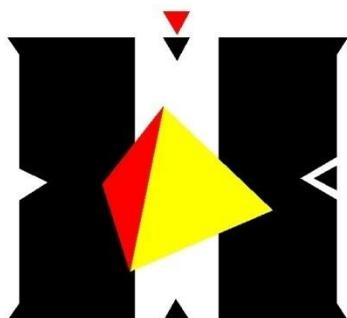


EXPLORATION LICENCE 13/2014
GREAT NORTHERN CREEK – RINGVILLE
FINAL EXPLORATION REPORT



Australian Hualong Pty Ltd

1 Fowler Street
Zeehan, TAS 7469

Author: Joe Xie
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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, similar to that at Renison.

No significant work was completed on the licence during the tenure. A significant downturn of mining industry has forced Australian Hualong's parent company to change its Australian investment strategy. This licence is consequently to be relinquished.

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.

1.2 Location

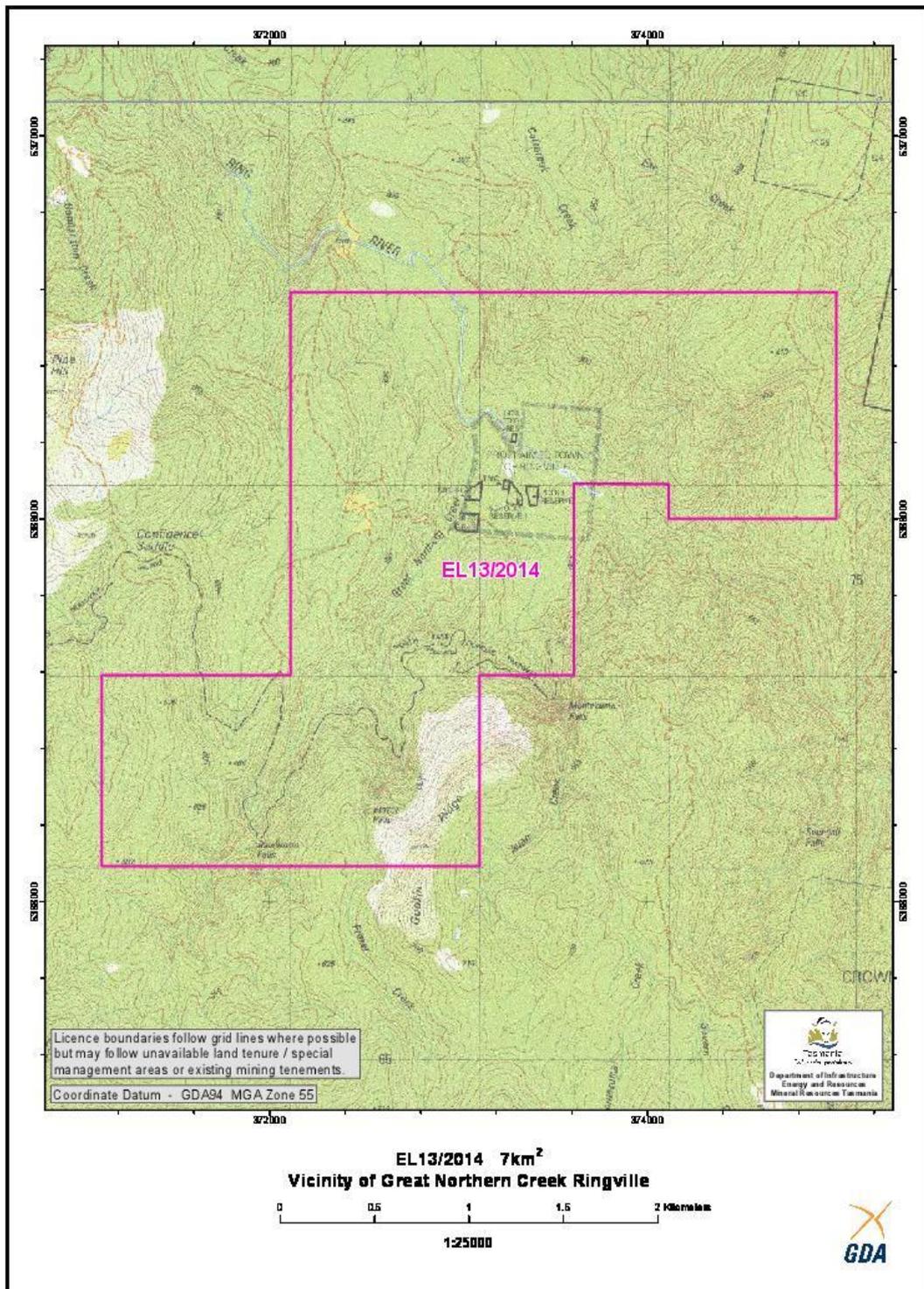


Fig 1: Location map EL13/2014

1.3 Land Tenure

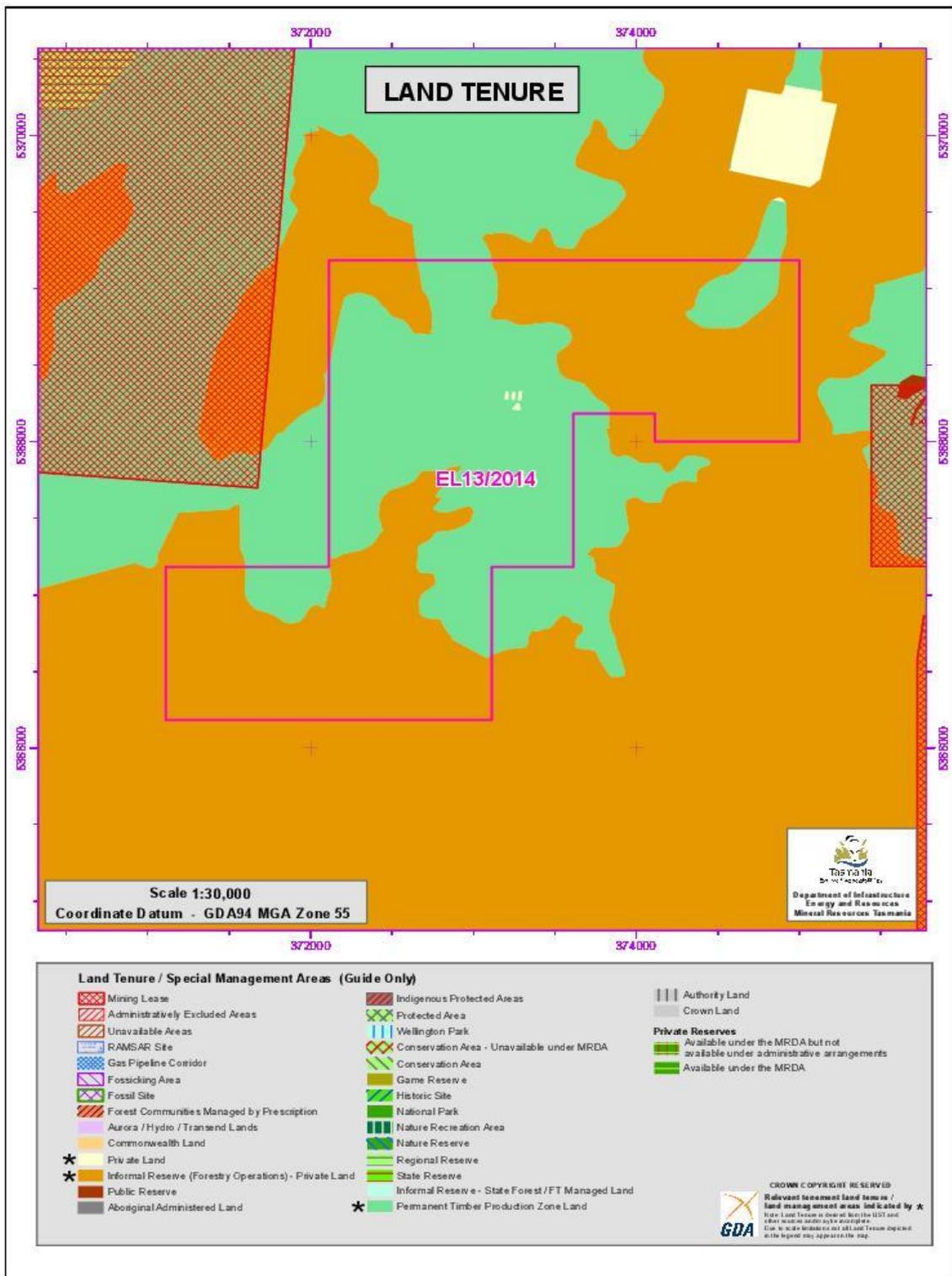


Fig 2: Land Tenure map EL13/2014

2 Geology

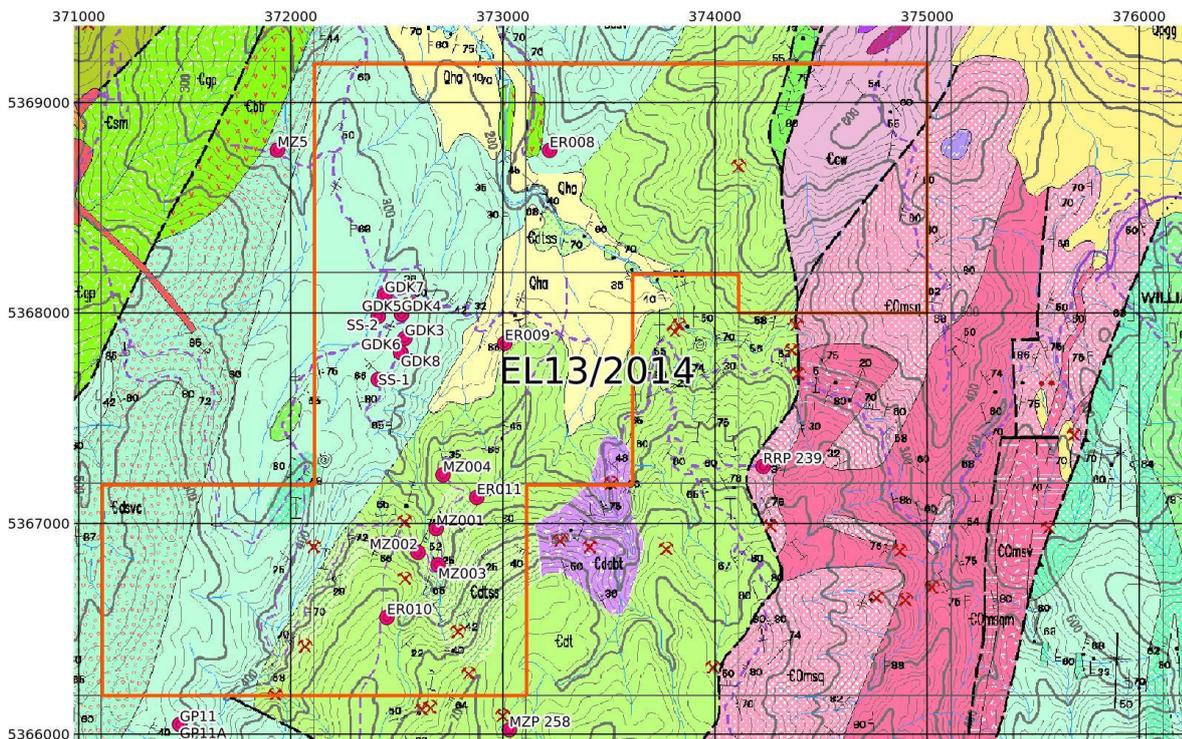
The licence overlies Cambrian volcanoclastic sediments hosting two belts of Cambrian mafic-ultramafic rocks.

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 the tenure

No significant field work was undertaken during the tenure.

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). 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.



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

A recent downturn of mining industry has forced Australian Hualong’s parent company to change its Australian investment strategy. This licence is consequently relinquished.

5 Environment

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

6 Expenditure

Licence expenditure during the tenure totalled \$18,440 mainly relating to staff salaries and administrative costs.

7 References

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