

JIYUAN MINING PTY LTD EL30/2010 Annual Report 2015

24th May 2014 – 25th May 2015

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Abstract

This report details the work completed on EL30/2010 for the twelve month period ending 25th May 2015

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1. Introduction

Little field work was done by Jiyuan Mining during the last twelve months. The work that was done was of a logistical and reconnaissance nature, in preparation for the exploration team from China to arrive.

During 2013/2014 Australian China Corporation of Coal Geology Engineering Pty Ltd (ACCCGE) entered into a Joint Venture with the Coal Geology Survey and Design Institute of Jilin Province (Jilin) to form Jiyuan Mining Pty Ltd (Jiyuan Mining) to explore EL30/2010 and EL31/2010 for tin, tungsten, copper, silver and other minerals.

1.1 Report Datum

GDA94

1.2 Exploration Rationale

The Upper Scamander area has potential for mineable tin resource.

1.3 Geological Setting

The most recent geological mapping that covers the licence area was completed by Worthing and Woolward in 2010 and reported in the Mineral Resources Tasmania Explanatory Report for Dublin Town (5840), Brilliant (5841), Falmouth (6040) and Beaumaris (6041) 1:25 000 geological map sheets. This work aimed to provide structural and stratigraphic information from the Mathinna Supergroup to assist in the production of a 3D model for northeast Tasmania.

Prior to this work the 1:50 000 St Helens map sheet was the most detailed regional geological information available (see McCleneghan et al., 1992).

Regional structural studies by Taylor (1992), Keele (1994) and Reed (2001) in combination with the geological mapping described by Seymour (2014) have resulted in a revised stratigraphy for the Mathinna Supergroup.

The geology of the licence area is dominated by the Mathinna Supergroup low grade meta sedimentary. A thin section of the Devonian Catos Creek Dyke outcrops in the southwest corner and is composed of granodiorite, quartz porphyry and adamellite. There is contact metamorphism along the northern boundary from the Devonian I-type Blue Tier Batholith. (Morrison 2014)

See Plans 2, 3 & 5.

2.

1.4 Licence Information

1.4.1 Licence Number

EL30/2010

1.4.2 Licence Name

Upper Scamander

1.4.3 Licence Location

Upper Scamander – see Plan 1.

1.4.4 Reporting Period

24th May 2014 – 25th May 2015

1.4.5 Tenement Holder

Jiyuan Mining Pty Ltd

2. Previous Work

2.1 Work Prior to Current Mining Lease

At the turn of the century minor discoveries of tungsten, copper, silver and tin were made in the Scamander Mineral District, but were rarely developed past the prospect stage (Anon 1979)

The Great Pyramid Mining Co. conducted soil sampling and exploration adits at the Great Pyramid prospect in 1909-1910, with poor results. Mining and milling operations occurred between 1925 and 1936 producing 2.9 tons of tin concentrate.

Modern exploration by various companies has been continuous in the area since 1959. BHP, Austimex and Geophoto conducted geophysical surveys, geochemical sampling and drilling at various prospects in the area. BHP Pty Co explored for tin deposits (>5,000t) under EL12/78 and held a Retention Licence over the Great Pyramid prospect until 1994.

Merrywood Coal Company Pty Ltd held the area (EL6/95) but with the drop in the tin price in 1997 and closure of the Anchor mine the Licence was relinquished. (J. Capp 2012)

Also see **Appendix 1**.

3. Exploration

3.1 Desktop Studies

REVIEW OF EXPLORATION POTENTIAL OF EL30/2010.

A review of the available geophysics on EL 30 and EL31 (also held by Jiyuan Mining) was conducted by Mr. Phil Muir of Southern Mineral Exploration Geophysics (SMEG), which was reviewed by Mr. Ken Morrison of KC Morrison Pty Ltd.

