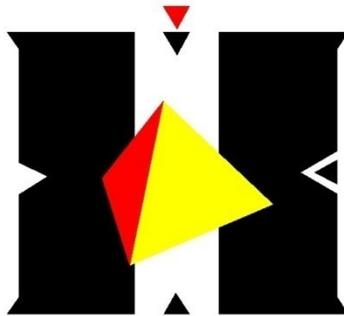


**Annual Report
and Partial Relinquishment Report
Licence EL8/2011
Cumberland Lake
Western Tasmania
July 2014**



Australian Hualong Pty Ltd

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Signed:

Date: July 2014

Distribution: Australian Hualong Pty Ltd
Mineral Resources Tasmania

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

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1. Introduction

1.1 Location

EL8/2011 is located approximately twelve kilometres west of Zeehan on the west coast of Tasmania and includes the man-made Lake Cumberland. Access to the area is from the southeast via the Trial Harbour Road. The existing tracks are cut into the granite and have a generally well-compacted surface in part suitable for 4WD vehicles, however the tracks over the steep escarpment in the east, south and west are difficult to traverse - exacerbated by erosion and use by recreation vehicles. Foot access to and on the plateau area is generally good. Foot access to escarpment areas especially in the east are more difficult with heavily forested gullies and incised steep hill slopes. Elevations range from about 170m to 470m. The annual rainfall in the area is usually heavy - up to two and a half metres, with most falling in the winter months

