Annual Report

Exploration Licence 29286

Holder: CHINA AUSTRALIA LAND RESOURCES PTY LTD

Operator: CHINA AUSTRALIA LAND RESOURCES PTY LTD

Reporting Period: 10th September 2013 to 09th September 2014

***Sheet Reference*: CAPE SCOTT SD5207 1:250,000**
PINE CREEK SD5208 1:250,000
Greenwood 4970 1:100,000
Daly River 5070 1:100,000

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Copies To: Department of Mines and Energy- NT

China Australia Land Resources Pty Ltd

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SUMMARY

EL29286 was granted to CHINA AUSTRALIA LAND RESOURCES PTY LTD 10th September 2012. This report represents Year One of the Licence.

EL 29286 is situated approximately 240km SSE of Darwin, NT, and 14km west of Daly River townsite. China Australia Land Resouraces is exploring for multiple commodities and applied for EL29286 to explore for unconformity-hosted U mineralisation, plus review potential for base metals and gold.

Work during the first year of tenure consisted of a review of NTGS data and rock chip sampling. No significant results were returned.

During the current reporting period about 5kms of geological survey was completed, and 32 soil samples collected and analysed by FPXRF (The results are shown in appendix1). No significant results were returned.

The total expenditure for the Licence amounted to $65880.00.

1.0 INTRODUCTION

This annual report outlines exploration activities undertaken by China Australia Land Resources Pty Ltd (CALR) on Exploration License 29286 between the 10th September 2013 and 09th September 2014. This period represents Year One of the license.

2.0 LOCATION AND ACCESS

EL 29286 is situated approximately 240km SSE of Darwin, NT, and 14km west of Daly River (Figure 1). Access to the Licence is possible from Dorat Rd (old Stuart Highway, out of Adelaide River) then via the Daly River Road, then west and southwest along various tracks that cut through the Licence. Access is limited outside of

the dry season. Most of the Licence is low-lying with little relief, but 5 of the eastern most blocks have a NNE-trending series of ridges (parallel to Chilling Creek).

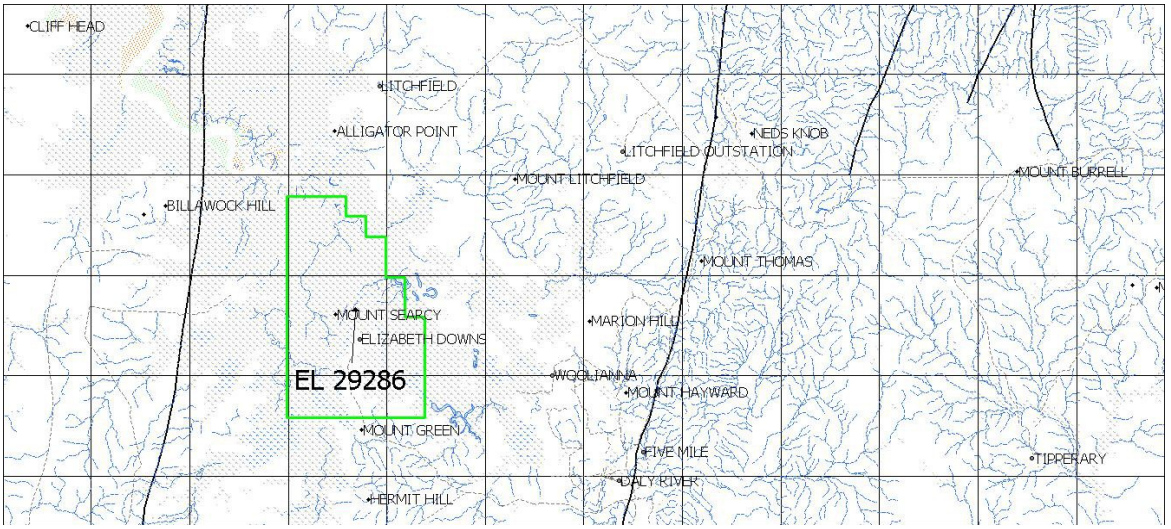

Fig.1 Tenement Location Map of EL29286

3.0 LICENCE DETAILS

EL29286 consists of 64 sub-blocks, and was granted to China Australia Land Resources Pty Ltdon 10th September 2012 for a period of six years. License details for EL29286 are outlined in Table 1 below. There were no other mining leases or mineral claims shown within the Licence boundaries.