Mr. John Pemberton (Ron Gregory Prospecting) reviewed the previous exploration and mining history of both Licences. Both the above reviews were combined into “**Jiyuan Mining Review of EL30 & 31 Oct 2014**”. **See Appendix 1.** This Review was commissioned to provide a general direction for future exploration. The recommendations for EL30 were as follows:

“The review of previous exploration on EL 30/2010 concludes that no significant prospects which warrant follow-up exploration can be identified on ground held by Jiyuan. Therefore generation of new drilling targets will require a greenfields exploration program comprising airborne and ground based geophysical, geological and geochemical surveys. In contrast, the Great Pyramid tin prospect which is held under the Niuminco Group Ltd retention licence RL 1/2009, within EL 30/2010, is rated as the best established prospect within the boundaries of either of the Jiyuan ELs. It is recommended that Jiyuan prioritize negotiations to gain access to Great Pyramid.”

3.2 Regional Exploration Activities

No regional exploration was conducted in 2014-2015,

3.3 Prospect-based Exploration Activities

No individual prospects were assessed in any detail, but a Reconnaissance Survey for logistic and familiarization of the geology and known mineral deposits was conducted.

4.

With the expected arrival of a team of Geologists from Jiyuan Mining accommodation was found at Scamander and a complete Exploration Base was established in September and October of 2014 by Ron Gregory Prospecting. An English speaking Chinese Geologist (Mr. Lipeng {Peter} Wan) and assistants, Angelique Martin (Geologist) & Howard Armitage (Senior Field Assistant) were engaged to conduct a reconnaissance of the logistics required to conduct an exploration program over the summer. They familiarized themselves with the geology and known prospects within the Licence. Grab samples of interesting rocks were taken to show the Jiyuan Mining team, but no assays were undertaken.

The Jiyuan Mining team did not eventuate due to problems in China at Jilin, so the Ron Gregory Prospecting team was withdrawn in November to await their arrival.

As at the 25th May the Exploration Base at Scamander was still in existence awaiting the arrival of the Jiyuan Team.

The following is a brief report by Mr. Lipeng Wan on the field reconnaissance.

EL30/2010

Reconnaissance of EL30/2010 in September and October 2014

Field Reconnaissance work of EL30/2010 Upper Scamander was undertaken by Geologists, Lipeng Wan and Angelique Martin from 26th Sep 2014 to the 9th of Oct 2014. Initial work involved inspecting the old existing tracks with a Four Wheel Drive to record road conditions and to clear the tracks of obstructions. Large logs were left for Senior Field Assistant Howard Armitage (with chain saw licence) to clear later.

A few spots needed extra attention were also recorded and treated. For example, the collapsed track on Orieco Road, near the junction with Loila Tier Road, above the culvert presented potential falling hazard to passing vehicles. The area has now been flagged and the danger of falling has been alleviated. Also recorded was the Pyramid track which was regarded as not safe to drive, at the end of the track close to the junction with Loila Track, the track was too steep to drive up safely, therefore, it is not recommended to use the track without further work has been done (grading of the track etc.)

5.

5.

A Contour map with accessible tracks recorded was completed after the program.

After completing the logistics exercise, known mineral occurrences as recorded on MRT website were examined. The table 1 records the prospects visited and my opinions regarding the prospects and recommendations for further work.

Some samples were taken at each prospect visited and they would serve as a good reference for further discussion. Out of so many prospects inspected, the one that really requires a bit more work is the North and South Orieco structure. There was pervasive Copper Oxide mineralisation. Both North and South Orieco prospects have substantial gossanous outcrops, especially the South Orieco, which has a massive gossanous outcrop area, worthy of assaying and testing.

The only other prospect with Cu oxide that is interesting is Dunne's, a small audit with Cu Oxide and Marcasite. The mineralisation seems to be narrow (2-3m wide) quartz veining and related mineralisation in sandstone.

See **Plan 4. Reconnaissance Survey of EL30/2010.**

Lipeng (Peter) Wan

November 2014

(Edited by Ron Gregory, August 2015)

6.

