phyric dacitic to basaltic lavas and hyalocalstic lava breccias with a geochemical signature suggesting a correlation with the Que-Hellyer Volcanics (Coutts, 1990).

In east and south parts of the licence area, the Mt Read Volcanics are represented by massive felsic lavas, volcaniclastics and sub-volcanic intrusives of the Central Volcanic Complex (CVC). The CVC is overlain in part by a thin micaceous greywacke and shale sequence correlated with the Animal Creek Greywacke (including the Black Harry Beds) and the Hollway Andesite, a package of feldspar-phyric dacitic to basaltic lavas and hyaloclastic breccias (McNeil, 2005). The Hollway Andesite suite has been correlated with the Que-Hellyer Volcanics based on geochemistry (Coutts, 1990).

Poorly mapped mixed provenance fine to coarse grained sediments (including volcanic quartz-rich volcaniclastics) with minor quartz-feldspar porphyry intrusives and lavas, probable correlates of the Southwell Subgroup (or lower Tyndall Group) overly the Hollway Andesite and define a synclinal structure in the north and west of the tenement (Simpson and McNeill, 2001).

Fine to coarse quartz-rich volcaniclastics, some quartz-phyric lavas and porphyry intrusives overlie the Hollway Andesite. They are correlated with the Southwall Group or Lower Tyndall Group and form a syncline in the north and west of the tenement. Some mineralisation at Pinnacles and Southern Trenches to the west of the licence is associated with these rocks.

A large glacial channel cuts through the eastern part of the licence and may be over 100m thick (Figure 3). It has inhibited exploration as geophysical techniques are ineffective through the clay-rich sequence.

Major structures that subdivide the MRV are the Rosebery Fault, west of the licence, and the Henty Fault, which is located 5km to the east of the licence.

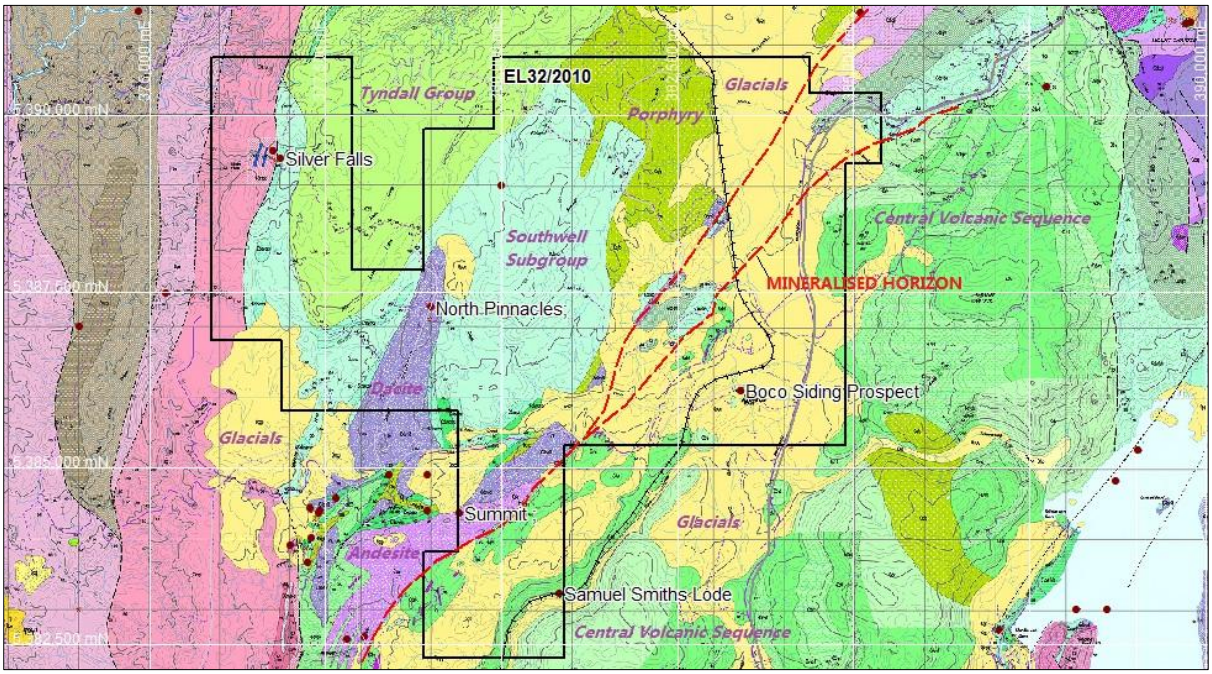

Fig. 3: Tenement geology (base geological data from MRT 25K geological mapping data; mineralised horizons interpretation adopted from Zinifex).

3.2 Mineralisation

Six volcanogenic massive sulphide deposits of economic interest are known in the belt with Rosebery the most significant. Hellyer and Que River were previously mined. Rosebery sits

at the top of the CVC in what is locally termed the Hercules Pumice Formation, a pumice-rich breccia derived from acid lavas. An equivalent to this, termed the Kershaw Pumice Formation, extends to the Hollway Andesite area and then lenses out. Que River and Hellyer massive sulphide deposits sit in dacitic to andesitic rocks of the Que-Hellyer Volcanics that equate with the Hollway Andesite position, though Corbett (2002) suggests that this may be more time equivalent with the Kershaw Pumice Fm and shows the Que Dacite in which Que River sits overlying the Hollway Andesite. (Figure 4) (Gregory, 2009).

