

EXPLORATION DRILLING GRANT INITIATIVE PROGRAM 2018

Project Proposal Form

PART 1 – Applicant Details

Project Applicant	
Name of Company or Individual	Yunnan Tin Australia TDK Resources Pty Ltd
Contact Address of Project Applicant	70 Burns Rd., Wahroonga, NSW 2076
Project Applicant ABN / ACN	ABN16124402802 /ACN 124405107
Project Applicant Registered for GST?	Yes
Registered Office of Project Applicant <i>(If different from contact address above)</i>	15 Gubbuteh Road, Little Bay, NSW 2036
Applicant is the/a Tenement Holder?	Yes
<i>If not a tenement holder, please state the nature of the relationship between the applicant and tenement holder.</i>	

PART 2 – Location and Timing

Proposed Drilling Program				
Please attach a location plan of the tenement(s) relevant to this project proposal.	Project Name	South Comet Deep Drilling		
	Target Commodities	Pb, Zn, Ag		
	Mineral Tenement Number(s)	EL22/2010 Concert Creek		
	Mineral Tenement Holder 1	Yunnan Tin Australia TDK Resources Pty Ltd	% Share	100 %
	Mineral Tenement Holder 2		% Share	%
	Mineral Tenement Operator	Yunnan Tin Australia TDK Resources Pty Ltd		
	Proposed Program Start	Nov. 2018		
	Estimated Program Duration	Six month		

PART 3 – Summary Drilling Program

Proposed Drilling Program		
Please attach a table of drill hole locations including: <ul style="list-style-type: none"> • Hole ID • Easting & Northing • Elevation (m) • Hole bearing and dip • Total Hole Depth (m) • Geodetic Datum and Projection (include MGA94 coordinates if project area uses a local grid). 	Number of Holes	Two
	Estimated Metres to be Drilled	710
	Drilling Method(s)	Diamond
	Estimated Mobilisation, Access and Drill Pad Costs	\$6,500
	Estimated Direct Drilling Costs <i>Direct Drilling Costs (metres, standby, consumables, etc).</i>	\$106,500
	Estimated Assay Budget <i>Including Geochemistry, Petrology, Water Sampling</i>	\$6,500
	Estimated Downhole Geophysical Budget <i>EM, IP, Wireline logs, Temperature measurements</i>	
	Total Estimated Drilling Program Cost	\$119,500
	Estimated Helicopter Support Cost <i>(If required)</i>	
Total Government Funding Sought <i>50% of total invoiced direct drilling costs to a maximum of \$50,000, plus invoiced helicopter support cost to a maximum of \$20,000.</i>	\$50,000	

PART 4 – Project Rationale

Summary Project Description
<p><i>Maximum 500 word summary of project aim, targets and the results / data to be delivered from the project.</i></p> <p>Dundas Mineral Field has a long mining history and widespread mineral occurrences throughout the area, with wide range of commodities, including Zn, Pb, Ag, Sn, Ni, Cu and Au. Review of available data and recent MRT's Devonian granite modelling suggests that known mineralisation in the area may represent a distal part of a major mineralising system related to buried Devonian granite at depth.</p> <p>Yunnan Tin Australia believes that the most effective exploration in the area is diamond drilling and proposes to drill test depth extension of Kosminsky-South Comet Trend, which is well-defined by early exploration. A two-hole (totalling 710m) diamond drilling program has been planned over South Comet mine area located in the southern end of Kosminsky-South Comet Trend.</p> <p>Information gained from this program will include drill core logs, assays for selected drill core, mineralogical and alteration patterns through HyLogger, and review of results as a form of final report.</p> <p>The results of this drilling program will give insight into mineralisation at depth as well as structure and alteration pattern down dip from known mineralisation zone near surface.</p>

Exploration Model and Geological Context	
<p><i>Provide a review of the regional and local geological context and the exploration model being applied to the area.</i></p> <p><i>Where appropriate attach additional diagrams that would provide further information including:</i></p> <ul style="list-style-type: none"> • <i>Regional geological setting and exploration model</i> • <i>Predictive plans, cross sections, long projection</i> • <i>geophysical and geochemical coverage and models</i> • <i>3D modelling.</i> 	
<p>Criteria Assessed:</p> <ul style="list-style-type: none"> • Discussion of regional and local geological context • Discussion of deposit style / mineral system • Clear and sufficient scientific evidence and reasoning for targeting this area • Appropriate plans, diagrams and sections. 	<p>The proposed drilling program is located at south portion of EL22/2010, Concert Creek, owned and operated by Yunnan Tin Australia. This lease is located about 8km ENE of Zeehan and 6km SE of Renison Tin Mine, on the west coast of Tasmania (Figure 1). Historical township of Dundas is located outside of west boundary of the tenement. This tenement is found within Dundas 1:25,000 map sheet, with an area of 15 sq. kms.</p> <p>Yunnan Tin Australia's main targets in EL22/2010 are Devonian Pb-Zn vein style mineralisation of the type found, such as the South Comet Mine located at southern part of the tenement and Cambrian Rosebery or Hellyer type, Zn-Pb-Cu-Au-rich VHMS mineralisation hosted by the Mount Read Volcanics (MRV).</p>