Name	Interesting	GDA94-E	GDA94-N	Commodities	Comments
Orieco Prospect	Y	601343	5413944	Cu, As, Ag, Zn	One adit and dump site located, with mineralisation of Cu oxides in meta-sediment
Great Pyramid	Y	599713	5413484	Sn, Ag, As, Pb, Zn	Multiple pits and audits found with gossanous outcrops. However, not too sure whether we found Cassiterite or not – assay required
Arm Prospect	N	601813	5415584		Nothing really caught our eyes around the recorded spot
Cramp	N	601513	5415684		Heavy plantation scrub, did not find the shaft, but gravels of gossan present
Dunne's	Y	601613	5414484	Cu, As, Sn	One audit and a few pits found with tags put around
North Orieco	Y	600943	5414564	Sn, Zn	Massive Gossan outcrops with no Cu Found
South Orieco	Y	601653	5413604	As, Cu, Zn	One audit found with very heavy bush
Lutwyche	N	597563	5415684	W, Mo	One trench with gossanous outcrop
Carson De Beers	N	597513	5416184	W, Mo	One trench and one shaft located (outside of tenement boundary)
West Pinnacle	N	598213	5414884	Sn, Cu, As	A few pits with gossan
North Scamander	Y	601283	5411934	Pb, Cu, Fe, Ag, Zn	A trench Located with gossanous outcrops
Copper Show Creek	N	595093	5415444	Cu, As, Pb	a shaft and audit with gossanous outcrops

3.3.7 Ore Reserves and Resources

No ore reserves were defined.

3.3.8 3D Modelling

No 3D modelling was conducted.

4. Results

The results from the work done in 2014 are minimal. The Exploration Base at Scamander has since been closed down and staff stood down. However the Base and suitable staff could be re-established at short notice.

The Review of prospectivity of EL30, indicates that a full greenfields exploration program, including close spaced aerial geophysics is required if a mineral deposit is to be located outside of RL2/2009.

A good exploration target would be the Great Pyramid deposit if suitable arrangements could be made with the holder of RL2/2009.

5. Conclusions

5.1 Conclusions

No conclusions can be drawn at this time.

5.2 Recommendations

No recommendations other than to either relinquish the Licence or proceed with serious exploration can be made at this time.

6. Environment

No ground disturbance occurred in the reporting period.

