Co-ordinate system used in maps and diagrams within this report is MGA55 (GDA94), unless otherwise specified.
Abstract

EL20/2002 is primarily of interest to the company for the potential to host economic Irish-Style lead-zinc deposits in the Gordon Limestone areas.

EL20/2002 was partially relinquished during the reporting year, with a reduction from an original 68 sq km, down to 24 sq km.

Gordon Limestone areas have mostly been retained, with the South Oceana prospect to be the priority into the future.

No field-based work occurred during the reporting year.
Contents
Abstract.................................................................................................................................1
1 Introduction.........................................................................................................................3
  1.1 Access.........................................................................................................................5
  1.2 Land Tenure.................................................................................................................6
2 Regional Geology..........................................................................................................7
3 Review of Previous Exploration.....................................................................................9
4 Work Completed during the Third Year of Exploration............................................10
5 Discussion of Results and Conclusions.................................................................11
6 Environment..................................................................................................................12
7 Expenditure Statement..............................................................................................13
8 References......................................................................................................................14

Figures
Figure 1: Current EL20 configuration showing areas surrendered in 2015......................4
Figure 2: Land Tenure EL20/2002.....................................................................................6

Tables
Table 1: Expenditure for current year.............................................................................13
1 Introduction

Exploration Licence 20/2002 was transferred to Australian Hualong Proprietary Limited (AHL) from Creat Resources Holdings Limited (CHRL) in March 2013.

EL 20/2002 covers approximately 24km$^2$, and is located 1km south-east of Zeehan, Western Tasmania (Figure 1) with excluded areas (Figure 2) including:

- AHL Retention Licence 3/2009 Oceana
- Land owned or leased by the Commonwealth of Australia;
- Mining Leases; and
- Crown reservations.

The current land tenure in and around EL 20/2002 is provided in Figure 2.
Figure 1: Current EL20 configuration showing areas surrendered in 2015.
1.1 Access

The Murchison Highway, Zeehan Highway, and Henty Rd provide road access to EL 20/2002. The Emu Bay Railway and the Murchison Highway connect the township of Zeehan with the Port of Burnie, located approximately 140km to the north.

Vegetation cover is generally sparse over EL 20/2002, dominated by button grass on ridges and in valleys, with dense tea-tree and eucalypt scrub occurring along creek lines.
1.2 Land Tenure

Figure 2: Land Tenure EL20/2002
2 Regional Geology

The regional geology of the area has been described in Blissett (1962), Taylor (1983), Jones (1988), and McGilvray (2003). The following is taken from Parkinson (1994).

Zeehan and its surrounding districts have seen almost continuous sedimentation, igneous activity and deformation from the Late Proterozoic to the Quaternary. Consequently the picture of geological evolution is a complex one. The Rocky Cape Association forms basement in NW Tasmania. In the late Precambrian, around 700Ma, a shallow basin was forming in the stretched intracratonic area between the Rocky Cape and Tyennan Regions. Coarse clastic sediments (conglomerates and sandstones) of the Forest Conglomerate, Donaldson Fm and base of the Timbs Gp were deposited. Turbidite sequences of interbedded sands and silts of upper Donaldson Fm. Timbs Gp and Oonah Fm were laid down as the intracratonic basin deepened. As the rift phase drew to a close, sag phase Black River Dolomite, Savage Dolomite. ?Timbs Gp magnesite horizons and Success Creek Gp limestones were deposited. Rift tholeiites and associated sediments of the Smithton Volcanics, Bernafai Volcanics, Timbs Gp and Crimson Creek Fm erupted over the now filled basin. During the mid to late Cambrian, an arc-continent collision caused over-thrusting of ultramafic-mafic rocks and related sediments, possibly from a subduction complex some distance E of the Tyennan Block. The gabbros and basalts between Trial Harbour and Zeehan are of Boninitic composition - present understandings of basalt chemistry require that these Boninites derive from a fore-arc wedge (Brown and Jenner, 1989).

Post-collision extension tectonics then produced troughs into which the Dundas Group sediments and Mount Read Volcanics were deposited. A local metamorphic event dated at 500Ma (Penguin Orogeny) possibly contemporaneous with eruption of the MRV affected the rift sediments in the area of the present-day Arthur Lineament. This event probably affected the formations over a broader area than seen today.

