

Annual Report

Exploration Licence 27041

Holder: CHINA AUSTRALIA LAND RESOURCES PTY LTD

Operator: CHINA AUSTRALIA LAND RESOURCES PTY LTD

Reporting Period: 2nd June 2013 to 1st June 2014

Sheet Reference: 1 :250,000 Pine Creek Metallogenic (SD52-08)

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Date: 24th July 2014

Report No:

Copies To: Department of Mines and Energy- NT

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SUMMARY

EL27041 was granted to Corporate Developments Pty Ltd on 2nd June 2009 for a period of six years. The title was transferred to Outback Metals in February 2012 and then to China Australia Land Resources Pty Ltd in August 2012. This report represents Year five of the Licence.

Exploration Licence 27041 is situated on the Pine Creek (SD52-08) 1:250,000 geological mapsheet in the Northern Territory. It is located around 20 kilometers south of Daly River.

During the reporting period, about 12kms of geological survey and 1km² 1:10000 mapping were completed.

The total expenditure for the Licence amounted to \$38000.

1.0 INTRODUCTION

This annual report outlines exploration activities undertaken by China Australia Land Resources Pty Ltd (CALR) on Exploration Licence 27041 between the 2nd June 2014 and 1st June 2015. This period represents Year six of the licence.

2.0 LOCATION AND ACCESS

Exploration Licence 27041 is situated on the Pine Creek (SD52-08) 1:250,000 geological mapsheet in the Northern Territory. It is located around 20 kilometres south of Daly River. A location map is provided as Figure 1 (The red Area of the map).

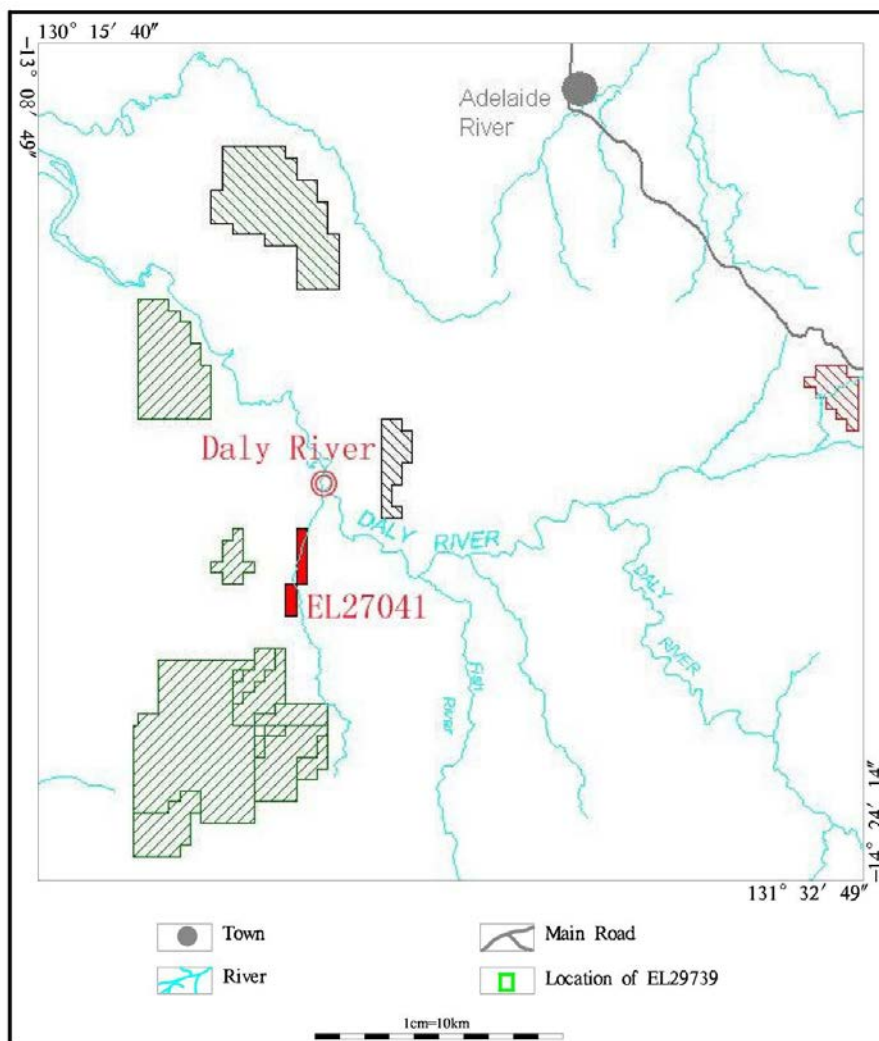


FIG 1 Location map of EL27041

3.0 LICENCE DETAILS

EL27041 consists of 8 sub-blocks, and was granted to Corporate Developments Pty Ltd on 2nd June 2009 for a period of six years. The title was transferred to Outback Metals in February 2012 and then to China Australia Land Resources Pty Ltd in August 2012. Licence details for EL27041 are outlined in Table 1 below.