7. Expenditure

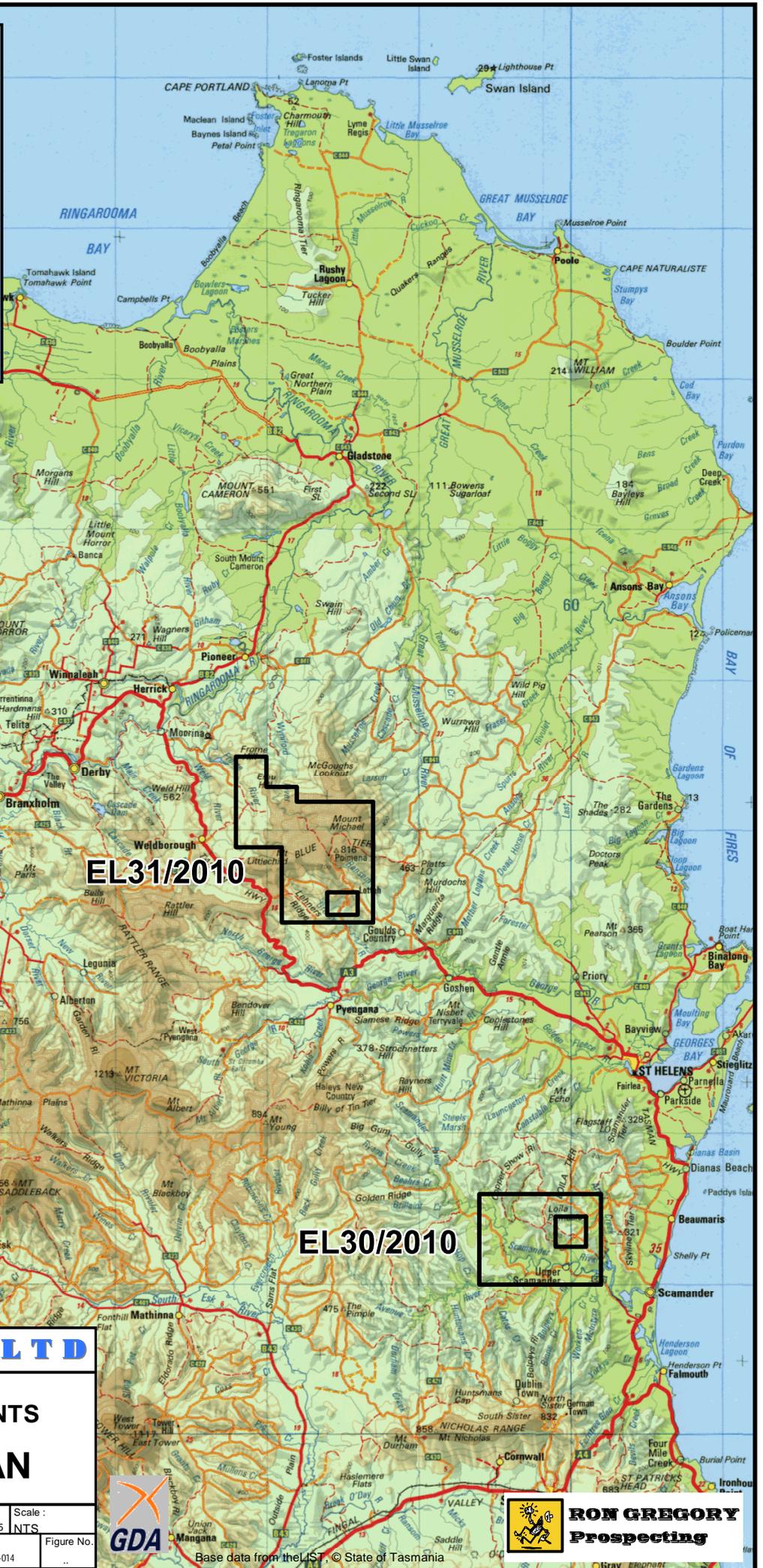
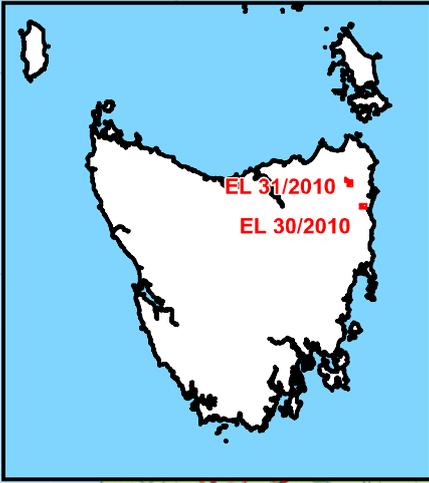
An amount of \$59,081 was expended on the above work as at the 25th May 2015.

8. References

There are no References

9. Appendices

APPENDIX 1. - Jiyuan Mining Review of EL30 and 31 October 2014.
Morrison K.C., Muir P. and Pemberton J.