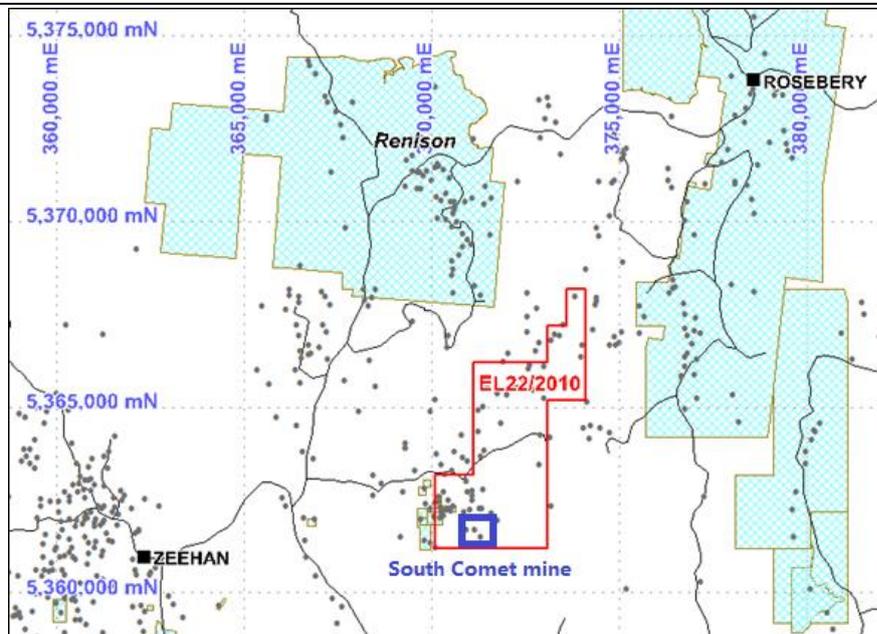


Fig 1: EL22/2010 and South Comet mine location plan

Regional Geology

EL22/2010 is located in the Dundas Trough in western Tasmania, within western volcano-sedimentary sequence of the mid- to late-Cambrian Mt Read Volcanics. Mt Read Volcanic Formation which is mostly comprised of marine, sulphide rich, faulted sequences of altered conglomeritic sandstone, acid volcanics, tuff and shale.

In the south of EL 22/2010 lies an inlier of Pre-Cambrian metasediments that have been mapped as part of the Oonah Formation, a suite of basal mafic rocks that are fault bounded and are in most part overlain by the Mt Read Volcanics and the Dundas trough (Parfery & Simpson 1999).

Local Geology

The South Comet mine is located southern end of the licence area underlain by the Dundas Trough, a series of epiclastic and volcanoclastic sediments of the Owen Group which make up the majority of the licence area and is dominated by a marine volcano_sedimentary sequence of turbidites, conglomerates and siltstones, as well as felsic volcanoclastic sediments (Curnow, 2009).

Faulting appears to be closely associated with most of the mineralised systems. Generally, there are two prominent groups of faults, a NNW trending steeply dipping set with limited dip slip to oblique slip movement and a steeply dipping NE trending set with more significant displacement. A true estimate of the amount of displacement along these NE trending structures is difficult to quantify mainly due to a lack of recognisable marker beds. The NE faults often occur along margins of the mafic - ultramafic complexes, whereas the NNW faults are more generally confined. These faults and the Cambrian thrusts (including the Rosebery Fault) also acted as zones of structural weakness during the Devonian, which resulted in further mineralisation and partial remobilisation of Cambrian ore (McNeill, 2003).

Within EL22/2010 and in the immediate surrounding areas, there are numerous historical workings dating back to the turn of last century, and many more prospects developed since. Mineralisation styles range from Devonian Pb-Zn-Ag veins (Comet, Kosminsky), Devonian Sn-Cu-As veins (Greens, Frazer), Late Devonian replacement zones of Sn-Cu-As-W (Clifton, Colebrook Hill Skarn) to Quaternary placer Au-Sn (Hicks, 2007).

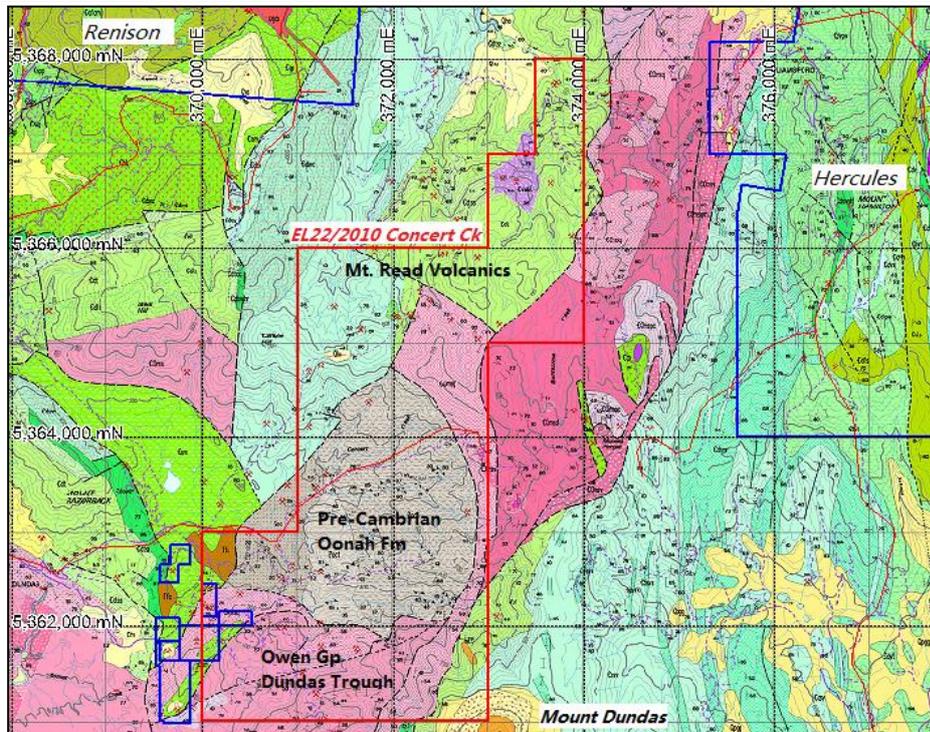


Fig. 2: Geology of Concert Creek area (1:25k MRT base geology)

The principal mineralising event in the Dundas area was associated with the hydrothermal fluids that accompanied the Devonian granite intrusions. Mineralisation in the Dundas field is patchy and low grade. The occasional ore shoots are erratically distributed within the controlling structural features are small and alternate with low grade or barren sections. Despite intensive exploration since the 1930s, only small resources have been located. The largest of these were the Kosminsky – South Comet mines. The mineralisation at South Comet comprises a series of lenses within a well-defined shear zone, with true widths normally ranging from 0.75 – 2.5m thickness (Hicks, 2007), up to 9m thick at fault intersections at South Comet mine (Akerman, 2014).

