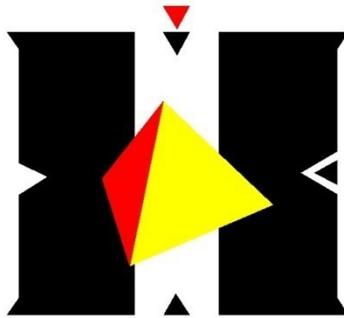


EXPLORATION LICENCE 13/2014
GREAT NORTHERN CREEK - RINGVILLE
FIRST PROGRESS REPORT
for the period
20/01/2015 - 19/01/2016



Australian Hualong Pty Ltd

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Signed:

A handwritten signature in black ink, appearing to read 'L. Veska', is placed over a light grey rectangular background.

Date: January 2016

Distribution: Australian Hualong Pty Ltd
Mineral Resources Tasmania

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

Summary

Australian Hualong's main target on EL13/2014 are structural/sediment replacement tin deposits, associated with major faults.

No significant work was completed on the licence during the first year of tenure. A falling tin price during the year has postponed the Company's planned work program.

Licence expenditure for 2015 totalled \$18,440, mainly relating to staff salaries and administrative costs.

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1 Introduction

EL13/2014 is located approximately 3km southeast of the Renison Mine which is itself just south of the Murchison Highway some 6km west of the township of Rosebery in Western Tasmania. The licence was granted under the ERA system to Australian Hualong P/L (ERA 985), on 20th January 2015 for a period of 5 years.

Australian Hualong's main target on EL13/2014 are structural/sediment replacement tin deposits, associated with major faults, with a particular interest in the Green's Prospect area.

The licence area (now comprising EL13/2014) was initially considered by MMG and its former owners OZ Minerals and Eastren Pty. Ltd. to be prospective for nickel sulphide deposits. MMG later recognised the potential for VMS deposits to be hosted by rocks within the licence area now comprising EL13/2014.

1.1 Access

The EL is located in very rugged country covered largely by temperate rainforest. Several steep historic exploration and forestry roads allow access to the EL from the Murchison Highway (Figure 1).