ACCCE PTY LTD

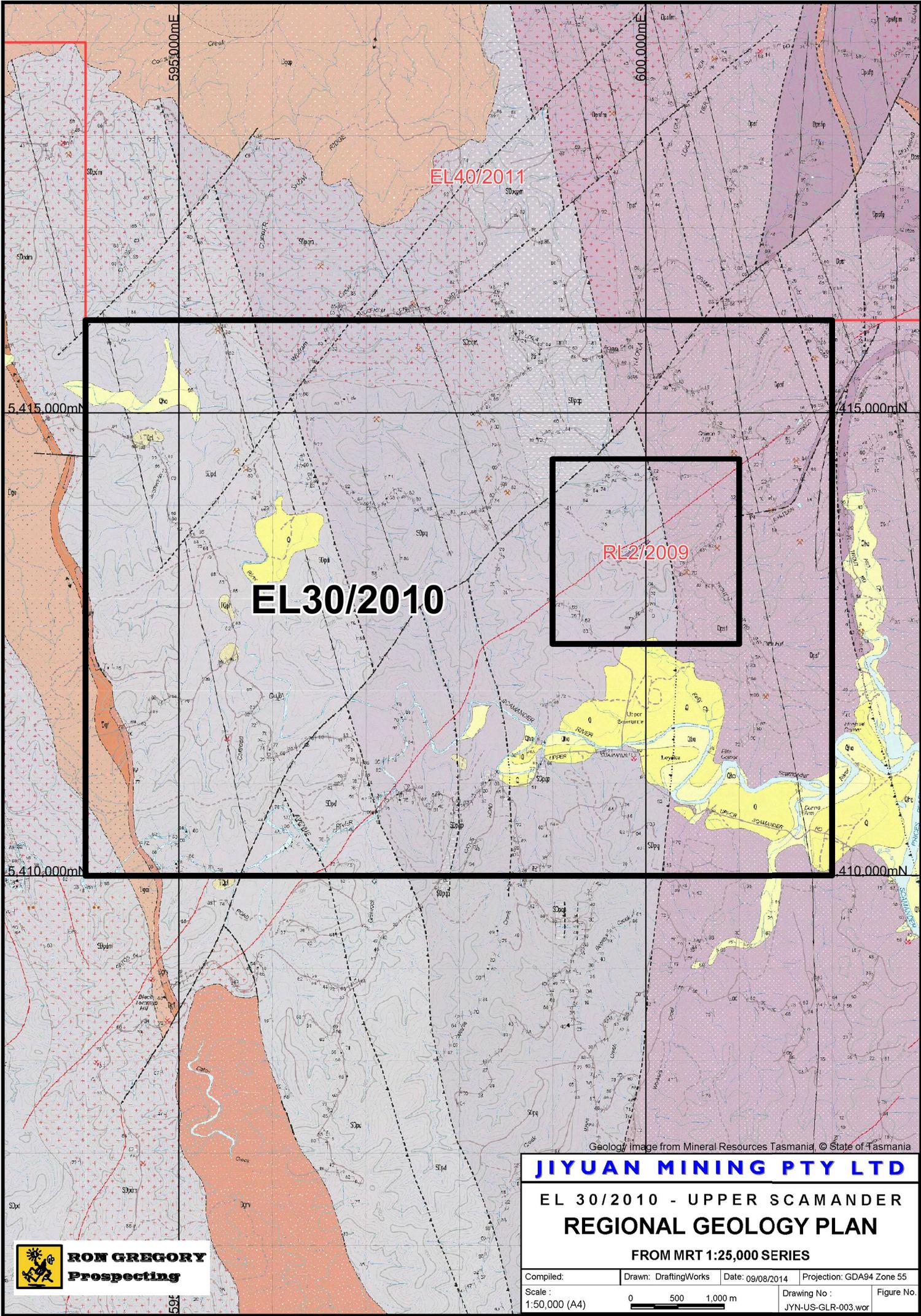
**NORTH EAST TENEMENTS
LOCATION PLAN**

Compiled : Ron Gregory	Drawn : Draftingworks	Date : 23/05/2014	Projection : GDA94 Zone 55	Scale : NTS
0 5 10 km			Drawing No. : ACCCE-NE-LN-014	Figure No. :