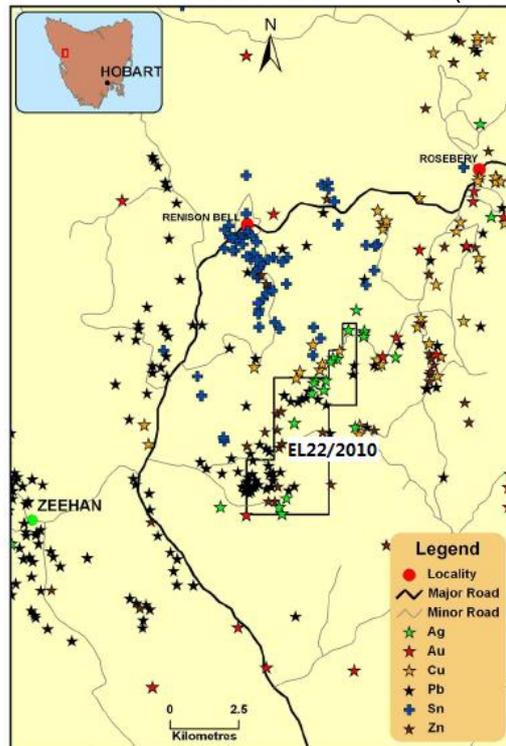


Fig. 3: Mineral occurrences in the region (after Curnow 2008)

Previous Work

Provide a review of the results of any previous work (e.g. historic and recent geophysics, geochemistry or drilling) in the project area, with particular reference to the results used to define the drill target.

Where appropriate, attach additional diagrams that would help to provide further information including:

- Historic and recent drilling
- Historic and recent geophysical or geochemical surveys and modelling.

Criteria Assessed:

- Sufficient discussion and assessment of previous exploration data and results.

The area of EL22/2010 has a prolonged exploration history for base metals, tin and more recently gold. It is estimated that as many as 100 drill holes have been collared on the EL at a variety of geological, geochemical and/or geophysical targets. Modern exploration commenced in the 1930s and, comprehensive summaries of previous exploration have been provided by many authors, including Ellis (1983), Crossing and Halley (1990), Weber & Murphy (1997) and Hicks (2007). Galena was first discovered at Dundas in 1887 and a number of mines were established in the area. By 1913 most mines had ceased production and a production of 25,050 tons of lead, 629.5 tons of zinc and 1.82 million ounces of silver was recorded (Crossing & Halley 1990).

Little work was done in the area between 1913 to 1960 except for 3 diamond holes being drilled at the West Comet workings by the Mines Department in the 1930's. Modern exploration in the Dundas region began in 1959 when BHP explored the region using geophysical techniques but found their results to be inconclusive except for areas over known mineralisation. This led to BHP withdrawing from the area without carrying out further exploration.

In 1968 Geophoto Resources were granted EL7/68 at Dundas and completed airborne EM, detailed mapping, soil and rock-chip sampling, ground geophysics and drilled 79 diamond holes. Most of those drill holes are over Kosminsky – South Comet Trend.

Geophoto also undertook underground sampling at the South Comet mine and the Kosminsky Hill workings, and outlined a resource of 60,000t @ 8% Pb, 7.4% Zn and 8oz Ag with the potential of an extra 300,000t of ore.

CSR Ltd were granted EL15/76 in 1976 and preceded to carry out a regional stream sediment survey which was followed up with airborne and ground geophysics, soil geochemistry and 7 diamond holes.

Pasminco held the area covered by EL22/2010 (and later Zinifex) who were granted tenure to EL 21/1996. Pasminco's work included airborne EM survey, detailed interpretation of EM survey & drill testing, soil sampling, and diamond drilling in the northern half of EL22/2010. Zinifex concluded that they would be unlikely to find a "Pasminco" sized deposit (10 Mt @ 20% Pb+Zn) and relinquished the ground.

Past production at South Comet mine

Between 1990-1993, Mancala Group mined 103,000 tonnes high grade ore from South Comet mine, mostly from re-opening historical underground working, with limited open cut mining. The mine was shut in 1993 due to low metal price (Akerman 2014).

The recorded past production from South Comet is summarized by Akerman (2014) as:

Early 20th century

- 428 tonnes lead; 618 tonnes zinc and 27,718 ounces of silver;

1990-1993: Mancala Group:

- 103,000 tonnes ore mined @ 14% Zn; 9% Pb

Exploration under current lease by Yunnan Tin Australia

Since grant of the current tenement in 2010, Yunnan Tin Australia has conducted rock geochemistry, surface EH4 geophysical survey, airborne VTEM survey and three diamond hole drilling.

Inversion of EH4 survey data (Fig. 3) over southern area suggests that the conductors at depth in the vicinity of South Comet mine area are likely as the result of geological bodies. Abundance of siderite in South Comet mine and outcropping dolomite demonstrate the need for follow up drilling test in the area (Xie, 2012).

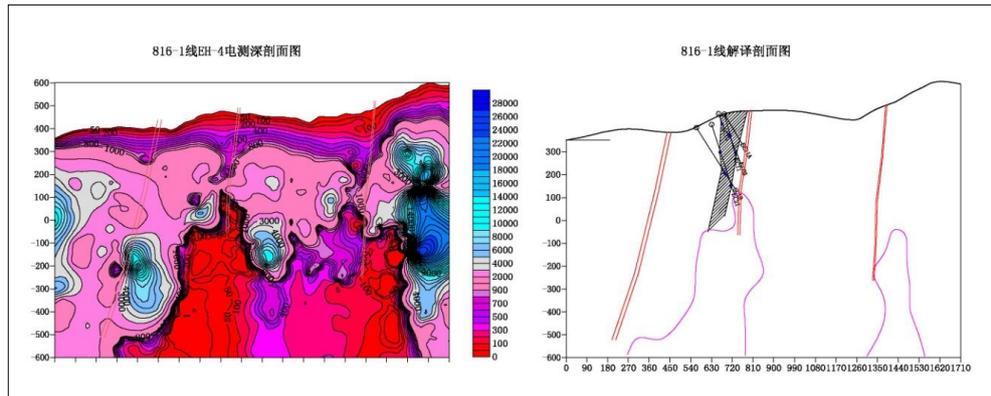


Fig. 3: Line 1 - EH4 resistivity profile and its interpretation

Yunnan Tin Group commissioned GeoTech Ltd in 2012 to carry out a VTEM airborne geophysical survey as well as a detailed interpretation with an intention to identify targets for follow-up drilling.