Underlying cadastre was mainly perpetual pastoral lease; the majority of the Licence was covered by Elizabeth Downs Station (owned by Branir Pty Ltd). A small portion north of the Daly River on the northern boundary of EL29286 was Litchfield Station (also Branir Pty Ltd). An interest was also registered within the Licence by the Australian Telecommunications Commission.

Table 1: License Details for EL29286

Name	Status	Grant Date	Expiry Date	Current Blocks	Area (sq km)	Holder	Percentage
EL29286	granted	10/09/2012	09/09/2018	64	231.63	China Australia Land Resources Pty Ltd	100

4.0 PHYSIOGRAPHY

EL 29286 is situated within on the western side of the Pine Creek Orogen, in the area known as Litchfield Province. The regional geology is outlined in several texts, most notably including Ahmad et al., 1993; Ahmad, 1998; Berkman, 1980; Mendum 1972, Fahey et al., 1986, Pietsch 1989 and Carson et. al., 2006. The Giants Reef Fault transects the eastern edge of EL 29286, which is interpreted as the boundary between the ‘central’ Pine Creek Orogen to the east and the Litchfield Province to the west (Berkman 1980).

The Litchfield Province was defined as the western part of the Pine Creek Geosyncline, with large parts of the Litchfield Province interpreted as 'granitoid, garnetiferous, gneissic, with metasediments varying in metamorphic grade from greenschist to upper amphibolite / granulite grade (Berkman 1980). The lack of outcrop in much of the area has limited exploration on the western portions. Recent work by the NTGS has reviewed the Litchfield Province, with geochronology tentatively correlating the Litchfield Province with the Halls Creek Orogen to the southwest, but notes that the field evidence indicates a complex tectonic relationship (Carson et al., 2006; Glass, 2007).

The mapped lithology within EL29286 is largely obscured by Cainozoic eluvial soils. Floodplain alluvium masks the geology of the northern blocks (Figure 2). The central portion has small outcrops of granites from the Allia Suite (Litchfield Granite, Fish River Billabong Adamellite) which is an S-type granite (Wyborn 2002). Further south, metabasite rocks of the Hermit Creek Metamorphics are mapped in areas adjacent to Murra-Kamangee Granodiorite. The eastern 5 blocks that are truncated by the Giants Reef Fault are mapped as Proterozoic Chilling Sandstone overlying Proterozoic Burrell Creek Formation sediments. Much of the tenement is underlain by the Allia Suite Granites (Litchfield and Murra-Kumangee Granodiorite) with areas of Hermit Creek Metamorphics sandwiched between the granites.

5.0 PREVIOUS EXPLORATION

5.1 Preliminary geological and geophysical studies

All of the reports and maps that have been produced previously are listed at the following:
CR20101000; CR20080722; CR20091022; CR20100999; CR20100931; CR20090776; CR20070643; CR20080931; CR19810313; CR19780170; CR19800228; CR19790192; CR19780033; CR19800217; CR19790167; CR19810247; CR19810275; CR19810309; CR19780149; CR19800249; CR19880412; CR19890826; CR20040328; CR20040298; CR19940573; CR19990344; CR19900507; CR19910396; CR19930460; CR19920331; CR19910363; CR19950210; CR19930483; CR19920558; CR19920539; CR19910438

5.2 Previous exploration summary

Tipperary Land Corporation was prospecting AP 1873 primarily for bauxite, with the possibility of phosphate in the SE corner (which is within EL 29286). Most of AP 1873 is outside of EL 29286 and no work was carried out within EL 29286.

Several companies carried out exploration for uranium in the 1970's. Suttons Motors in JV with Mobil Australia Ltd explored EL 1599 (plus several other contiguous tenements in the Litchfield area) for uranium from 1978. An airborne radiometric survey identified several U anomalies, and comments were made on the anomalies during ground follow-up, such as:

a) granite outcrop effect – small granite outcrops projecting through radiometrically opaque cover

b) 'warm' spots within larger granite masses; usually more biotitic granite phases adjacent to the porphyritic granite type

c) Clay pan and flood plain anomalies from daughter uranium products absorbed in clays

d) Residual and transported laterite with uranium daughter products coprecipitated with the Fe in laterite

e) Lower Proterozoic sediments that have a higher radioactive background than other lithologies

f) Anomalies associated with groundwater springs

The results from the previous uranium exploration are still being evaluated, with bottom-of-hole geology compilation to map areas covered by Cainozoic cover. Several companies have explored for diamonds. Stockdale Prospecting carried out exploration for diamonds on several contiguous EL's (including EL's 6648, 6651 and 6652 which covered much of 29286). Stream sediment, soil sampling and heavy mineral sampling was carried out. Stockdale identified a number of magnetic dipolar anomalies from a reinterpretation of the regional magnetic data but none of the anomalies are within EL29286.