**RON GREGORY
Prospecting**

Base data from the LIT, © State of Tasmania



EL40/2011

EL30/2010

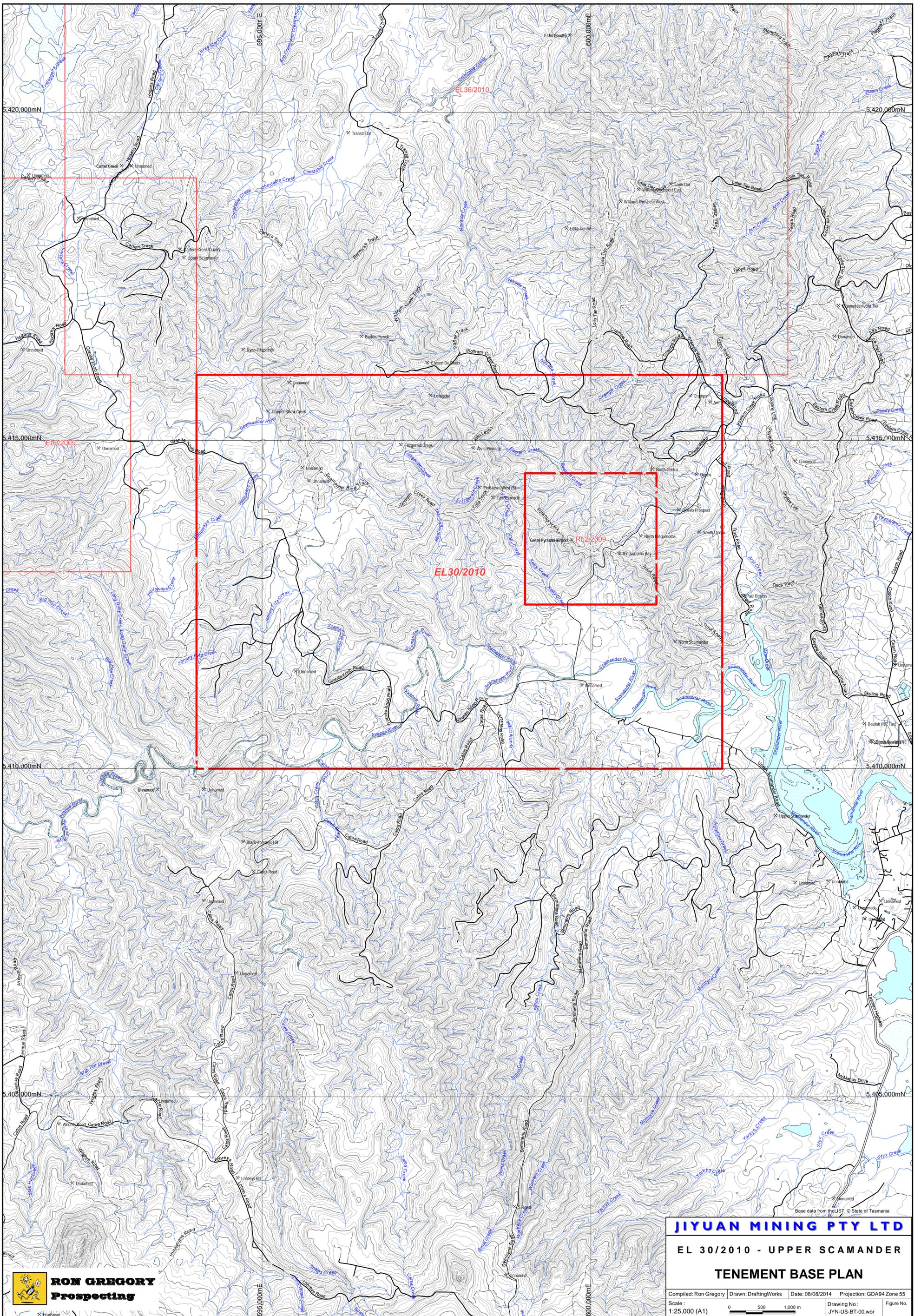
RL2/2009

JIYUAN MINING PTY LTD
EL 30/2010 - UPPER SCAMANDER
REGIONAL GEOLOGY PLAN
 FROM MRT 1:25,000 SERIES

Compiled:	Drawn: DraftingWorks	Date: 09/08/2014	Projection: GDA94 Zone 55
Scale: 1:50,000 (A4)	0 500 1,000 m		Drawing No: JYN-US-GLR-003.wor
			Figure No.