Based on the geophysical results obtained, GeoTech has identified a number of TEM anomalous zones of low to moderate conductance across the block EL22/2010 (Fig. 4).

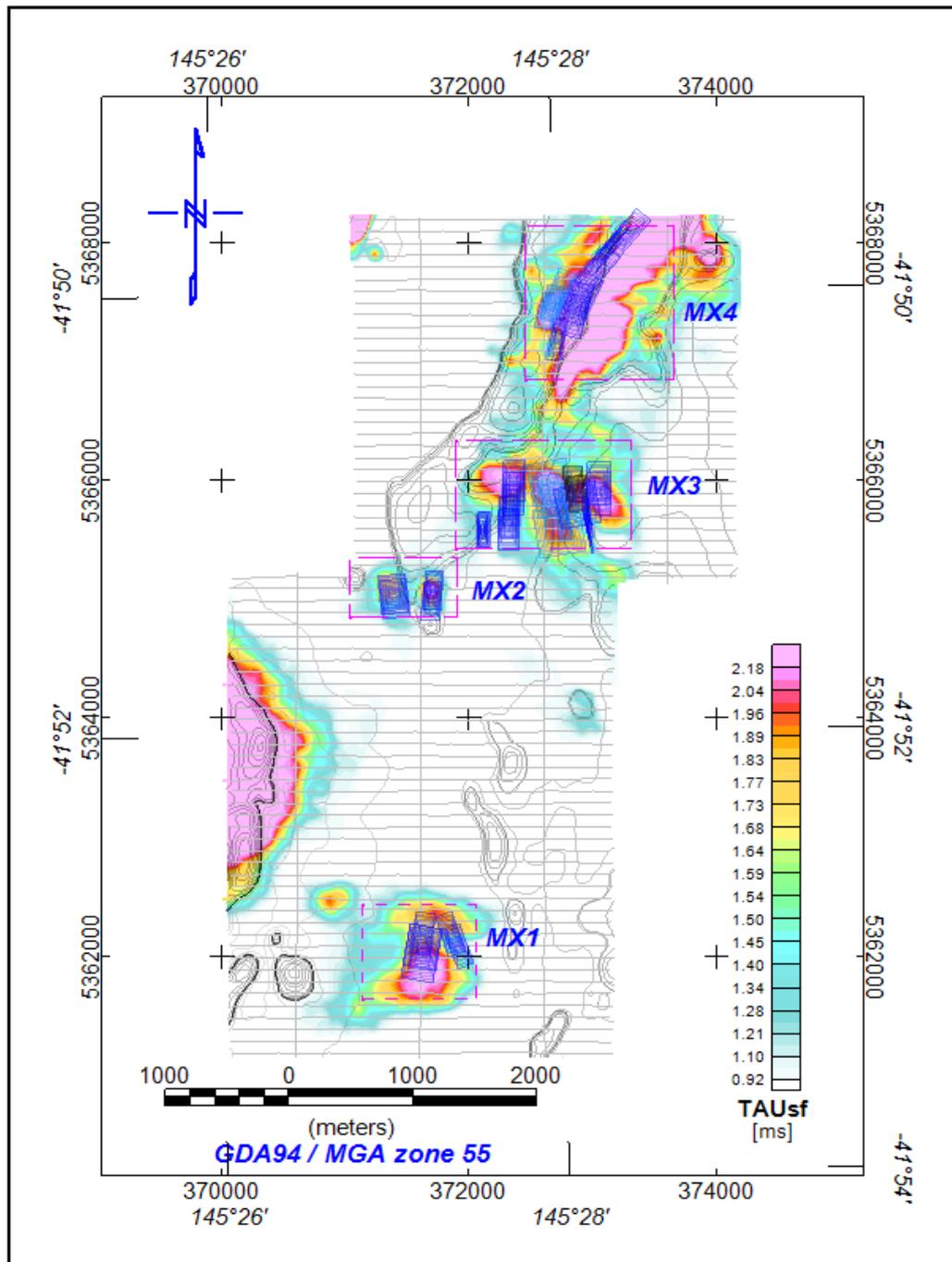


Figure 4: Target and Maxwell 2.5D plate locations, EL22/2010

Up to date, three diamond holes (CC0_3, CC0_5 & CC0_6) have been completed under current tenement (Fig. 5), for a total of 1,335 meters. Those holes were designed to follow up ground EH4 and airborne VTEM geophysical survey results.

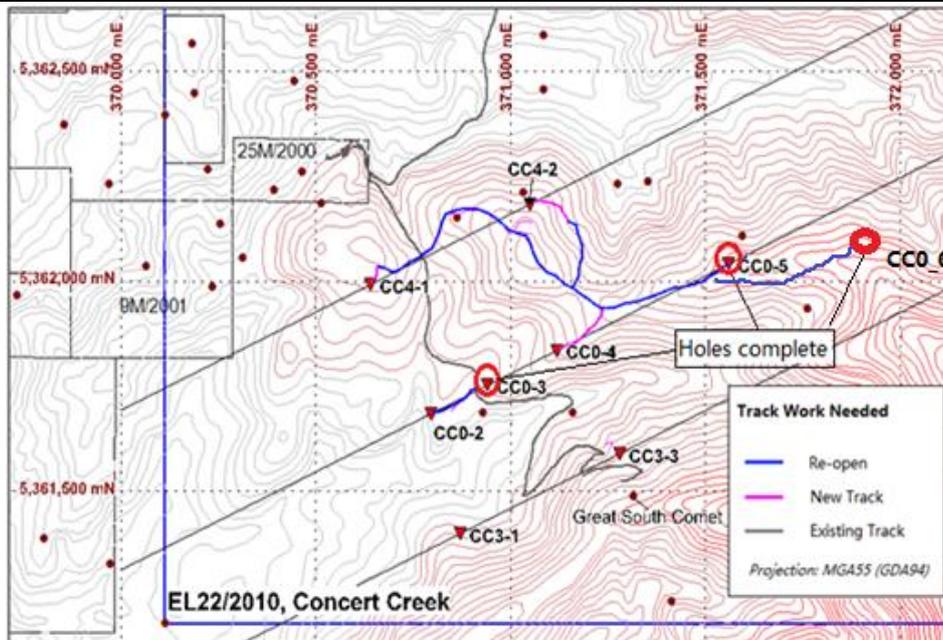


Fig 5: Location of drill holes - Great South Comet to Kosminsky mine area

HoleID	E_MGA55	N_MGA55	Azimuth	Dip	Length (m)
CC0-3	370941	5361753	65	70	799.8
CC0-5	371560	5362042	65	70	535.2
CC0_6	371750	5362055	32	50	272.2
Total					1,607.20