Ashton Mining also explored EL 7086 for diamonds but with little success and have concentrated their exploration efforts west of EL29286.

6.0 EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD

During the current reporting period about 5kms of geological route survey was completed, and 32 soil samples collected and analysed by FPXRF (The results are shown in appendix1). No significant results were returned.

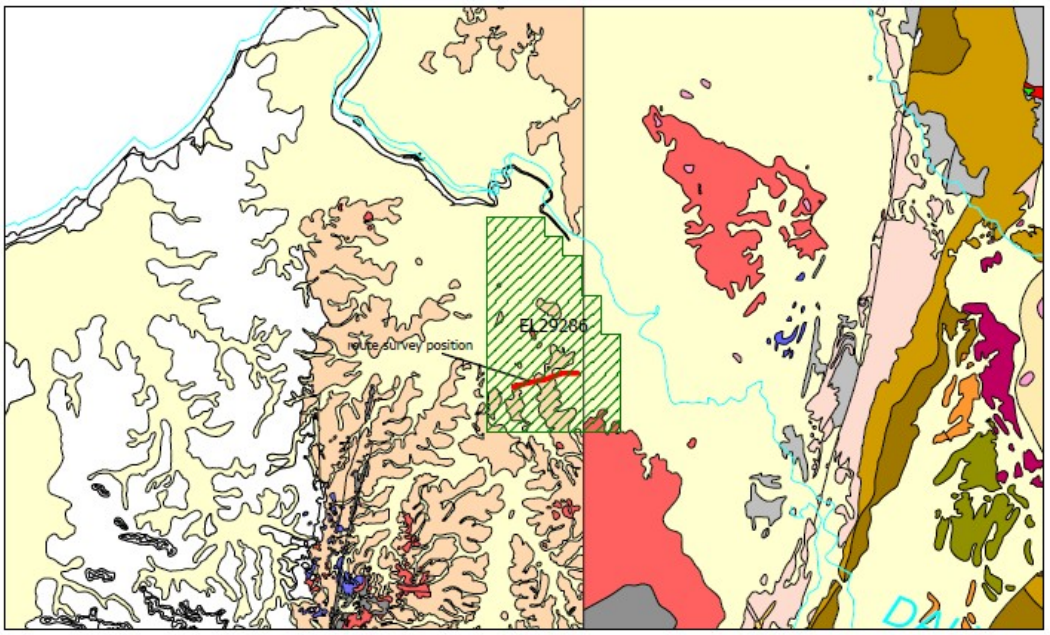

Fig 2 Geological route survey in EL29286

7.0 EXPENDITURE STATEMENT

Exploration expenditure on the tenement from 10th September 2013 to 09th September 2014 totally was $ *65880.00*.

Geological Survey	$34880
32soil and rock samples analysis	$14000
Office studies	$13000
Overheads	$4000
Total	$65880

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 50 soil samples to increase the sample density to adequately assess the potential for the presence of Pb, Zn, Cu etc.

Geological Activities and Prospecting	1/25000 soil geochemical survey 3km^2 And 1/10000 mapping 2km^2	25000
Geochemical Activities	50 rocks chip sampling and geochemical analysis	8000
Office Studies	general research and reports preparation	2000
Overheads (not to exceed 15% of the sum of A to H above)		1000
total		36000

9.0 REFERENCES

Ahmad, M., 1998. Geology and mineral deposits of the Pine Creek Inlier and McArthur Basin, Northern Territory. AGSO Journal of Australian Geology and Geophysics, 17(3), pp1-17.

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Carson, C., Scrimgeour, I., Goldberg, A., Stern, R., and Worden, K., 2006. Western Pine Creek Orogen (Litchfield Province) recent advances and regional correlations. In Northern Territory Geological Survey, 2006. Annual Geoscience Exploration Seminar (AGES) 2006. Record of Abstracts. Northern Territory Geological Survey, Record 2006-002.