Geology Image from Mineral Resources Tasmania © State of Tasmania



EL36/2010

EL30/2010

EL32/2009

JIYUAN MINING PTY LTD

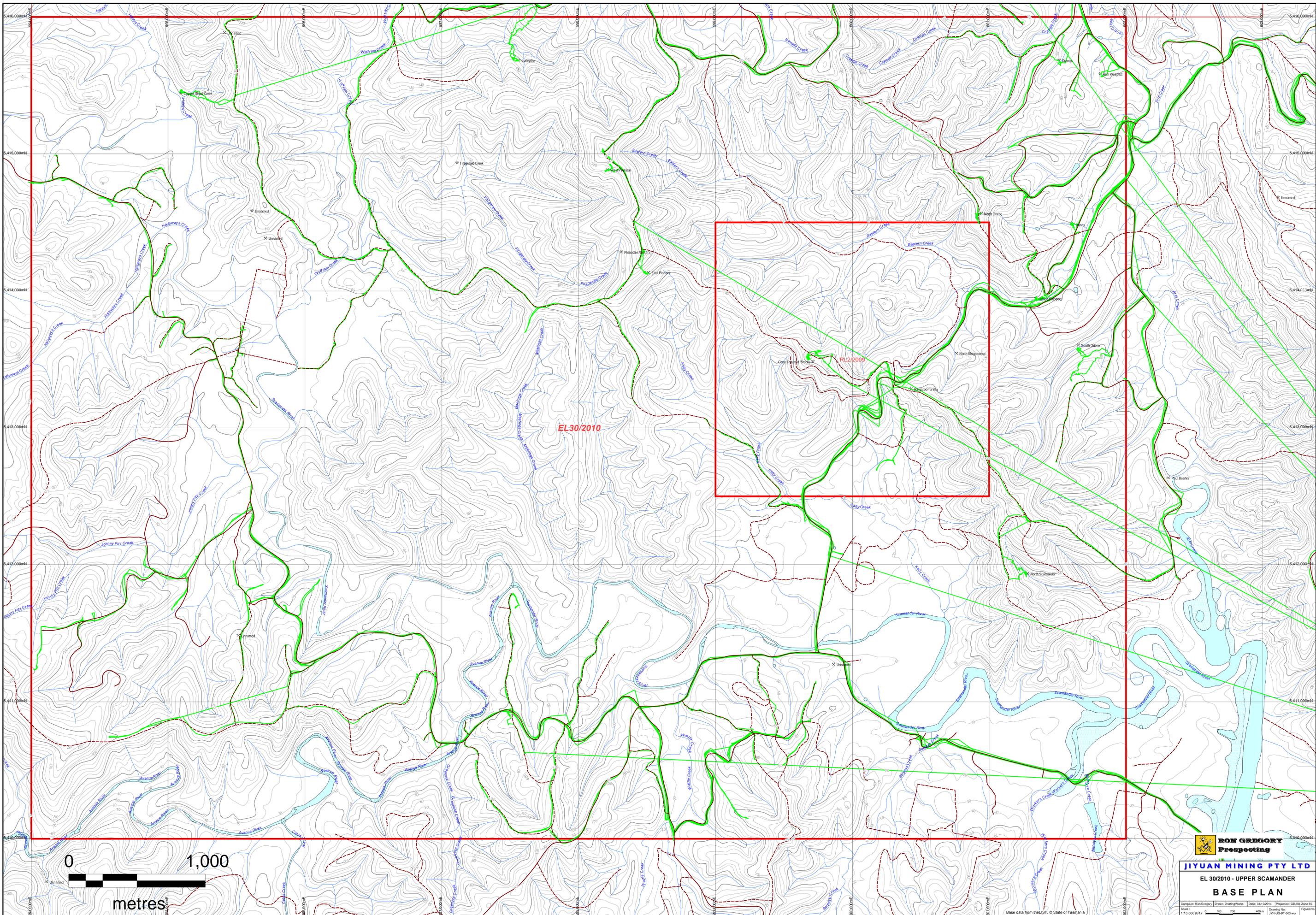
EL 30/2010 - UPPER SCAMANDER

TENEMENT BASE PLAN

Compiled: Ron Gregory	Drawn: DraftingWorks	Date: 08/08/2014	Projection: GDA94 Zone 55
Scale: 1:25,000 (A1)	0 500 1,000 m		Drawing No: JYN-US-BT-00.wor
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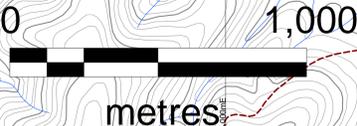


