

EL47/2008 – Elderslie

Tenement Relinquishment Report

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EL47/2008 was granted to Allambie Construction Services Limited (ACN 128 379 411) on 17th March 2009.

Ownership of the licence was transferred to Black Rock Energy Pty Ltd (BRE - ACN 129 585 486) on 17th April 2009.

The tenement was obtained by BRE as one of a package of four tenements in Tasmania being prospective for coal. The other tenements were Hamilton, Tor Hill, and Sandfly.

Spitfire Resources (owners of BRE) assessed the tenement package as a whole. The Global Financial Crisis forced Spitfire to curtail spending on the projects for an indefinite period. Following the passing of the worst of the financial period of instability, it was decided by Spitfire to progress work on the two most prospective tenement areas. These were deemed to be Hamilton and Avoca.

Mineral Resources of Tasmania were notified of Spitfires intention to meet expenditure commitments for Hamilton and Avoca by the end of the two year. It had been noted by MRT, that the first years expenditure commitment had not been met.

Hamilton had a JORC resource tonnage of 10Mt of thermal coal and an in-house study conducted by Spitfire concluded that a reasonable amount of these tonnes were open pitable at economically viable strip ratios. Landowner issues were minimal and an existing coal mining operation existed in the vicinity.

Avoca, on the other hand, did not possess any quotable resource estimate. Existing open pits and adits, along with exposed coal seams displaying reasonable continuity and acceptable coal widths made Avoca an exciting exploration proposition.

Elderslie did not have the existing coal workings, demonstrable coal thicknesses or topography that lends to reasonable sized open pit operations.

Tor Hill did not lend itself to large scale mine operations due to the geographical positioning over high density agriculture and environmentally sensitive areas.

The Sandfly tenement application was abandoned. The area had exploration and mining potential, however it was located in an area of high population density and environmental sensitivity.

As Spitfire is a junior exploration company, the strategy of exploring numerous grass roots prospects does not suit its financial capability.

The only work to be conducted on the Elderslie tenement holding was a field trip and a detailed data review. No field work was undertaken.