1.2 Location

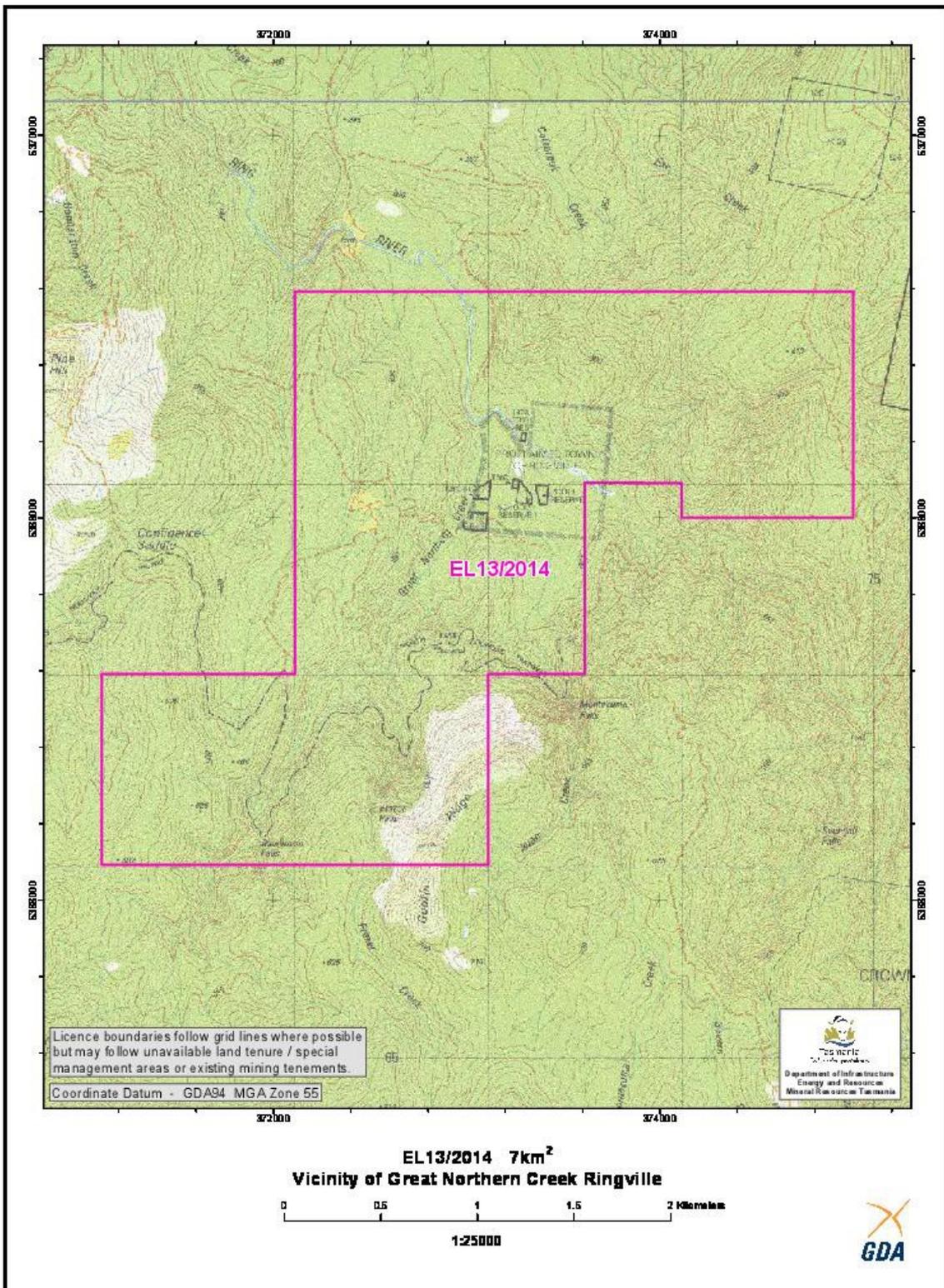


Figure 1: Location map EL13/2014

1.3 Land Tenure

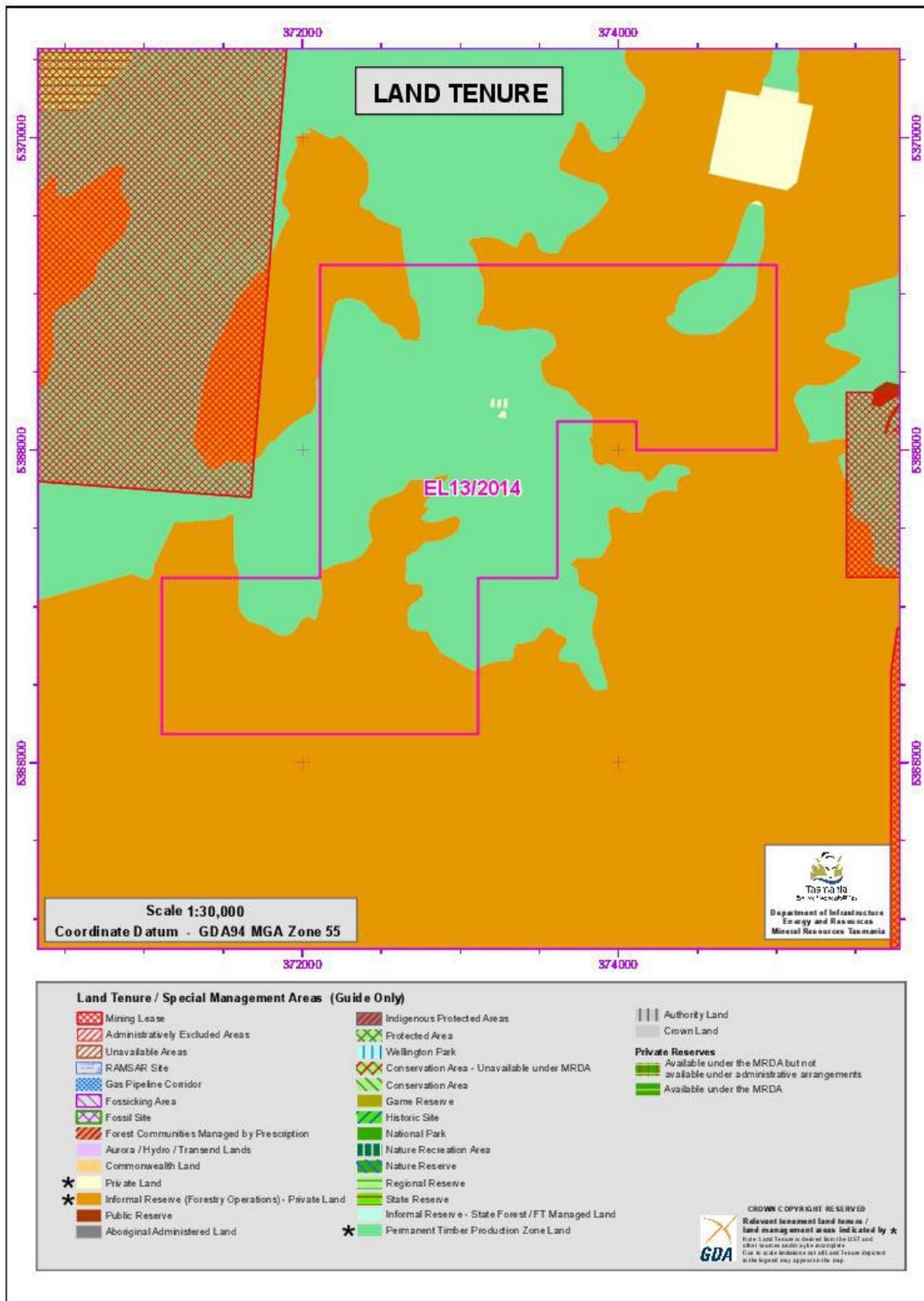


Figure 2: Land Tenure map EL13/2014

2 Geology

The licence overlies Cambrian volcanoclastic sediments hosting two belts of Cambrian mafic-ultramafic rocks.

The Cambrian sequence is intruded at depth by a late Devonian granite which forms an ENE trending ridge connecting the Granite Tor and Pine Hill Granite outcrops. The granite intrusion has extensively altered and metasomatised both the Cambrian volcanoclastics and ultramafic intrusions.

The ultramafic rocks are strongly serpentinised and locally metasomatised to a diopside – tremolite assemblage. The associated gabbros are frequently extensively talc-carbonate altered. Calcareous sediments are extensively diopside altered with garnet rich skarns. A variety of mineralisation styles are interpreted as accompanying the granite metasomatic event:

- Cu-Pb-Zn-Ag veins in altered gabbros and Cambrian sediments
- Quartz – cassiterite veins
- Large Cu-As (-WO₄) skarns at Colebrook Hill
- Pervasive (sometimes massive) pyrrhotite mineralisation in altered gabbros and sediments.
- Scheelite mineralisation in skarned sediments.

