Annual Report

AO-ZHONG INTERNATIONAL MINERAL RESOURCES

EL28533 Annual Report for the Period
01/11/2015 to 31/10/2016

Ranford Hill 1: 100 000 Sheet

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ABSTRACT

This project is wholly owned by Ao-Zhong with a purpose for Uranium and gold. No field work done in this year.
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1 Introduction

Ao-Zhong International Mineral Resources (Ao-Zhong) holds 100% of the Exploration Licence (EL) 28533. Its main target is Uranium and Gold. It is in the Ranford Hill 1: 100 000 Sheet and MT EVELYN 250k sheet.

The details of the licences are displayed below:

<table>
<thead>
<tr>
<th>Licence Number</th>
<th>Date of Grant</th>
<th>Expire Time</th>
<th>Size Blocks</th>
<th>Owner</th>
<th>Covenant</th>
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<td>28533</td>
<td>01/11/2011</td>
<td>31/10/2017</td>
<td>12</td>
<td>AO-ZHONG</td>
<td>23,000</td>
</tr>
</tbody>
</table>

It was reduced once at the end of the forth year, and 12 blocks were granted to retain (Figure 1).

![Figure 1 Retained Area](image_url)
2 Background Information

2.1 Location and Access

EL 28533 is located approximately 210km south of Darwin, 86km north of Kathrine and 40km east of Pine Creek in the Northern Territory, (Figure 2), between 13°46’ S and between 13°36’ S and 132°22’E and 132°11’E. Access to the licence from Darwin is via the Stuart Highway to The Pine Creek, turn-off and then along the Kakadu Highway to Mary river roadhouse. The Station tracks provide access to the licence area, which are useable during the dry season but become impassable in the wet season, November to April. In general the area of the licence is flat with many creeks.

2.2 Regional Geology

EL28533 lies in the Southern part of the Palaeoproterozoic Pine Creek Orogen. The stratum in tenement area are Burrell Creek Formation of Finniss River Group and Burrell Creek Formation of South Alligator Group which are characterised by Greywacke, shale, siltstone, sandstone. The southern part of the tenement are mainly granite. There is a Coronet Hill Fault. The older group of the South Alligator is the core of a closed overturned anticline, NW trend, about 25km in length and, a 300m in width in tenements (Figure 3).
Figure 2 Locality map
2.3 Previous Exploration

Previous exploration undertaken within EL28533 has focused on Uranium, Gold and base metals. The main exploration work are mainly small scale regional exploration, like 1:250,000 and 1:100,000 mapping, geophysical and geochemical survey;
according to annual reports of previous exploration, just very limit remote sense interpretation and a few chemical work were done in tenement area. There were some geological mapping, geophysical and geochemical survey and small scale mining has been done in 1970s with some copper-gold occurrences in surrounding area.

According to the regional magnetic(Figure 4), the overall magnetic field strength of Pine Creek Orogen is low, the maximum is no more than the 100nT, the minimum is -200nT in the central part. The magnetic field distribution in the tenements are in the shape of belt, with a NW trend which is consistent with the tectonic line.

![Figure 4 Pine Creek Orogen. Regional Magnetic (red outlined EL28533)](image)

According to the Gravity survey (Figure 5), the entire Pine Creek orogenic belt are in a the gravity high value area, generally more than more than 100μm/s², consistent with the orogenic uplift of older strata and. There are low value gravity areas in the southern edge of Orogenic belt, at -100 to 200μm/s². EL28533 is located in the high-value area, with Paleoproterozoic strata mainly developed.
3 Work in 2012

Literature search has been done to get the a basic knowledge in the area. AO-Zhong also acquired the high resolution remote sensing data and is interpreting it, the interpretation report is under processing.

A one-day reconnaissance on the field was conducted this year to have a check of the access and outcrops. A small amount of stream sediment samples were collected and have been stored in the Lab for assay with the samples coming from the next year.

4 Work in 2013

During August to October, two teams of geologists and field assistants conducted the geochemical work. 867 routing samples were collected at a 1:50000 scale within the whole tenement area (See Figure 6) while 5050 routing samples were collected at a 1:10000 scale focus on the northern part. All the samples were sent to ALS for multi-elements including trace Au assay (method code is ME-MS41 and Au-ST43).
5  **Work in 2014**

No field and compile work had been done in 2014, just collected part of the assay data, and the job is still under processing.

6  **Work in 2015**

No field work done in this year, the assay results for the soil samples collected in 2013 have been collected and were listed in the attachments.
7 Work in 2016

No field work done in this year. A brief economical evaluation report was commissioned just for internal use.

8 Proposed Exploration and Budget

The proposed work for next year is to compile the assay data to get some targets or relinquish. The budget will be around 21,000.

9 Conclusions

This project is wholly owned by Ao-Zhong with a purpose for Uranium and gold. Literature search, around 860 routing samples were collected at a 1:50000 scale within the whole tenement area while around 5050 routing samples were collected at a 1:10000 scale focus on the northern part. All the samples were sent to ALS for multi-elements including trace Au assay. The tenement has been reduced to 12 block at the end of the 2015. No field work had been done in the current operational year. No field work is planned and we’ll look for opportunity to transfer this tenement and prepare for the final report. The budget will be around 21,000.