Annual Report

AO-ZHONG INTERNATIONAL MINERAL RESOURCES

EL28301 Annual Report for the Period

18/03/2012 to 17/03/2013

Turners Dome 1: 100 000 Sheet

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## Digital Data Files

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This project is wholly owned by Ao-Zhong with a purpose for Uranium. No field work but just general research, literature search and remote sensing interpretation has been done during the year 2, and one target was defined by the comprehensive interpretation.
1 Introduction

Ao-Zhong International Mineral Resources (Ao-Zhong) holds 100% of the Exploration Licence (EL) 28301. Its main target is Uranium. It is in the Turners Dome 100K sheets and MT THEO 250k sheet.

The details of the licences are displayed below:

<table>
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<th>Licence Number</th>
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<th>expire time</th>
<th>Size blocks/sqkm</th>
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<td>18/3/11</td>
<td>17/3/17</td>
<td>40 / 127.47</td>
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The tenement underwent a compulsory 50% reduction in March this year, the retained part is as shown in Fig 1 (green block). No field work but just general research, literature search, Remote sensing interpretation has been done during the year 2.
Figure 1. Locality map
2 Back Ground Information

2.1 Location and Access

Exploration licence 28301 lies 280km to the north west of Alice Springs in a straight line. By road the distance is 355km via the Stuart Highway and the Tanami Road, Plan 1. Examination of the Google imagery dated May 2007 failed to detect neither any tracks within the licence area nor any tracks that lead to the licence. The nearest track appears to be located about 6km to the west.

The licence area is very flat without any hills or defined drainages. In the eastern side the vegetation is very thick Acacia forest whilst the western half is spinifex grasses with minor trees. Travel within the west of the licence should be relatively easy but punctured tires will be common.

2.2 Regional Geology

Without exception the entire area of the licence is covered by aeolian sand and colluvium. The NTGS geological interpretation suggests the underlying rocks belong to the undifferentiated Arunta Schists.

2.3 Previous Exploration

The only exploration work of any significance completed within the licence area was undertaken by North Flinders Mines (NFM). Their exploration focus was on gold and consisted of two regionally spaced lines of vacuum drilling to bedrock for geochemical sampling. Several anomalous area were discovered but none are within EL 28301. The drill hole locations are shown on Figure 2.
Figure 2: EL 28301 Historical Vacuum Drill Hole Locations
3 Remote Sensing Interpretation

During the reporting period, a remote sensing interpretation was completed and the alternation information was extracted based on the data from Landsat-7ETM and Aster (Fig 3).

The magmatic rocks in this area are mainly granite. The structure is developed, more faults. Hydroxyl anomaly in the tenement distributes in the Northwest trend with a belt shape, while the ferric contamination anomalies distributed sporadically in the west with the intense is Grade 2 and 3. There are dense and small faults trending mainly in the NNE, studies have shown that sporadic auriferous quartz veins appear near the fault with low intensity.
Based the interpretation and the historical geological information, one target was defined as Zone I in the Fig 4, based on following (Figure 4,5):

Structure: ring and linear structure developed well, two ring structure tangent, compact, a linear structure next to its flanking.

Geophysica: the geomagnetic depth value is complex, non-obvious features for others.

Remote sensing abnormal aspects: the hydroxyl alteration information is abundant, Grade 1, 2, 3 exist. Auriferous quartz vein anomalies located in the NW and SW part, well-developed.

*Figure 4 Targets by RS in EL28301*
4 Proposed Exploration and Budget

The proposed work for next year is to go to the site and to do the ground checking for the remote sense anomaly get more geological information and find the prospects. The budget will be around $27,000.

5 Conclusions

This project is wholly owned by Ao-Zhong with a main purpose for Uranium. No field work but just general research, literature search Remote sensing interpretation has been done during the year 2, and one target was defined by the comprehensive interpretation. The proposed work for next year is to go to the site and to do the ground checking for the remote sense anomaly get more geological information and find the prospects. The budget will be around $27,000.