Table 1: Diamond drill holes completed by Yunnan Tin Australia within EL22/2010

Sulphide mineralisation of both vein type and replacement type has been intersected in CC0_5 and CC0_6. Sulphide minerals are mainly pyrite, galena and sphalerite. A number of sulphide veins were intersected throughout the CC0_5 hole. Best intersections include:

- 1m @ 9.1% Pb, 9.6% Zn; (93-94m)
- 1m @ 1.7% Pb, 0.5% Zn; (100-101m)
- 5m @ 1.6% Pb, 2.1% Zn; (438-443m)

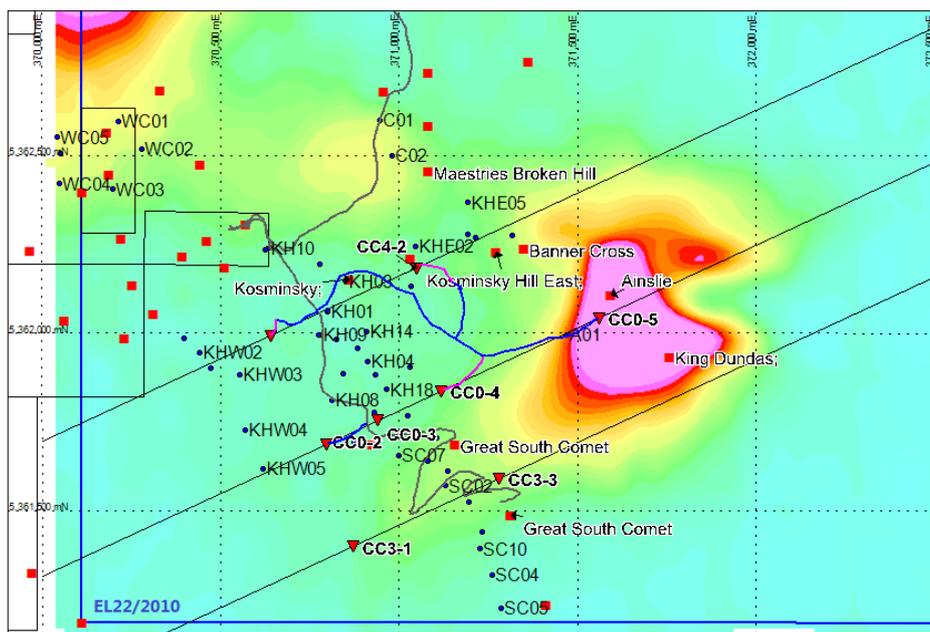


Fig. 6: Location of CC0_5 over VTEM SFz45 image

Review of results from recent Yunnan Tin Australia's drilling suggested that the VTEM anomaly over Ainslie-King Dundas area is probably caused by 'black shale' (Veska 2018).

Discussion

Exploration work to date in the tenement area suggests that shallow resource potential has been reasonably tested and further exploration needs to look into greater depth. Ellis (1983) believed that extensive exploration work in Dundas area had failed to locate any significant mineralisation and new techniques would be required to define targets at depth to 1000 meters.

As experienced during past exploration, geophysical signals from potential orebodies are often 'masked' or 'overshadowed' by presence of 'black shale' and ultramafic bodies in this area. Therefore, the most appropriate approach for further exploration would be to explore at depth under known mineralised zones.

The South Comet mine area lies within a major NW trending mineralised shear zone Kosminsky-South Comet trend. Geophoto's drilling (Discala, 1974) has demonstrated the Kosminsky-South Comet trend extends to the depth. Also recent mining by Mancala has showed depth continuity of high grade Pb-Zn ore shot under historical working at South Comet.

Regionally, the South Comet mine is located towards outer limit of zoned Zeehan zoned mineral field with sphalerite rich mineralisation (Akerman 2014). Recent MRT's Devonian granite modelling (Fig. 7) shows the area is at a slope, down from Pine Hill Granite, with predicated granite depth at approximately 5km under South Comet Mine. Therefore, the widespread Zn-Pb mineralisation in the area may represent distal part of a large hydrothermal system associated with Devonian granite.

