Annual Report

Exploration Licence 29305

**Holder:** CHINA AUSTRALIA LAND RESOURCES PTY LTD

**Operator:** CHINA AUSTRALIA LAND RESOURCES PTY LTD

**Reporting Period:** 10\(^{th}\) September 2012 to 9\(^{th}\) September 2013

**Sheet Reference:** 1:250,000 Elkedra (SF5307); 1:100000 Elkedra (5955) and George Creek (6055)

**Author:** Xueling Dai

**Date:** 9\(^{th}\) September 2013

**Copies To:** Department of Mines and Energy- NT

**China Australia Land Resources Pty Ltd**

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SUMMARY

EL29305 was granted to CHINA AUSTRAL LAND RESOURCES PTY LTD 10th September 2012. This annual report represents Year One of the Licence.

Exploration License 29305 is situated on Elkedra(SF53-7) map sheets in the Northern Territory.

During the reporting period, 3 soil geochemical samples were analyzed, and a geological surveys was completed. But the result of the soil geochemical samples is negative.

The proposed program for the 2nd year includes the collection and processing of about 400 rock chips sampling to increase sample density to adequately assess the potential of the license to contain base metal, such as Pb, Zn, Cu etc. And the scale of 1/25000 soil geochemical survey about 5km² & the scale of 1/10000 mapping about 1km² to evaluate the potentiality of the area.

The total expenditure for the License amounted to $46230.40.
1.0 INTRODUCTION

This annual report outlines exploration activities undertaken by China Australia Land Resources Pty Ltd (CALR) on Exploration License 29305 between the 10th September 2012 and 9th September 2013. This period represents Year One of the license.

2.0 LOCATION AND ACCESS

Exploration License 29305 is situated on the Bauhinia Hodgson Downs (SD53-14), Mount Young (SD53-15), Tanumbirini(SE53-02), Bauhinia Downs(SE53-03) 1:250,000 geological map sheet in the Northern Territory. The project area can be reached from Darwin along the Stuart Highway to Daly Waters, the along the Carpentaria Highway to the broadmere station turn off. Dirt roads and station tracks service the project area.
3.0 LICENCE DETAILS

EL29305 consists of 162 sub-blocks, and was granted to China Australia Land Resources Pty Ltd on 10th September 2012 for a period of six years. License details for EL29305 are outlined in Table 1 below.
Table 1: License Details for EL29305

<table>
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<tr>
<th>Name</th>
<th>Status</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Current Blocks</th>
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<td>10/09/2012</td>
<td>09/09/2018</td>
<td>162</td>
<td>529.64</td>
<td>China Australia Land Resources Pty Ltd</td>
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4.0 GEOLOGY

The Project lies in the Proterozoic McArthur Basin. The Roper Group succession represents Proterozoic section of the Project’s geology. Resting unconformably above the Proterozoic succession are flat lying units of Cambrian Bukalara and Cox Formations and Cretaceous sediments of Dunmarra Basin.

The north-south trending Cox Fault marks the northeastern boundary of the EL29305. However, the Mantungula Fault which is parallel to the Cox Fault and is located to its east just touches the south-eastern boundary of the EL 29305. It is expected that the Cox and Mantungula Faults extends further to the south and are likely concealed under the widespread outcropping Cambrian Bukalara and Cox Formations.

Rock types in the Cox Project Group area are predominantly sandstones and minor siltstones of the Roper Group, Cambrian Bukalara Sandstone and Cox Formation and Lower Cretaceous sediments. Bedrock units are commonly covered by laterite, lateritic soils and Quaternary deposits. The area is of low relief, being drained by the Cox River and exposure is relatively poor.

Several north trending, pre-Cretaceous faults transect the eastern parts of the tenement area. Sediments are only gently folded, with bed dips rarely exceeding 15 degrees.
5.0 PREVIOUS EXPLORATION

5.1 Publication for preliminary geological and geophysical studies

CR19940073; CR19930515; CR19920660; CR19940137; CR19920269; CR19940488; CR19920510; CR19930642; CR19950898; CR19940375; CR19940620; CR20040115; CR20050009; CR19770036; CR19900292; CR19890147; CR19840095; CR19710139; CR19680052; CR19770036; CR19710083; CR19720072; CR19730064

5.2 Previous exploration summary

The oldest geological survey was held by Geopeko in 1965-1966 as part of a larger A.P. report by B.T. Williams indicates that the area was taken up by Geopeko to investigate the possibility that dolomites might be present which resembled those at McArthur River, as a target for lead-zinc exploration. This work predated the publication of the final B.M.R. 1:250,000 Tanuminiri geological map sheet. A photo interpretation map was prepared and a short field visit to check on lithologies was made. A petrological study of three specimens from the Tanuminiri Volcanic Member demonstrated that rocks of this Member represented “remobilized and segregated sands and muds”. From this it was concluded that the Member did not represent a source rock for mineralization.

And then, Keneth MCmahon and Partners examined and reported on the area in 1968. Geochemical results of only those stream sediment samples considered significant, totaling 26 in number, are reproduced in their report. The analyses being performed by Sampey. But the metal values of these are all very low.
Many companies have done some surveys in this area, including Australia Geophysical Pty. Limited in 1968, C.R.A Exploration Pty. Limited in the 1970’s, Western Mining Corporation Limited surveyed in the 1980’s for copper, Aberfoyle Exploration Pty Ltd and M.I.M. Exploration Pty. Ltd surveyed in the 1990’s for diamonds and base metals, but no significant results were reported. And more recently companies such as Astro Mining NL and Legend International Holdings surveyed, but no base metal occurrences were identified.

6.0 EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD

During the reporting period 3 soil geochemical samples were analyzed, and a geological survey was completed. The result of the soil samples were analyzed utilising a Niton Field Portable X-ray Flourescence Analyser (FPXRF), and the results are shown on the attachment 1.
Fig.2 Sample location map of EL29305

7.0 EXPENDITURE STATEMENT

Exploration expenditure on the tenement from 10th September 2012 to 9th September 2013 totally was $46230.40.
8.0 PROPOSED PROGRAMME AND BUDGET FOR NEXT YEAR

The proposed program will focus on base metal exploration and include the collection and processing of about 200 soil samples to increase the sample density to adequately assess the potential for the presence of Pb, Zn, Cu etc.

8.0 PROPOSED ACTIVITIES FOR THE NEXT 12 MONTHS

Provide a general description of exploration activities planned for the next 12 months:

1. 1/25000 soil geochemical survey 20km²

2. 1/10000 mapping 2km²

3. 200 rocks chip sampling and geochemical analysis

ACTIVITY DETAILS FOR THE NEXT REPORTING PERIOD

1. Geological Activities and Prospecting 19000

2. Geochemical Activities 10000

3. Geophysical and Remote Sensing Activities 12000

4. General research and report preparation 6000

5. Overheads 6000

6. Total 53000
9.0 REFERENCES