Table 1: Licence Details for EL27041

Name	Status	Grant Date	Expiry Date	Current Blocks	Area (sq)	Holder	Percentage
EL27041	granted	02/06/2013	01/06/2018	8	26.67	China Australia Land Resources Pty Ltd	100

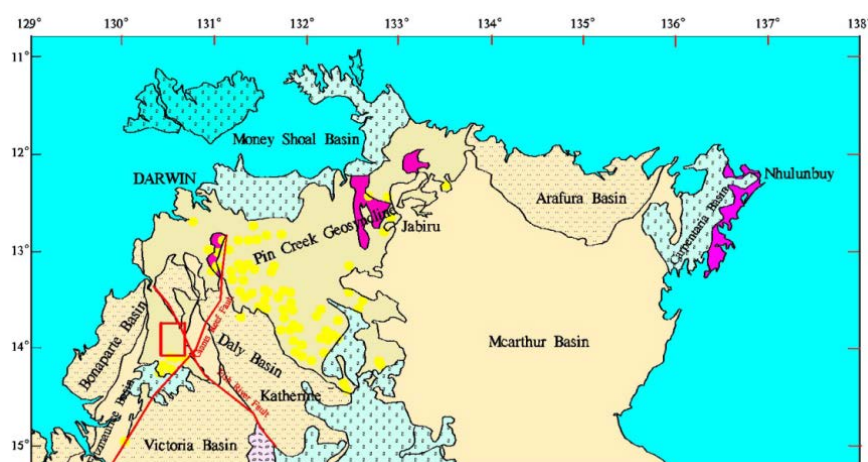
4.0 PHYSIOGRAPHY

The tenement area lies in the western parts of the Pine Creek Inlier (Litchfield Province) and is considered to have good potential for magmatic Cu-Ni mineralisation related to the Wangi Basics. The Litchfield Province is the continuation of the prospective Halls Creek Province of the Kimberleys, a known significant magmatic Cu-Ni province.

5.0 GEOLOGY

In 1983 NTGS carried out field geological mapping and air photo mapping of Daly River 1:100 000 scale geological map sheet (Edgoose et al, 1987). The published map shows that much the EL is located in the shattered ridge country which comprises the Giants Reef Fault Zone.

FIG 2 REGIONAL GEOLOGY



The regional stratigraphy is summarized in Table 2. Exposures in and adjacent to the exploration licence comprise units of the Finniss River Group and members of the transitional igneous rocks. Synorogenic granitoid intrusions are exposed to the northeast and west, Allia Creek Granite and Murrakamangee Granite respectively. Postorogenic granites are represented by the Litchfield Granite to the north and the Soldiers Creek Granite to the southeast.

TALBLE 2 REGIONAL STRATIGRAPHY

CAINOZOIC	Marine and terrestrial cover	
MESOZOIC	Daly River Group	
PLAAEOZOIC	-----unconformity-----	
MIDDLE	Platform	Fitzmaurice Group
	Auvergne Group	
PROTEROZOIC	Cover	Tolmer Group
	-----unconformity-----	
	Finnis River Group	
		Chilling Sandston Burrell Creek Formation
Pine		Barinka Volcanics
Creek		Hermit Creek metamorphics
Geosyncline		Well Tree Schist
	Mount Partridge Group	
	-----unconformity-----	
ARCHAEAN		Crystalline Basement

Adapted from Needam and Stuart- Smith(1984), Edgoose et al, 1989.

6.0 PREVIOUS EXPLORATION

Previous exploration was carried out by:

Planet Gold during 1969-1970 for uranium, gold and base metals.

Carpentaria Exploration Company during 1985-1991 for gold and base metals.

Tipperary Mining with Mobil Energy Minerals during 1992-1995 for uranium and base metals.

Corporate Developments in the mid to late 1990's for gold and base metals.

There are several mineral occurrences within the EL as listed in the NTGS MODAT database.

The mineral commodities considered were gold, base metals and uranium.

9.0 EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD

During the reporting period about 12kms of geological survey and 1:10000 mapping was completed. Some samples and photos were taken during the survey. Quartz vein and ferritization was found near the Giant Reef fault. The host rock is Chilling Group sandstone. Following the geological survey CALR believe EL27041 has potential for gold, uranium and base metals.