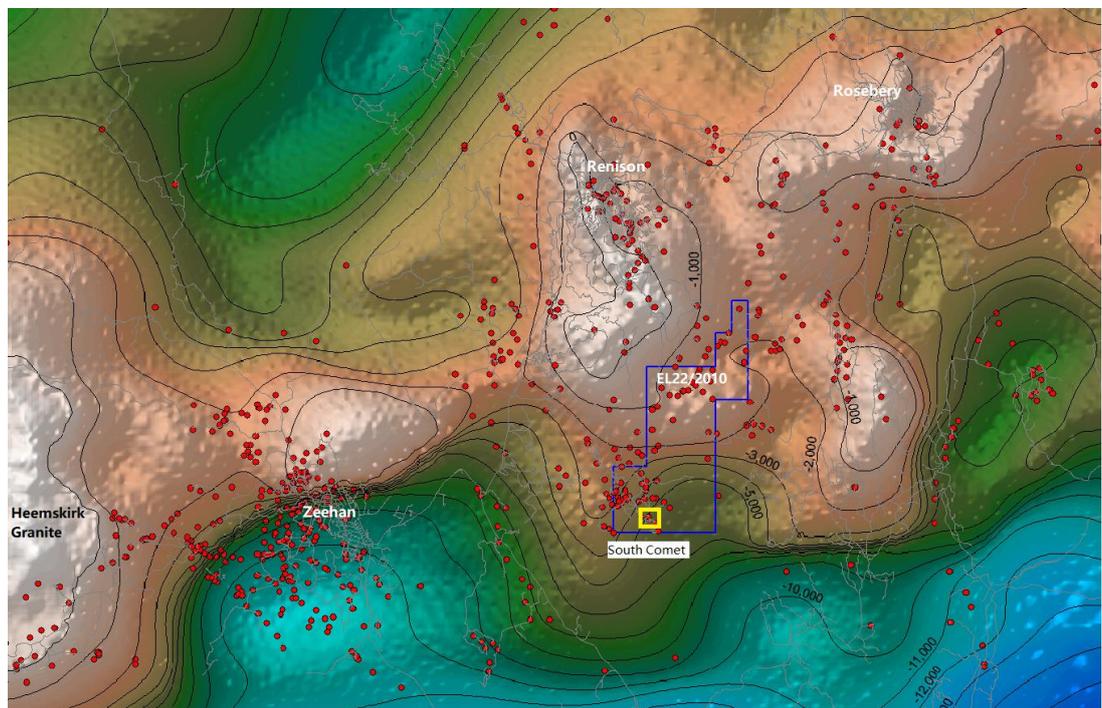


Fig. 7: Devonian granite modelling (base image: MRT Tasmania)

Proposed Drilling Program

Discuss the specific location, targeting rationale and proposed drilling program details, including expected drilling depths and predicted geology.

Where appropriate, attach additional diagrams that would help to provide further information including:

- Collar locations (include MGA94 coordinates and orientations if project area uses a local grid)
- Predictive geological plan, cross-sections and long projection
- Exploration targets and models.

Criteria Assessed:

- Clear and sufficient scientific reasoning for proposed drilling program
- Discussion of targeting rationale including:
 - drilling method
 - collar location
 - drilling depths
 - drilling plan / pattern
 - predicted geology
- Appropriate diagrams, plans and sections.

Two diamond drill holes are planned to test depth extension of high grade Pb-Zn mineralisation system under South Comet mine, with their parameters listed below.

Hole No.	MGA55_E	MGA55_N	Elevation (m)	Dip	Azimuth	Length(m)
SCD001	371,128	5,361,443	405	65	70	360
SCD002	371,000	5,361,555	335	70	65	350

Mineralisation styles include vein type of massive sulphide mineralisation, as well as replacement mineralisation with carbonate rocks reported within the Kosminsky-South Comet Trend.

Below are diagrams showing collar locations and sections views of proposed two diamond drill holes (Fig's 8, 9 & 10).

