



Annual Report

AO-ZHONG INTERNATIONAL MINERAL RESOURCES

EL28299 Annual Report for the Period

18/03/2012 to 17/03/2013

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



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Digital Data Files

Type of File	Description of file	Name of title	File name
Report file	annual report text	EL 28299	EL28299_2013_A.pdf



ABSTRACT

This project is wholly owned by Ao-Zhong with a purpose for copper. 10 rock chips were collected and two of them got assayed, remote sensing data interpretation has been done during the year 2. 3 targets were defined by the data interpretation. A geological section survey and general geological survey and rock chip sampling are planned for the next year.



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	Owner	Covenant
28299	18/3/11	17/3/17	151 / 479.61	AO-ZHONG	\$285,000

This year, a waiver of reduction was granted by DME, so the tenement retains all the blocks.

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 Sandover 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.

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 2)

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 3 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.

1

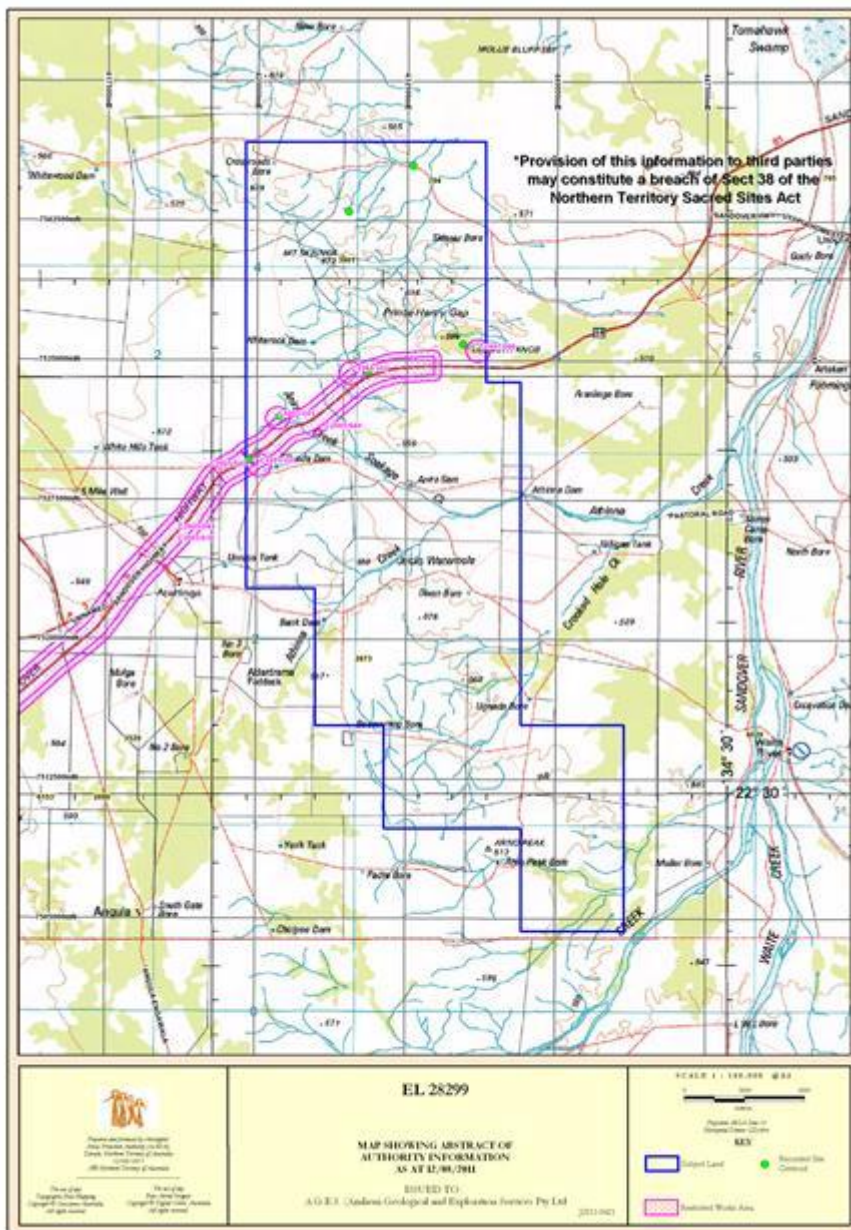


Figure 1. Locality map

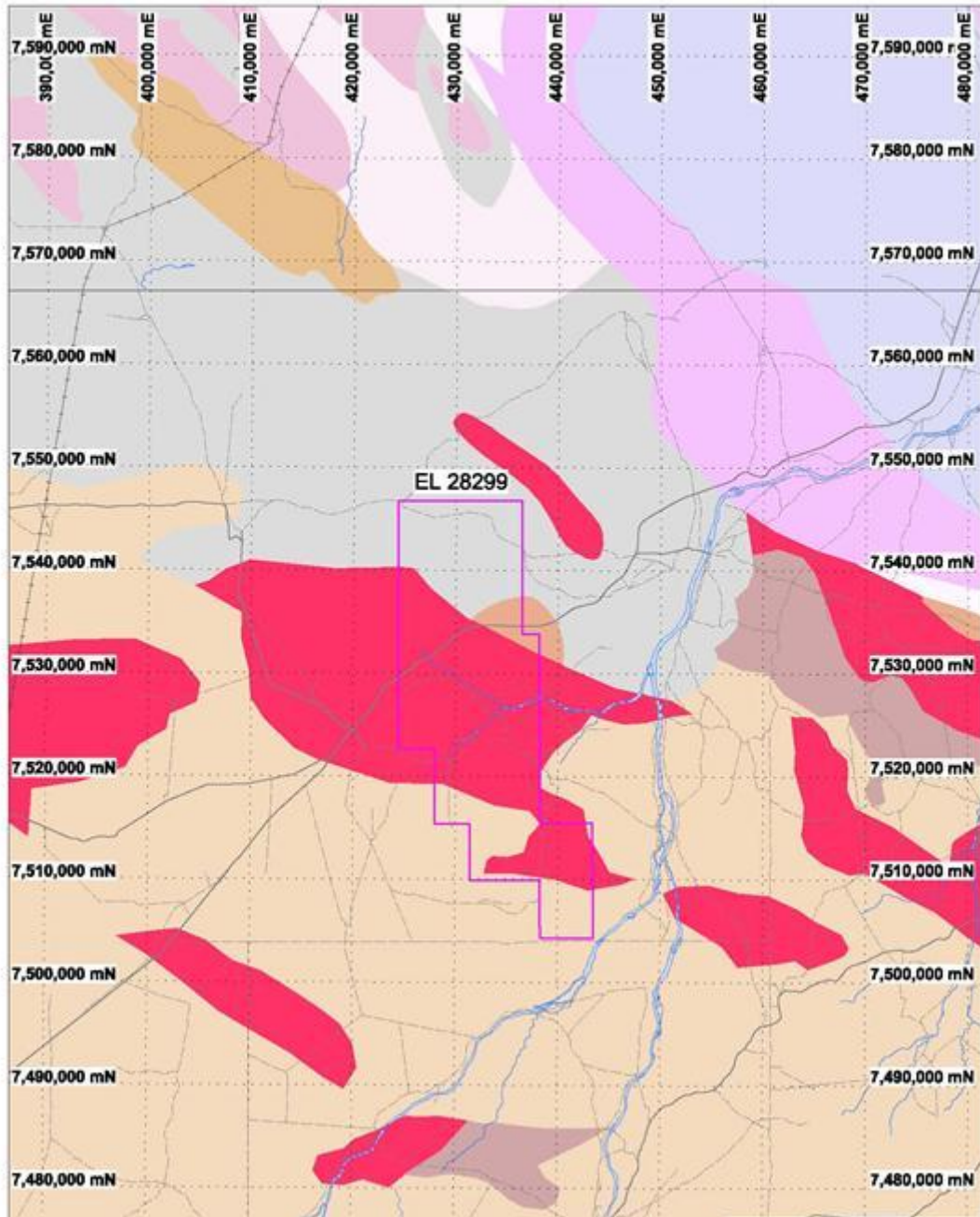


Figure 2 Regional Geological Map

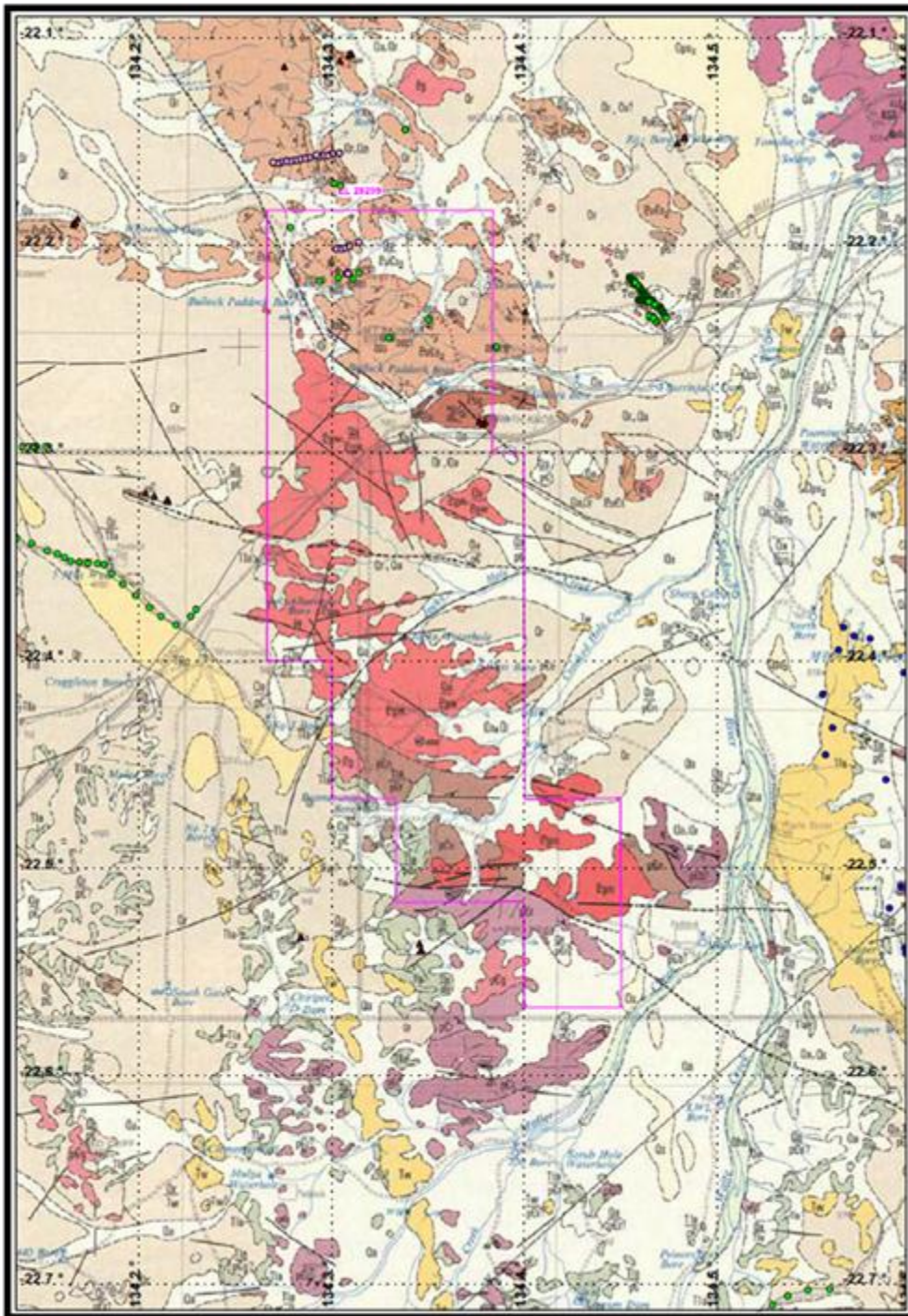


Figure 3 EL 28299 Sample Sites



3 Work in 2012

3.1 Rock Chip Sampling

During June of 2012, a team of geologists spent a week to the site, implemented a geological section survey for 11 km, two rock chips samples were collected as shown in the table below(Figure 4). A GPS was used for the location.