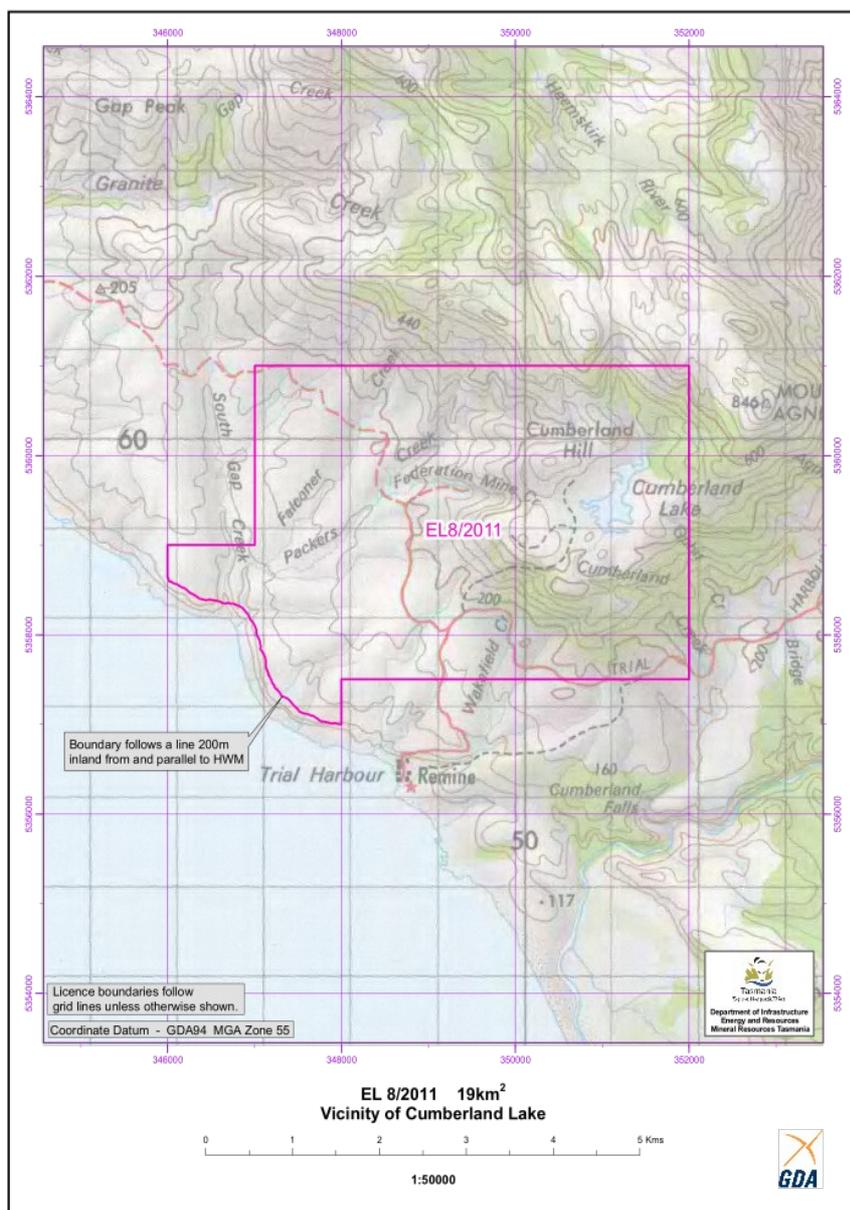


Figure 1: Location of EL8/2011

1.2 Land Tenure

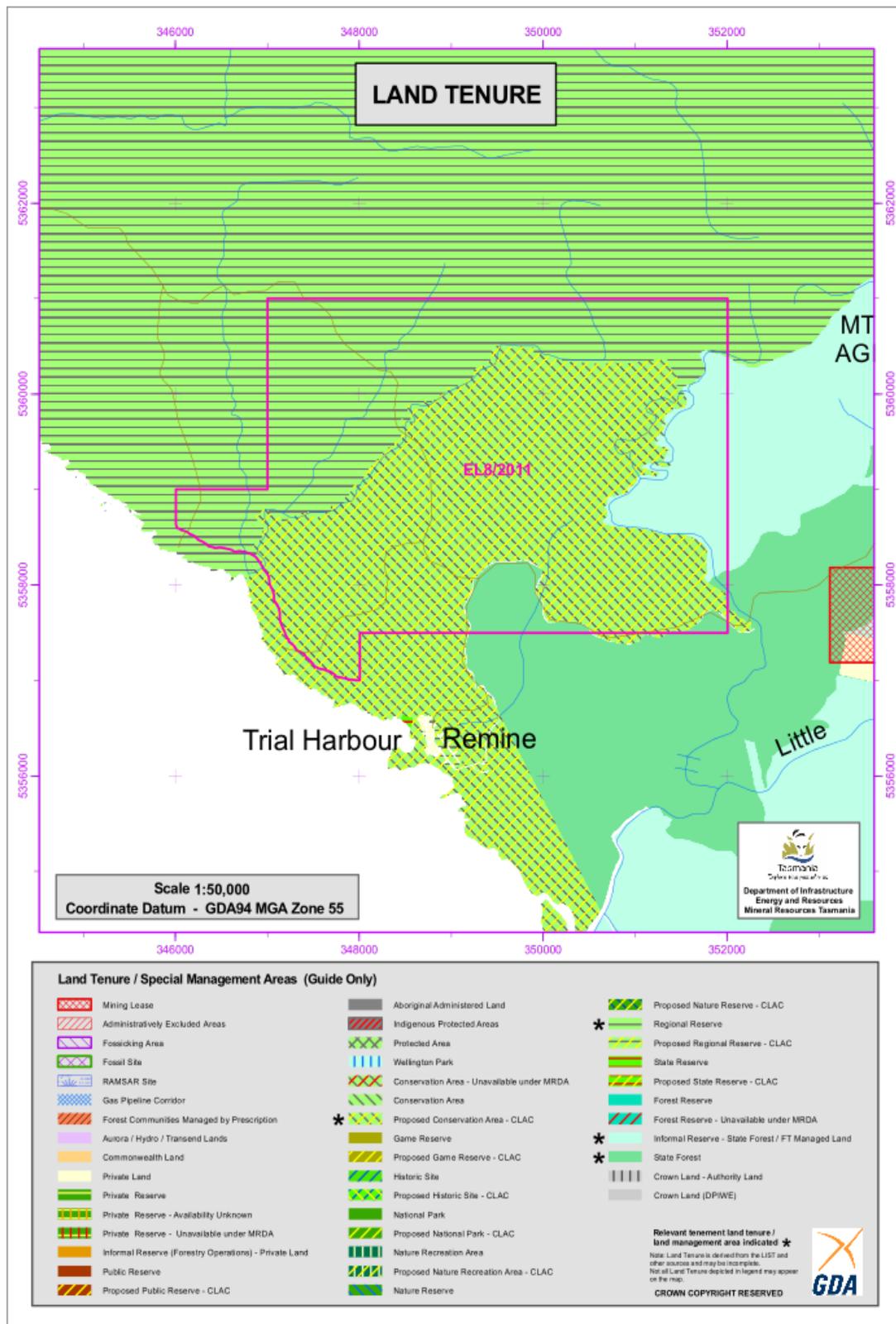


Figure 2: Land Tenure, EL8/2011

2. Geology

2.1 Regional Geology

The main features of the regional geology are a large granite dome which intruded a sequence of Proterozoic sedimentary rocks (older than 600 Ma) during Late Devonian times (c.390 Ma ago). The granite is known as the Mt Heemskirk granite with the mountain of that name being located in the north east of the granite outcrop and rising to 742m. Mt Agnew, another significant topographic feature, is located in the south eastern area of the granite outcrop, rises to 848m, and lies 9km due west of the township of Zeehan (see Figure 3).

The granite forms a large semi-circular body covering 120km². It is divided into two main ‘types’; the red and white granites. Tourmaline rich white granite intrudes the red granite. The granite is host to some tin (base metal) bearing greisens and there is evidence of extensive alteration of feldspars and biotite.