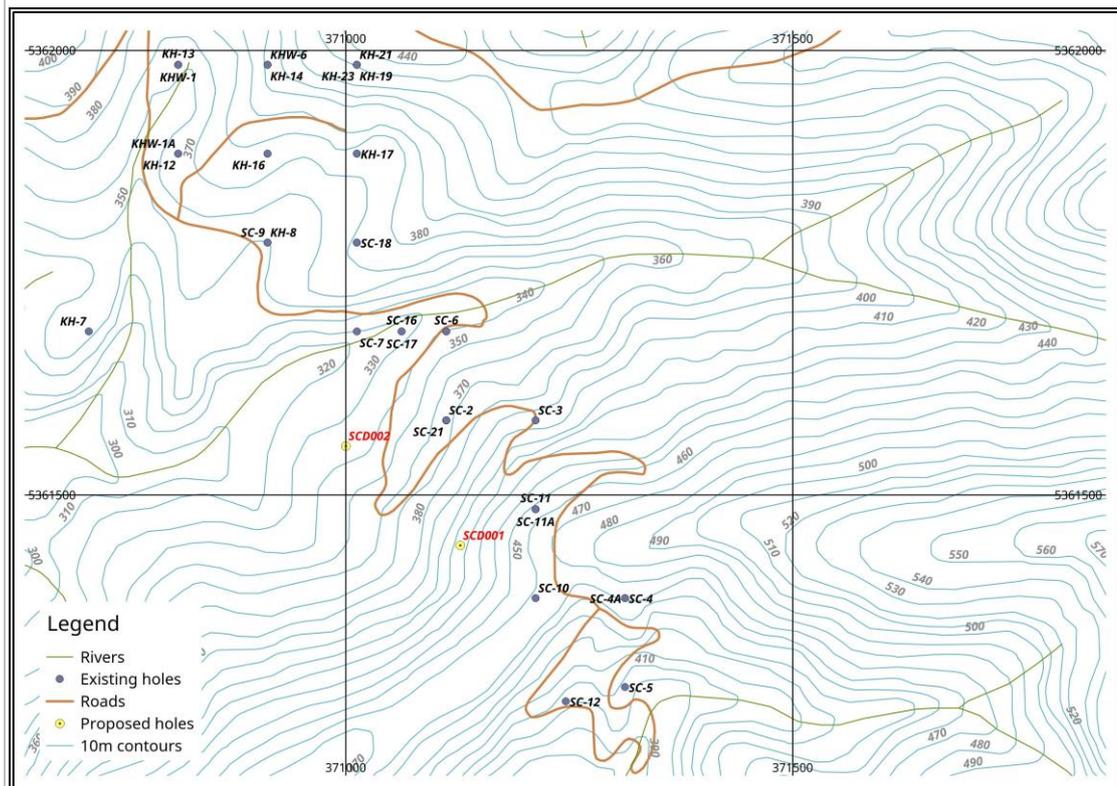


Fig. 8: Plan view of proposed drill holes SCD001 & SCD002

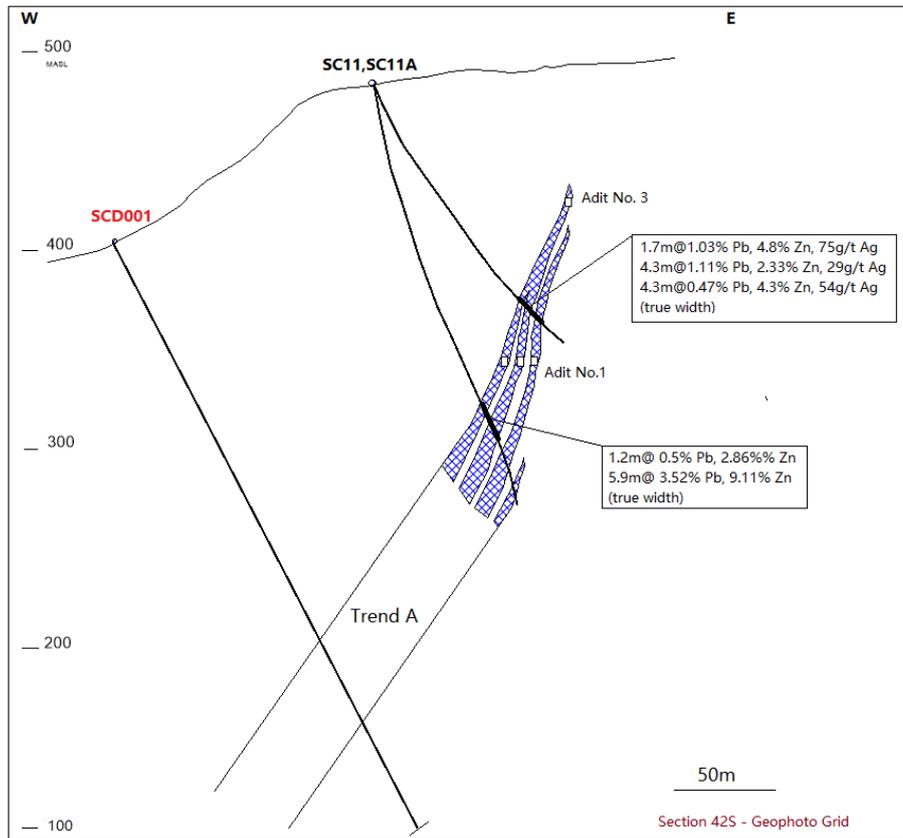


Fig. 9: Proposed SCD001 in section view

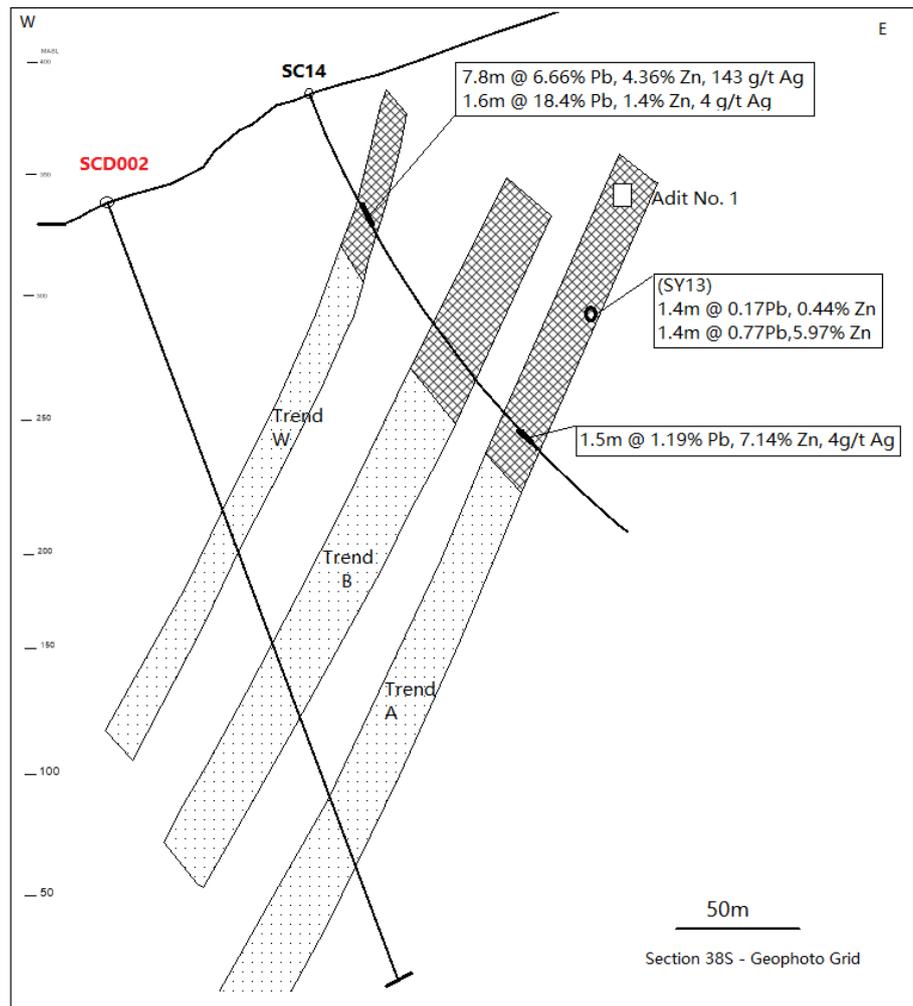


Fig. 10: Proposed SCD002 in section view

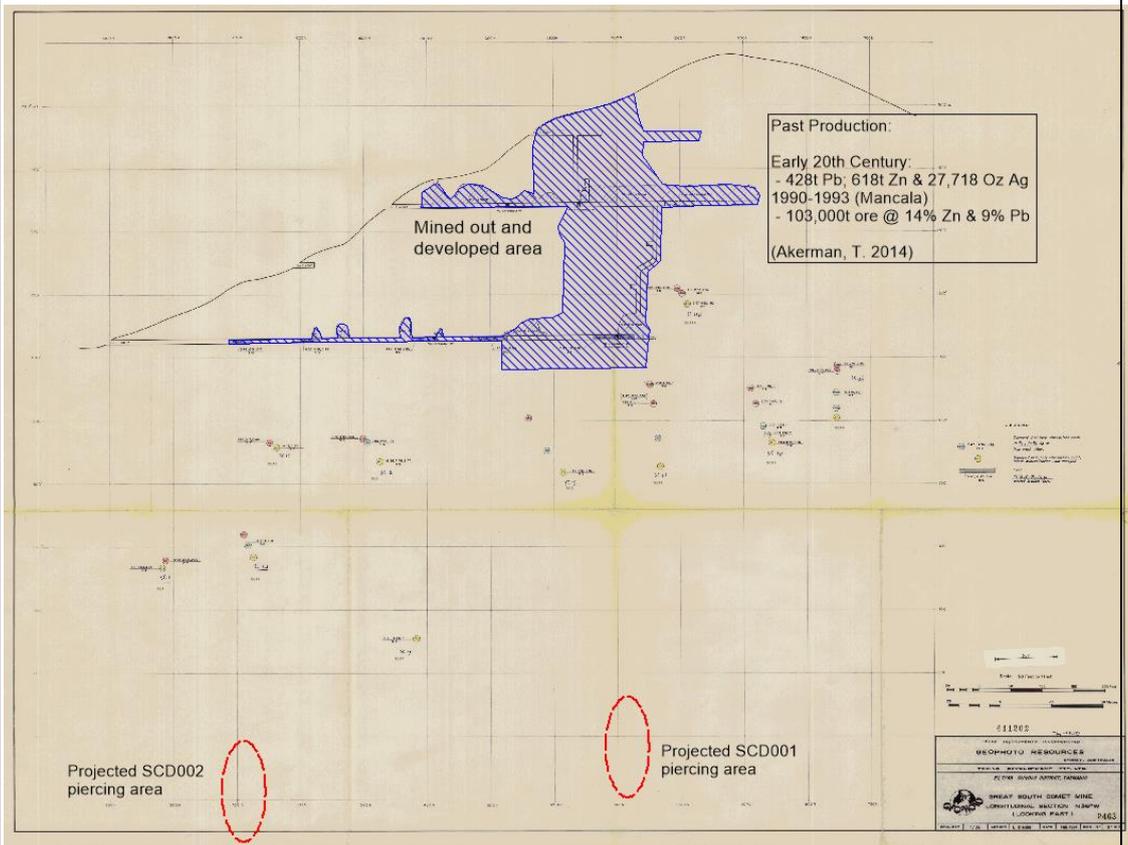


Fig. 11: Longitudinal section of South Comet mine
(looking east: base map: Geophoto)

The proposed drilling will extend geological knowledge by 150m vertical depth. The results will assist to understand the trend of this mineralised zone to the depth and will provide guide for further exploration work in the region.

Program Objectives and Results

Discuss the specific geoscientific objectives to be tested, impact of the program and the data / results to be presented as part of the final report. Include information on any proposed sampling and geochemical analyses, petrological work, water sampling and down-hole logging.

*Note: All outputs will be required in accordance with the reporting requirements detailed in the **Mineral Resources Development Act 1995** and conform to the standard format for Mineral Tenement reports described in the **MRT Reporting Guidelines** (including the requirements for submission of digital data).*

Criteria Assessed:

- Range and appropriateness of collected data and analyses
- How do expected results add to the geological knowledge of the prospect.

The objective of this proposed drilling program is to provide information on:

- Test depth extension of mineralisation associated with Kosminsky-South Comet Trend structure.

Data to be generated from this program will include:

- Structure information collected via core logging and subsequent analysis to provide further understanding of structure framework at depth.
- Assessment of mineralisation potential at depth.
- HyLogger data on drill core will provide insight into alteration patterns.
- Drill core assays – half core splits will be sent to a laboratory for assaying; and
- Interpretation results as a form of final report.

Environmental Impact Information

Summarise the drill program features likely to affect the environment and precautions taken to limit the impact (noise, erosion, waste disposal, water pollution, fire etc.) and the proposed site rehabilitation and timing.

(Note that prior to drilling commencing a standard work program application will need to be completed and approved by MRT)