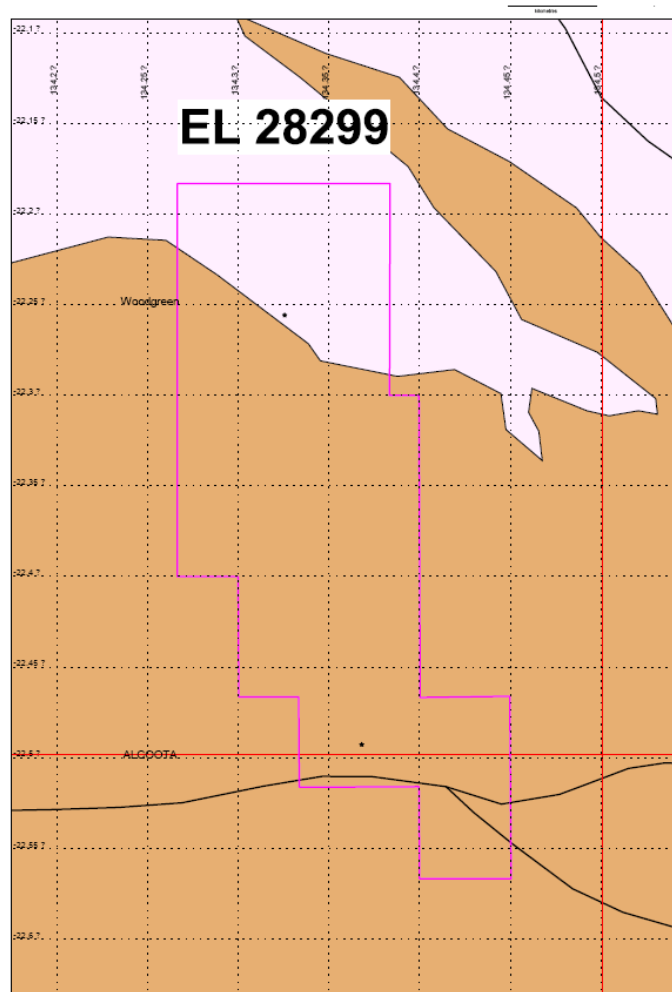


Figure 4 Rock Chip sample locations



3.2 Remote Sensing Data Interpretation

Based on the SPOT-5 and ETM+ image, AO-ZHONG contracted the interpretation work to another subsidiary from AO-ZHONG's parent company. 3 targets were defined based on synthesizing the interpretation and all the geological information(Fig 5,).

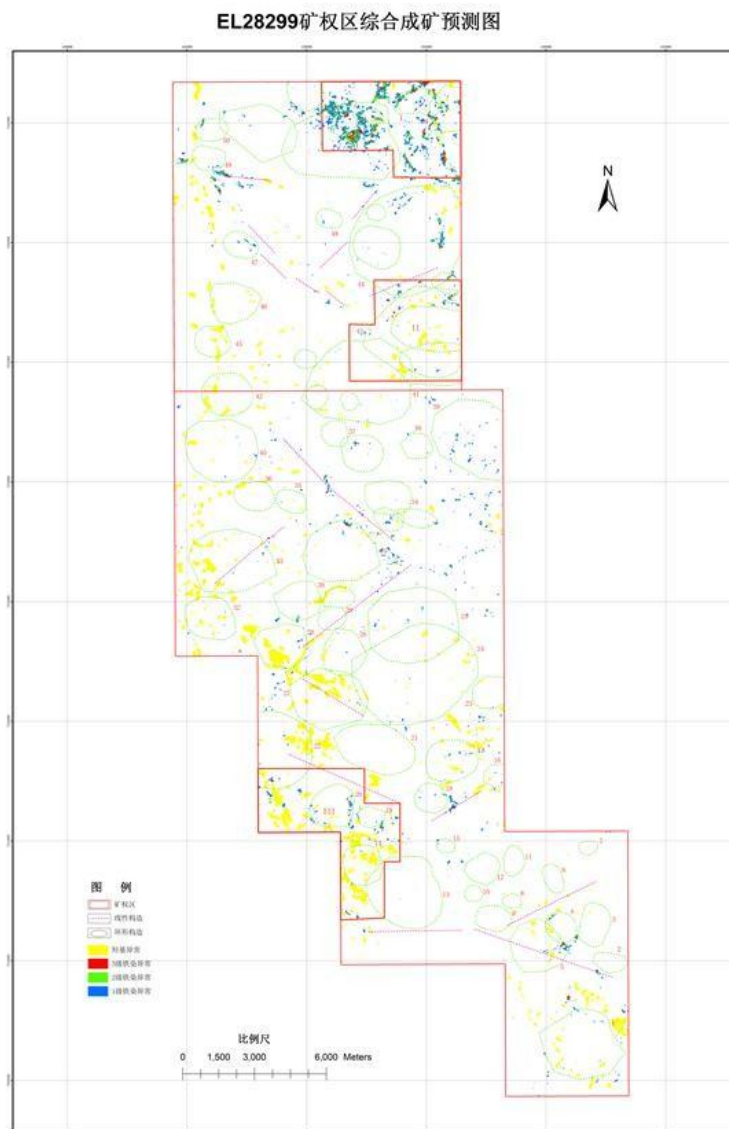


Figure 5 Targets for EL28299

hydroxyl alteration
 Grade 3 ferric contamination anomalies
 Grade 2 ferric contamination anomalies
 Grade 1 ferric contamination anomalies



4 Proposed Exploration and Budget

A geological section survey and general geological survey in the northern part is planned for future year, and 400 rock chip samples are planned to collect. The budget is about \$88,000.

5 Conclusions

This project is wholly owned by Ao-Zhong with a purpose for copper. 10 rock chips were collected and two of them got assayed, remote sensing data interpretation has been done during the year 2. 3 targets were defined by the data interpretation. A geological section survey and general geological survey and rock chip sampling are planned for the next year. The budget is about \$88,000.