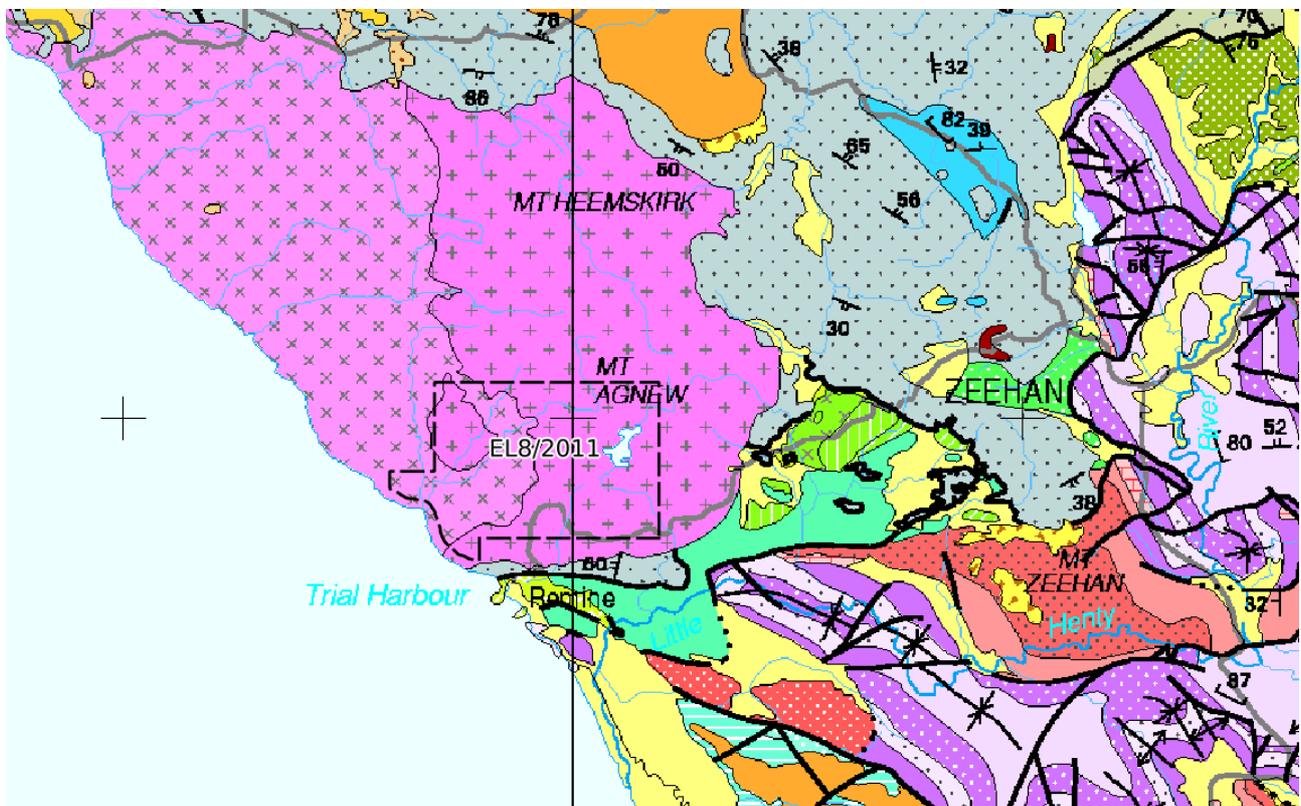


Figure 3: Regional geology EL8/2011 Cumberland Lake

2.2 Local Geology

The licence is entirely within a granite dome known as the Heemskirk Granite which has intruded a sequence of Proterozoic sedimentary rocks during the Late Devonian. The Heemskirk Granite is a multiphase intrusion with tin mineralisation being related to the latest phase. The licence covers a number of tin bearing lodes in an area known as the South Heemskirk Tin Field. A number of tin exploration targets occur within the granite near the southern contact (see Figure 4). Historic mines were mainly based on lode style mineralisation, however at Sweeney's the mineralisation is greisen tin-zinc style.