Base data from the LIST, © State of Tasmania



EL30/2010

RL2/2009

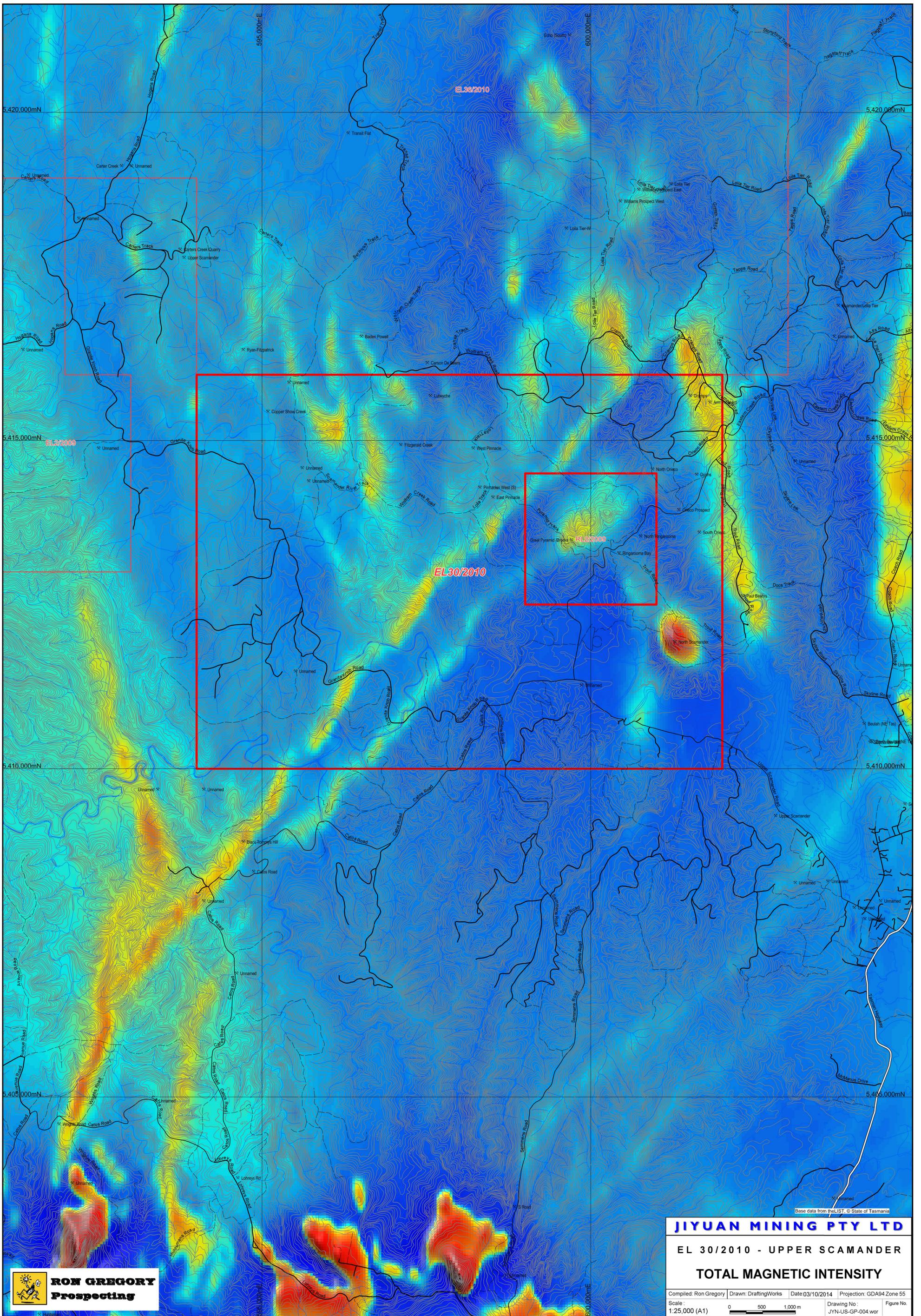


JIYUAN MINING PTY LTD

EL 30/2010 - UPPER SCAMANDER
BASE PLAN

Compiled: Ron Gregory | Drawn: Drafting/MS | Date: 04/10/2014 | Projection: GDA84 Zone 55
Scale: 1:10,000 (B1) | 0 100 200 400 m | Drawing No: JYU/EL30/05.wxd | Figure No:

Base data from the LIST, © State of Tasmania



EL 30/2010

EL 30/2010

EL 2/2009



JIYUAN MINING PTY LTD

EL 30/2010 - UPPER SCAMANDER

TOTAL MAGNETIC INTENSITY

Compiled: Ron Gregory	Drawn: DraftingWorks	Date 03/10/2014	Projection: GDA94 Zone 55
Scale: 1:25,000 (A1)	0 500 1,000 m		Drawing No: JYN-US-GP-004 wor
			Figure No:

Base data from theLIST, © State of Tasmania