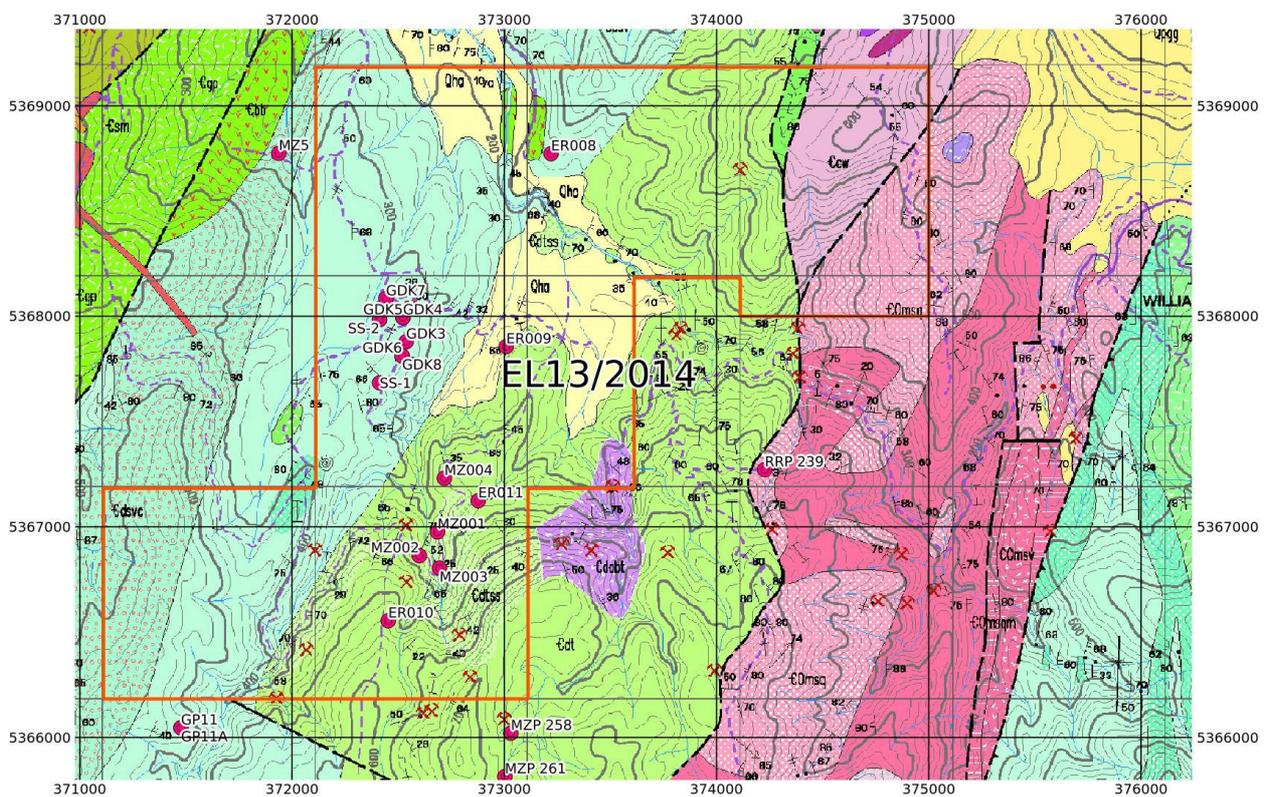


Figure 3: Licence boundary overlain on MRT 1:25k geology

3 Current Exploration

3.1 Work Completed during 2015

No significant field work was undertaken during the reporting period.

4 Conclusions and Recommendations

At the time of granting of the licence (January 2015) until recently, there has been a general downward trend in the price of tin (Figure 4). We may currently be a period of consolidation that began in about July 2015 with tin ranging in price from \$14 – 16K USD per tonne. The Company has focused on other tenements during the reporting period, but is monitoring the price of tin for any sustained upwards trend and plans to increase its exploration efforts accordingly.



Figure 4: Tin price trend for 2015 (from lme.com)

5 Environment

There were no surface disturbance or rehabilitation activities undertaken during the reporting period.

6 Expenditure

Licence expenditure for 2015 totalled \$18,440 mainly relating to staff salaries and administrative costs.

7 References

Denwer, K.P., 2013. Godkin EL 50/2007 Annual And Final Report For The Period Ending 20th August 2013, MMG Ltd. Unpublished Mineral Resources Tasmania TCR report.

Stewart, L.F., 2009. EL50/2007 Great Northern Creek (Godkin) Annual Report For The Period Ending September 2009, MMG Ltd. Unpublished Mineral Resources Tasmania TCR report.