



Partial Relinquishment Report

AO-ZHONG INTERNATIONAL MINERAL RESOURCES

Report on Area Relinquished

Exploration Licence 28299 for the Period

18/03/2011 to 17/03/2015

Woodgreen/Alcoota 1: 100 000 Sheet

By

Lin Ke

Master of science (Geochemistry)

Ao-Zhong International Mineral Resources
27 Ternau Street,
Rapid Creek,
Northern Territory



No exploration was conducted on the areas relinquished from EL28299 in Year 4 of their terms. All investigations conducted on the licence were completed on the retained areas.



COPYRIGHT ACKNOWLEDGEMENT

1. Subject to point 2, the tenure operator acknowledges that this Report, including the material, information and data incorporated in it, has been made under the direction or control of the Northern Territory within the meaning of section 176 of the Copyright Act 1968 (Cwth).

2. To the extent that copyright in any material included in this Report is not owned by the Northern Territory, the tenure operator warrants that it has the full legal right and authority to grant, and does hereby grant, to the Northern Territory, subject to any confidentiality obligation undertaken by the Northern Territory, the right to do (including to authorise any other person to do) any act in the copyright, including to:

- Use;
- Reproduce;
- Publish; and
- Communicate in electronic form to the public, such material, including any data and information included in the material.

3. Without limiting the scope of 1 and 2 above, the tenure operator warrants that all relevant authorisations and consents have been obtained for all acts referred to in 1 and 2 above, to ensure that the doing of any of the acts is not unauthorised within the meaning of section 29(6) of the Copyright Act (Cwth).



1 Introduction

Ao-Zhong International Mineral Resources(Ao-Zhong) holds 100% of the Exploration Licence (EL) 28299.Its main target is copper. It is in the Woodgreen/Alcoota 100K sheets and ALCOOTA 250k sheet.

The details of the licences are displayed below:

Licence Number	Date of Grant	expire time	Size blocks/sqkm	Retained Area blocks/sqkm	Covenant
28299	18/3/11	17/3/17	151 / 479.61	24/76.3	\$128,000

This year, a reduction was granted by DME, so the retained area is 24 blocks(Figure 1).

2 Back Ground Information

2.1 Location and Access

Exploration licence 28299 lies approximately 200km north northeast of Alice Springs in the Northern Territory, Figure 1. Access to the licence from Alice Springs is north via the Stuart Highway to the Plenty Highway and then north east along the Sand over Highway. Neither of the latter is sealed.

Within the licence access appears to be restricted to station tracks and fence lines due to thick vegetation and numerous small creeks. The licence area can be divided into two unequal parts. The northern part, dominated by sediments drains to the north and has several sharp escarpments. The much larger southern part is dominated by granite, drains to the east and has a more subdued topography.

2.2 Regional Geology

As mentioned above the licence is dominated by two distinct geological domains. The northern area consists of the Lower Cambrian Central Mount Stuart Beds which are part of the southern Georgina Basin sequence. The Central Mount Stuart Beds are described as various sandstones, siltstone and rare dolomite. Some of the basal sandstones are reduced and cupriferous.