Latest Cambrian to Ordovician times saw tectonic uplift of the Tyennan Block. Rapid stripping of this nucleus produced the coarse clastics of the Owen Conglomerate and correlates. As the rate of erosion slowed, sequences became finer (e.g. Moina Sandstone). Finally in a short period of quietness, limestones of the Gordon Group were deposited.

A second phase of uplift introduced sands and silts into a shallow marine environment to form the Eldon Group. This event took place from the early Silurian until the early Devonian, when the first rumblings of the Tabberabberan Orogeny were being felt.

Earliest of events forming part of the Tabberabberan Orogeny was a period of thrusting, possibly induced by compressive stresses caused by the rising plutons of the Heemskirk, Meredith and Housetop Granites.

To the NW of the granites, this compression thrust imbricate slices of the Timbs Group over one another to produce the rapid, apparently quantum jumps in metamorphic grade seen in the Arthur Lineament. To the south, the Tenth Legion Thrust is the clearest evidence of the early Devonian thrust event (Findlay and Brown, 1992). Other thrusts are likely to have developed, perhaps along
the Little Henty and Firewood Siding Faults, to "poke the tongue" of Zeehan area geology southward into the Henty Basin.

Continued Tabberabberan deformation folded the Zeehan Basin formations about NNW-trending axes.

Geological events Subsequent to the Tabberabberan Orogeny do not capture the imagination of mineral explorers. Terrestrial sedimentation continued in the Permian. Jurassic dolerite sills intruded the Zeehan area. Tertiary basalts flooded much of NW Tasmania with remnants preserved near Granville Harbour.

Tertiary and Quaternary erosion and deposition continue to modify the ancient land surface.
3 Review of Previous Exploration

A series of limestone-hosted base metal prospects are located around Zeehan have been subjected to substantial previous mineral exploration. The Oceana lead/zinc deposit provided much of the impetus for such exploration to be undertaken over all the known areas of Gordon Limestone in the general Zeehan area.

Exploration activities by competitors prior to the granting of EL20/2002 are restricted to the program on EL4/78 by Amoco, followed by EZ in joint venture best summarised by Mathison and Taylor (1987).

During the period 1978-1987 Amoco-EZ collected a large body of data over the Gordon Limestone as part of their Zn-Pb exploration activities on EL4/78. Amoco-EZ focussed on an Irish-type exploration model, based on their success in delineating the Oceana deposit. Data amassed by the joint venture includes:

- geological mapping
- Wacker geochemistry
- costean geochemistry
- ground magnetics
- gravity
- IP and EM surveys
- drilling logs and assays

Although the program was unsuccessful in delineating a bedrock carbonate-hosted resource (apart from the Oceana deposit) numerous drill-holes intersected sub-economic and patchy Zn-Pb mineralisation. It also became clear that significant enrichment of Pb and Zn was occurring in the de-carbonated black pug developing in the weathering profile above the limestone. After so many frustrating years of searching for the hard rock source to these anomalies, Amoco-EZ failed to perceive the black pug as a target in itself.

CRAE P/L undertook widespread Wacker, diamond and aircore drilling programs over the Gordon Limestone areas in EL20 during the nineties, eventually focussing on the Grieves Siding Pb-Zn mineralisation.
4 Work Completed during the Third Year of Exploration

No field-based work occurred during the reporting year.
5 Discussion of Results and Conclusions

An application to partially relinquish the licence was submitted to MRT in December 2014, this was finalised during the reporting period. The reduction was from an original 68 sq km, down to 24 sq km. Areas of known Gordon Limestone have mostly been retained.

Work, including several drill holes, has mainly focussed upon the Oceana deposit (RL3/2009) contained as an exclusion within the exploration licence.
6 Environment

Australian Hualong Pty Ltd has environmental policies in place to always ensure minimisation of the impact that exploration activities have on the environment. All vehicular travel within the tenement has been on existing tracks.
7 Expenditure Statement

Table 1: Expenditure for current year

<table>
<thead>
<tr>
<th>Expenditure</th>
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<tr>
<td>Other Cost</td>
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<td>Administration Cost</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$20,230</strong></td>
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8 References


CRAE Annual Report 1995 EL 43/92 Melba Flats, Tasmania Report on Exploration for the Second Year of Tenure 17.4.94 to 16.3.95 (TCR 95-3729).