Table 3: Sample Locations and description

No.	coordinate (GDA94)		Lithological Character	Remarks
	X	Y		
B1	13°53'53.90"	130°40'20.49"	Chilling sandstone	
B2	13°54'4.47"	130°40'6.60"	Chilling sandstone	
B3	13°54'18.61"	130°40'4.22"	Chilling sandstone	
B4	13°54'37.67"	130°40'19.34"	float stone, Strong silicification, limonite siliceous rocks	
B5	13°55'32.16"	130°40'42.93"	float stone, Strong silicification, limonite siliceous rocks	
B6	13°57'26.30"	130°39'46.94"	rhyolite	
B7	13°57'38.68"	130°39'17.36"	Silicide granite, a small amount of fine quartz vein with limonite	
B8	13°57'55.97"	130°39'12.72"	Silicide granite, a small amount of fine quartz vein with limonite	
B9	13°58'13.96"	130°39'8.73"	Silicide granite, a small amount of fine quartz vein with limonite	
B10	13°58'37.95"	130°39'52.63"	Ti-Tree Granite	

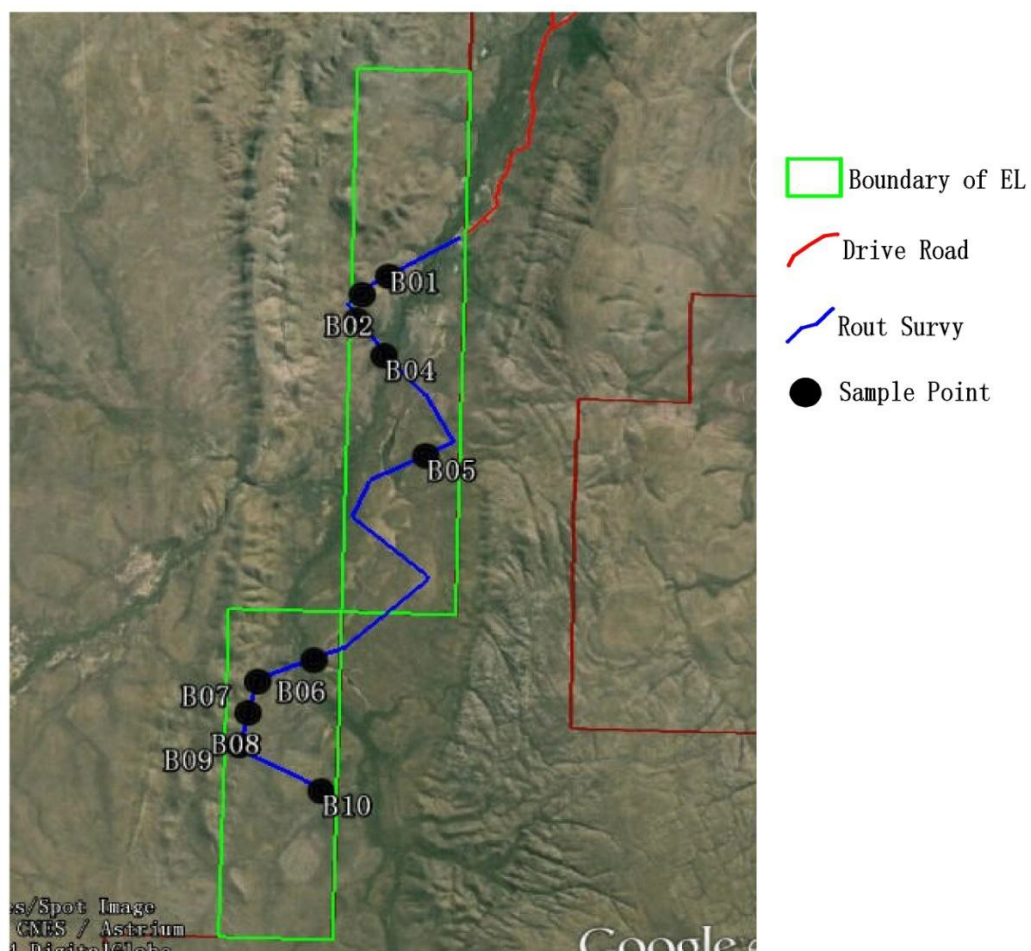


FIG.3 geological survey map of EL27041

9.0 EXPENDITURE STATEMENT

Exploration expenditure on the tenement from 2nd June 2013 to 1st June 2014 totalled \$ 38000.

9.0 PROPOSED PROGRAMME AND BUDGET FOR NEXT YEAR

The proposed program will focus on gold, Uranium, and base metals 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 gold, Uranium and base metals etc.

Admissible Expenditure	Specify the work to be undertaken	\$AU Proposed
1. Geological Activities and Prospecting	geological survey 5 km and 1:10000 mapping 2km ² , <i>and processing of about 50 soil samples</i>	30000
2. Office Studies	literature search, reprocessing of data from previous owners and DME, general research, reports preparation and data base set up.	15000
3. Overheads (not to exceed 15% of the sum of A to H above)		8000
Total		53000

10.0 REFERENCES

Edgoose CJ, Fahey GM and Fahey JE, 1989: Moyle 4969, 1:100 000 Geological Map Series, Explanatory Notes. NT Department of Mines And Energy, Darwin.

Edgoose CJ, Fahey GM and Fahey JE, 1989: Wingate Mountains 5069, 1:100 000 Geological Map Series, Explanatory Notes. NT Department of Mines And Energy, Darwin.