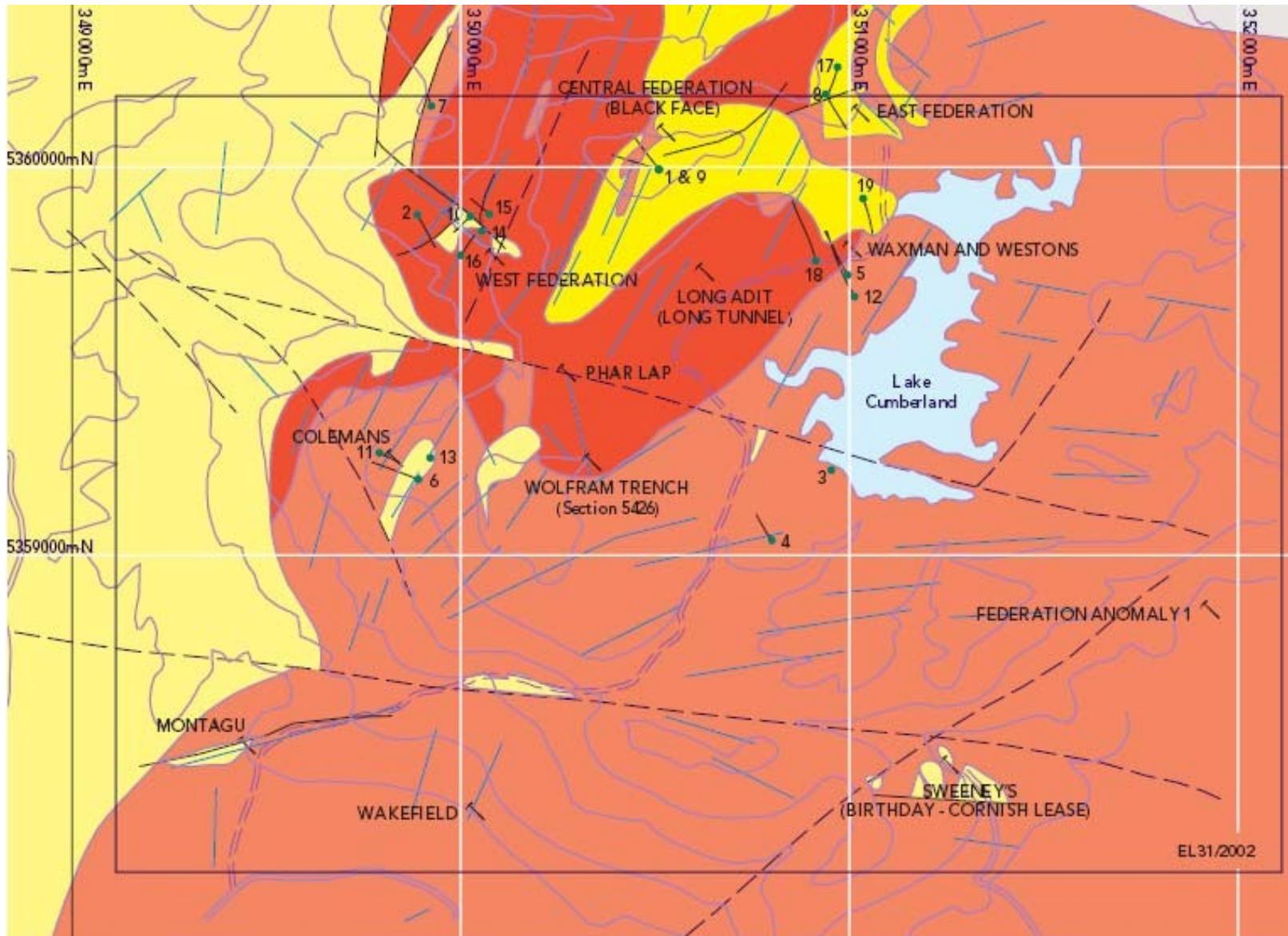


Figure 4: Prospects and local geology EL8/2011

3. Review of Previous Exploration

A comprehensive literature review including previous exploration is documented in Vaarwerk, 2008. Of particular note is the calculation of a tin resource at Sweeneys Prospect (see below).

3.1 Sweeneys JORC Tin Resource

During the late nineteen seventies a total of eighteen diamond drill holes were drilled into the Sweeney's mine. Although eight of these missed the target mineralisation, information from the remaining ten holes was used to assign a tonnage and grade estimate to the mineralisation of 500,000 tonnes at 0.6% tin. The tin mineralisation was open at depth and along (an interpreted SSE) strike. The most northerly adit contained 47 metres at 0.6% tin, 0.96% zinc and 7 g/t silver. In April 2008, a JORC code compliant resource of 562,000t at 0.5% tin, 1.4% zinc and 36 g/t silver containing 2,869 tonnes of tin, 8,000 tonnes of zinc and 657,000 ounces of silver was calculated on the Sweeney's deposit based on 17 diamond cored drill holes drilled in 1977 and 1978.

4. Exploration completed during reporting period

The primary exploration target is greisen tin-zinc-silver mineralisation hosted within the Devonian Heemskirk Granite.

Exploration at Cumberland Lake has been severely limited by the poor access to prime areas of interest. The existing Sweeneys access track is not suitable for track-mounted drill rigs due to the steep nature of sections of the track, and the deep scouring out of the access track by rainfall run-off. The deeply rutted areas would require significant fill material to remedy.

Several site visits have occurred, including accompanying earthworking contractors to site for track upgrade quotation purposes. Quotations for this work were unfortunately not received, with the steep and dangerous nature of the existing track and lack of suitable local fill material being given as the reason.

5. Discussion, Conclusions and further work

A portable diamond drill rig for use at Sweeneys Prospect has also been considered, but no local contractors have been located thus far that can provide this service.

The Sweeney's Prospect and Anomaly 1 prospects will be the focus of future work on the licence, accordingly the 12 square kilometre area shown in red in Figure 5 is to be relinquished. The area to be relinquished is located to the west of Sweeney's Prospect and Anomaly 1 Prospect. The Sweeney's mineralisation extensions at depth and along strike will be drill tested first, once the logistical problems are sorted.