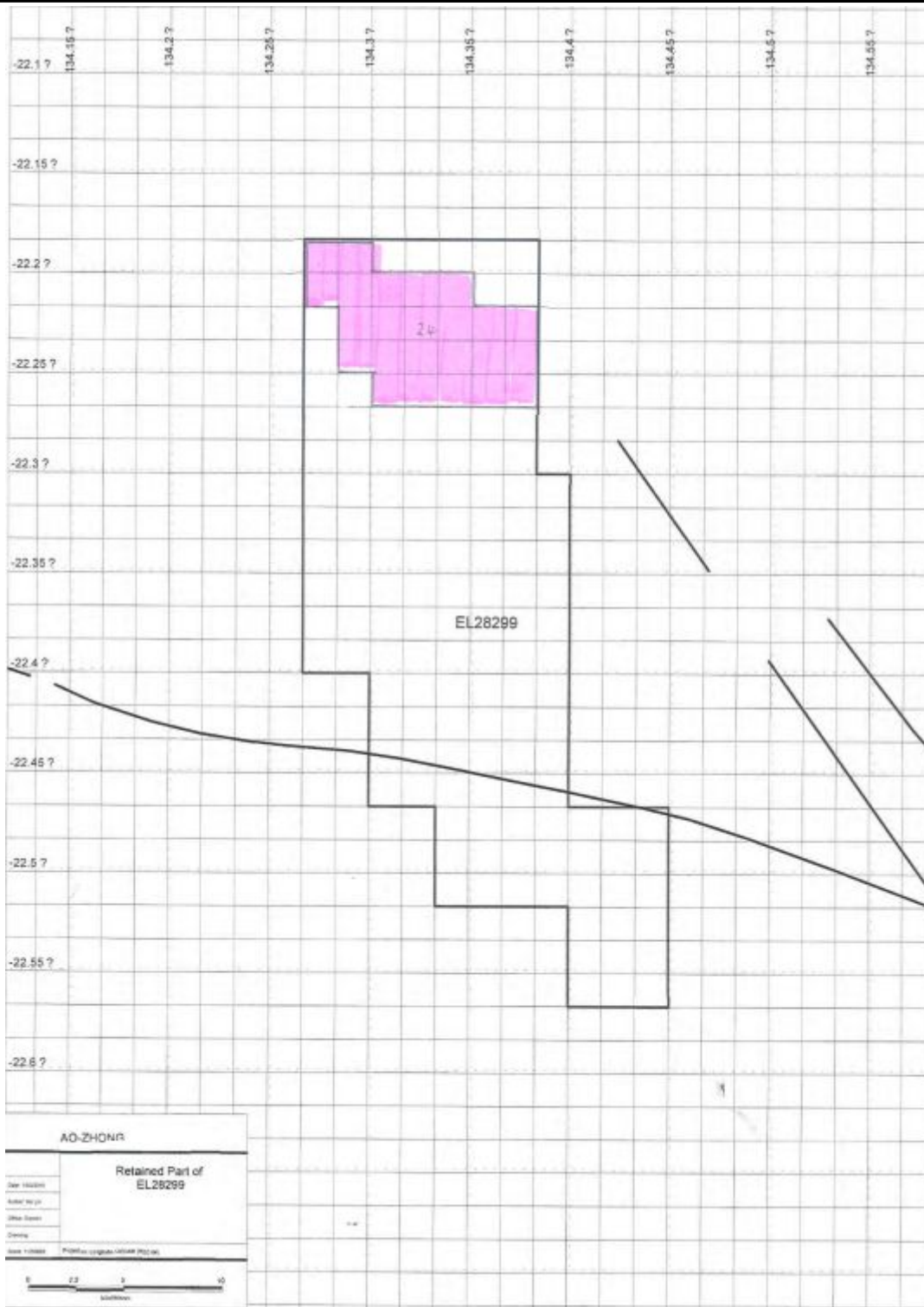


Figure 1. Locality and Retained blocks of EL28299(pink areas)



The southern portion of the licence belongs to the Proterozoic Arunta Complex. In the licence the Arunta Complex is represented by the Woodgreen Granite Complex. The Woodgreen Granite is described as porphyritic biotite granite gneiss with or without hornblende and garnet. (Figure 1)

2.3 Previous Exploration

The previous completed exploration in the tenement has focused on the northern portion where the Mt Skinner copper mineralisation is hosted by the Central Mount Stuart Beds. The stratiform copper mineralisation was first located in 1966 and since then there has been several phase of exploration. The initial work at Mt Skinner consisted of mapping, rock chip sampling, costeaning and finally three holes were drilled. The costeans (trenches) indicated mineralisation over a width of about 1m grading 0.5% Cu. The drilling confirmed the mineralisation persisted to depth.

Since the initial discovery the area has been subject to additional geochemical sampling, airborne geophysical surveys (magnetic and radiometric) and ground based geophysical surveys (reflection seismic and Resistivity). The more recent work has failed to locate mineralisation approaching economic parameters. The seismic survey gave details of a deeper section of the depositional basin where it is suggested better copper mineralisation may be located. A 1000m drill hole was proposed but not drilled.

Additional exploration has also been undertaken for uranium and gold although the work done was not very comprehensive. The possibility of locating phosphate has also been considered.

Figure 2 shows the location of the work done.

The exploration licence is comprised of two geological domains. Both offer their own suite of potential commodities.

Copper- the Central Mount Stuart Beds (northern domain) have to potential to host base metals, copper in particular. The Mt Skinner mineralisation is well known and has been to focus of several exploration attempts. However, a great deal of office work and not much drilling has been done. A program of detailed data capture, rock chip sampling, costeaning and an EM geophysical survey are proposed for this area.

Phosphate- the southern Georgina Basin (northern domain) is known to host phosphate mineralisation. Mapping in the licence area has shown the Cambrian Limestone associated with phosphate mineralisation are absent.

Uranium- several pegmatite intrusions are known (southern domain) to be associated with the granites of Central Australia. Some are uraniferous.

Rare Earth Elements- associated with pegmatite.

Tin, Tungsten and Tantalum- associated with pegmatite.