Both proposed holes are located on existing drill pads, which were established during Geophoto drilling program in early 1970's.

Existing drill pads have been successfully located on ground. Only minimum clearing of overgrown bush is required to re-establish the sites. No major earth moving work is required. Road access to South Comet mine has been well maintained by locals, Yunnan Tin Australia and Tasmanian government agencies.



Photo 1: Location of proposed SC002 drill site (on abandoned Geophoto SC16 pad)

Working with our drilling contractors, Yunnan Tin Australia has environmental policy in place to keep environmental impact to minimum.

Project Risk Management	
<i>List any potential risks (e.g. drilling logistics, difficult drilling conditions, safety, rig availability, site access, tenement approvals, timing, personnel, environmental incidents) and note consequence and proposed management.</i>	
Risk	Potential Consequence and Management
Rig availability	Plan early.
Failure to reach target depth due to ground condition	Select appropriate drill rig and most suitable drillers.

Data Confidentiality	
<i>Will a Period of Confidentiality be required for Drilling Results and Proposal Contents? If yes, what length will this period be? A maximum allowance of six months is available commencing after final report submission.</i>	
No	

PART 5 – Stakeholder Engagement

Stakeholder Engagement		
<i>Detail progress of access requirements if drilling is located on private land.</i>		
Stakeholder	Current Status	Planned program and management
<u>Private Landowner</u> e.g. Notice of Intention to Enter Private Land Form	N/A. Located in Mount Dundas Regional Reserve.	

PART 6 – Contact Details

Applicant Contact Details for Correspondence

Please include a postal and street office address, contact name, title, phone and fax number, and email address.

70 Burns Road
Wahroonga
NSW 2076

Dr. Joe Xie
Mob: 0425222438
dr.joe.xie@gmail.com

I fully understand and accept the terms and conditions as outlined in **APPENDIX 1: Legal Parameters Of Proposals** and **APPENDIX 2: Conditions Of Acceptance For Successful Applicants** within the EDGI Program 2018 Guidelines for submission of applications (June 2018).

Signature of Applicant:



DATE: 21 Sept. 2018

MRT Use Only

DATE RECEIVED	
RECEIVED BY	
DATED CONFIRMATION OF RECEIPT BY PROGRAM MANAGER	
PROPOSAL NO.	