No economically significant mineralisation is known in the licence. The Boco sericite-pyrite alteration has been intensively explored and a significant amount of work has gone into the higher stratigraphic position at the Hollway Andesite where pyrite occurs in altered andesite. Drilling below this into the CVC has found some alteration and veins of massive sulphides, but of very limited extent (e.g. Skirka and McNeill, 2006). Pasminco/Zeinifex has carried out systematic assessment over Silver Falls prospect without significant results.

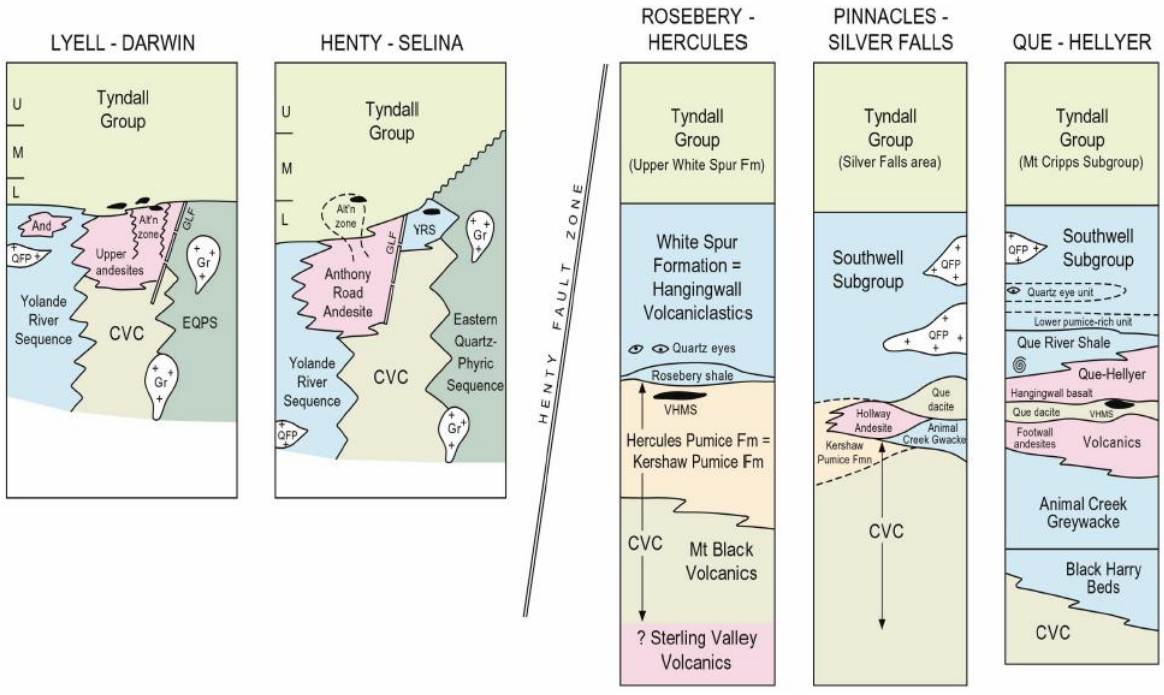

Fig. 4: Regional stratigraphic correlations (Adopted from Corbett, 2002)

4. Exploration During the Tenure

No field work was carried out during the last year of the tenure.

Work carried out since grant of the tenement has included:

- Literature review, and
- Airborne VTEM survey.

Details of those works are included in previous annual reports (Xie, 2012 & 2013).

5. Discussion and Conclusion

Yunnan Tin Group acquired this ground with a view to assess Hellyer and Roseberry style mineralization, especially within the areas where 'Mineralized Horizon' trend between Hellyer and Roseberry is obscured by Quaternary sediments.

However, review of VETM results indicates that there are no apparent conductors underneath Quaternary cover.

Other VTEM targets, identified from southern area of the tenement and from Silver Falls prospect area, are believed to be well explained by previous work.

The tenement was allowed to lapse.

6. Environment

Yunnan Tin Australia TDK Resource Pty Ltd has environmental policies in place to always ensure minimisation of the impact that exploration activities have on the environment. All vehicular travel within the tenement has been on the existing tracks.

No ground work was carried out during the tenure of the title.

7. Expenditure Statement

Expenditures for the final year period between 17/03/2013 to 16/03/2014 are $21,657, which brings the total expenditure for the entire tenure of EL32/2010 to $182,046.

Expenditure	$
Geology	17,125
Geochemistry	
Geophysics	
Remote Sensing	
Gridding	
Drilling	
Land Access Costs	
Rehabilitation Costs	
Feasibility Study Cost	
Other Cost	2,818
Administration Cost	1,714
TOTAL	**$21,657**

Table 1: *EL32/2010 Expenditure for the final year*

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