Proposed Partial Relinquishment area EL8/2011 Cumberland Lake

Legend

-  EL8/2011 Current
-  Area to be relinquished
-  GDA94 Grid

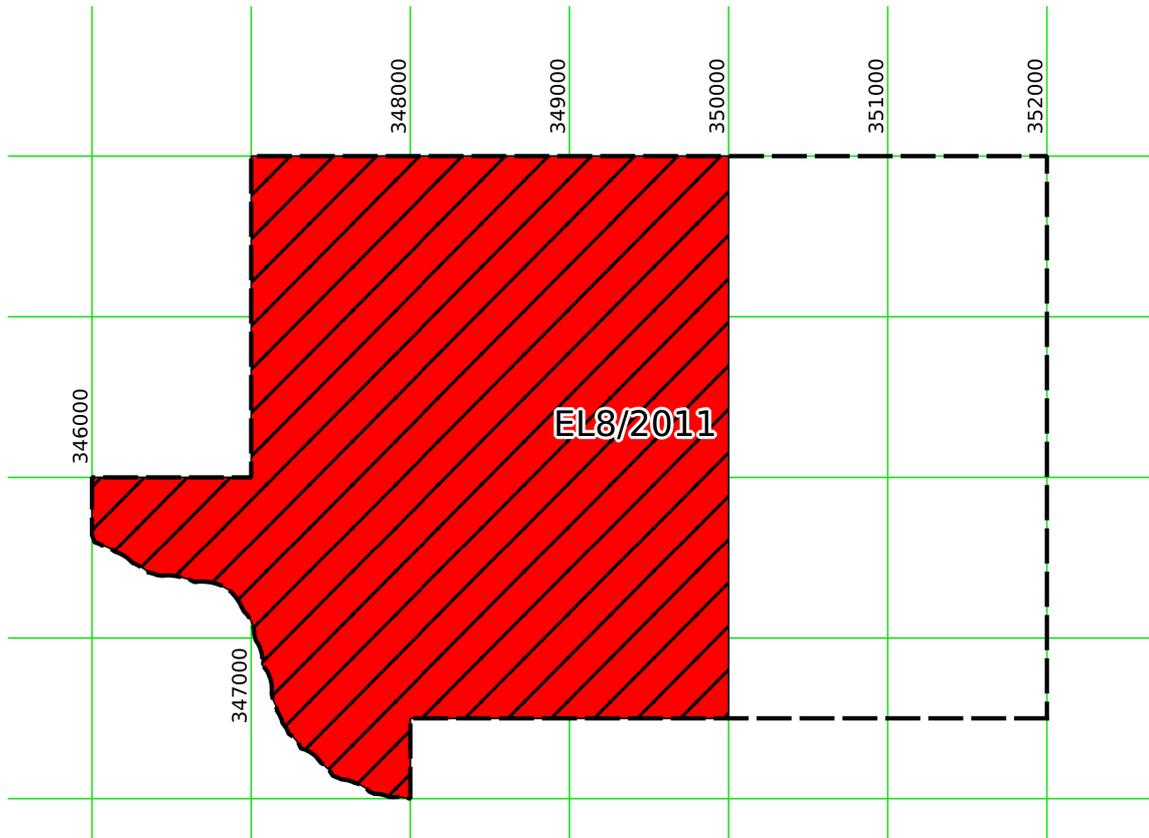


Figure 5: Proposed area for relinquishment (shown in red)

6. Environment

No work was undertaken that requires environmental rehabilitation.

7. Exploration Expenditure

Total expenditure to date by the holder is \$36,206, at the time of writing.

Year	Quarter	Expenditure (\$)
2013	1	\$2,200
2013	2	\$3,969
2013	3	\$8,689
2013	4	\$10,917
2014	1	\$10,431
Total		\$36,206

8. References

Blissett, A.H. 1962. Geological Survey Explanatory Report, One Mile Geological Map Series, Sheet 50 (7914S), Zeehan. MRT Report ER7914S0.

Vaarwerk, D.A., 2008 Final Annual Report Cumberland Lake EL31/2002, 18 Dec 2007 to 18 Dec 2008. Open file Report Mineral Resources of Tasmania. MRT Report 08_5755.