Fahey, J.E., and Edgoose, C.J., 1986. Explanatory Notes Anson 4971; 100,000 Geological Map Series. Department of Mines and Energy, Northern Territory Geological Survey

Glass, L., 2007. Geochemistry of mafic rocks in the Litchfield Province, western Pine Creek Orogen: Evidence for a Paleoproterozoic arc-related setting and links to the Halls Creek Orogen.

Mendum, J.R., 1972. Explanatory Notes Cape Scott, Northern Territory. 1:250,000 Geological Series, Bureau of Mineral Resources, Geology and Geophysics, Department of National Development, Canberra.

Pietsch, B.A., 1972. Explanatory Notes Reynolds River 5071; 100,000 Geological Map Series. Department of Mines and Energy, Northern Territory Geological Survey
Wyborn, L.A.I., 2002. Granites & Copper Gold Metallogenesis in the Australian Proterozoic. Geoscience Australia.

Appendix 1 Results of soil sample analysis with FPXRF

No.	Coordinate (GDA94 52L)		Type Of Soil (A、B、C)	XRF Result					Remarks
	X	Y		Au (10^{-9})	Ag (10^{-9})	Cu (10^{-6})	Pb (10^{-6})	Zn (10^{-6})	
SL13-01	657683	8489675	B	1.6	0.006	11.5	27.2	8.4	
SL13-02	657731	8489690	B	0.3	0.001	11.5	19.1	7.5	
SL13-03	657778	8489706	B	1.1	0.004	4.1	13.5	7.1	
SL13-04	657826	8489721	B	1.1	0.005	11.8	15.1	6.1	
SL13-05	657874	8489737	B	0.8	0.003	5.8	16.6	8.9	
SL13-06	657921	8489752	B	1.5	0.006	12.8	19.4	8.4	
SL13-07	657969	8489767	B	1.1	0.004	8.1	54.8	27.0	
SL13-08	658016	8489783	B	1.3	0.007	7.8	69.1	56.5	
SL13-09	658064	8489798	B	4.9	0.033	8.1	35.2	20.7	
SL13-10	658111	8489814	B	1.1	0.006	10.7	38.4	12.1	
SL13-11	658159	8489829	B	1.6	0.008	7.8	15.3	8.5	
SL13-12	658206	8489845	B	3.7	0.016	6.2	12.5	5.7	
SL13-13	658254	8489860	B	1.9	0.007	4.9	11.2	4.2	
SL13-14	658302	8489876	B	1.9	0.007	4.8	41.9	7.8	
SL13-15	658349	8489891	B	3.4	0.018	5.3	7.5	6.4	
SL13-16	658397	8489906	B	2.7	0.012	6.5	7.2	7.4	
SL13-17	658444	8489922	B	3.4	0.011	6.2	9.5	6.1	
SL13-18	658492	8489937	B	2.3	0.012	8.7	6.3	16.3	
SL13-19	658539	8489953	B	3.3	0.015	6.6	17.5	14.6	

No.	Coordinate (GDA94 52L)		Type Of Soil (A、B、C)	XRF Result					Remarks
	X	Y		Au (10^{-9})	Ag (10^{-9})	Cu (10^{-6})	Pb (10^{-6})	Zn (10^{-6})	
SL13-20	658587	8489968	B	4.1	0.043	8.5	72.9	71.7	
SL13-21	658634	8489984	B	2.4	0.016	5.8	14.4	8.9	
SL13-22	658682	8489999	B	4.3	0.022	7.1	45.3	9.7	
SL13-23	658730	8490015	B	3.7	0.029	6.2	53.1	11.3	
SL13-24	658777	8490030	B	2.0	0.0	7.2	3.2	9.9	
SL13-25	658825	8490045	B	1.1	0.0	8.5	3.7	17.1	
SL13-26	658872	8490061	B	4.1	0.027	10.5	53.0	122.8	
SL13-27	658920	8490076	B	2.4	0.012	29.1	11.6	63.8	
SL13-28	658967	8490092	B	0.6	0.003	6.9	24.6	6.5	
SL13-29	659015	8490107	B	0.6	0.002	5.0	12.8	5.7	
SL13-30	659062	8490123	B	1.0	0.014	5.7	7.2	5.1	
SL13-31	659110	8490138	B	0.5	0.110	6.3	23.9	6.4	
SL13-32	659158	8490154	B	2.9	0.106	8.3	10.4	6.2	