

Literature Review

EL 17/2010 Fingal



Merrywood Open Cut

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October 2012

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Front page picture of rehabilitated Merrywood Open Cut from Google Earth.

Summary

Modern exploration in the area currently covered by EL17/2010 has concentrated on the Merrywood seam around the old underground and subsequent open cut mine. 16 holes have been drilled, with limited success, immediately to the east, south and west of the open cut. Two of the holes to the east did intersect the down faulted Merrywood seam but its shallow nature resulted in weathering and oxidation. The holes to the south were below the seam and one of those to the west did not penetrate through the dolerite scree and the other one was stopped in sandstone.

Approximately 3.5km west of Merrywood Investigator Coal Exploration Pty Ltd drilled DDH 78 RG 3 to 199.5m and intersected a number of seams that could be correlated with Merrywood.

The Department of Mines (DOM) drilled three holes in this area with DOM DDH 18 Merrywood approximately 1.5km north of the Merrywood Mine. This hole drilled through 371.5m of dolerite and into the lower coal measures with no seams present. DOM DDH 29 on the northern end of the Fingal Tier intersected 346.10m of dolerite and it was interpreted to have intruded at the level of the East Fingal seam (lower part of the coal measures). DOM 28 was just to the south of Fingal below Bare Rock. It intersected the lower part of the coal measures with some thin seams or bands of "coaly" material before the hole was stopped in the Permian at 160.45m.

Cornwall Coal Company NL briefly explored the area and provided very little information in their few reports. Three short open holes on the northern and western slopes of Mt Foster were reported to have intersected the Permian. One diamond hole on the Fingal Tier (Mt Foster DDH 1) was stopped at 255m in dolerite.

The drilling in the north of the licence and to the north west strongly indicates that the dolerite sill has intruded into the lower part of the coal measures and the rafted coal bearing section has subsequently been eroded away.

The area to the west of the Merrywood Mine around Mt Slaughter has good prospectivity as the coal measures are present immediately to the south and the base of the dolerite is high up in the sequence.

Introduction

EL 17/2010 is held by Hardrock Investments Pty Ltd and covers 112km². A search of the Mineral Resources Tasmania (MRT) databases for documents and drill holes covered by this licence and the immediate surrounding areas was undertaken. All modern (post 1975) reports held by MRT have been reviewed. In most instances the information in the reports has been used as presented or modified with recognition of the authorship in the initial reference to a particular report.

Locality

The licence area is immediately south of the township of Fingal.

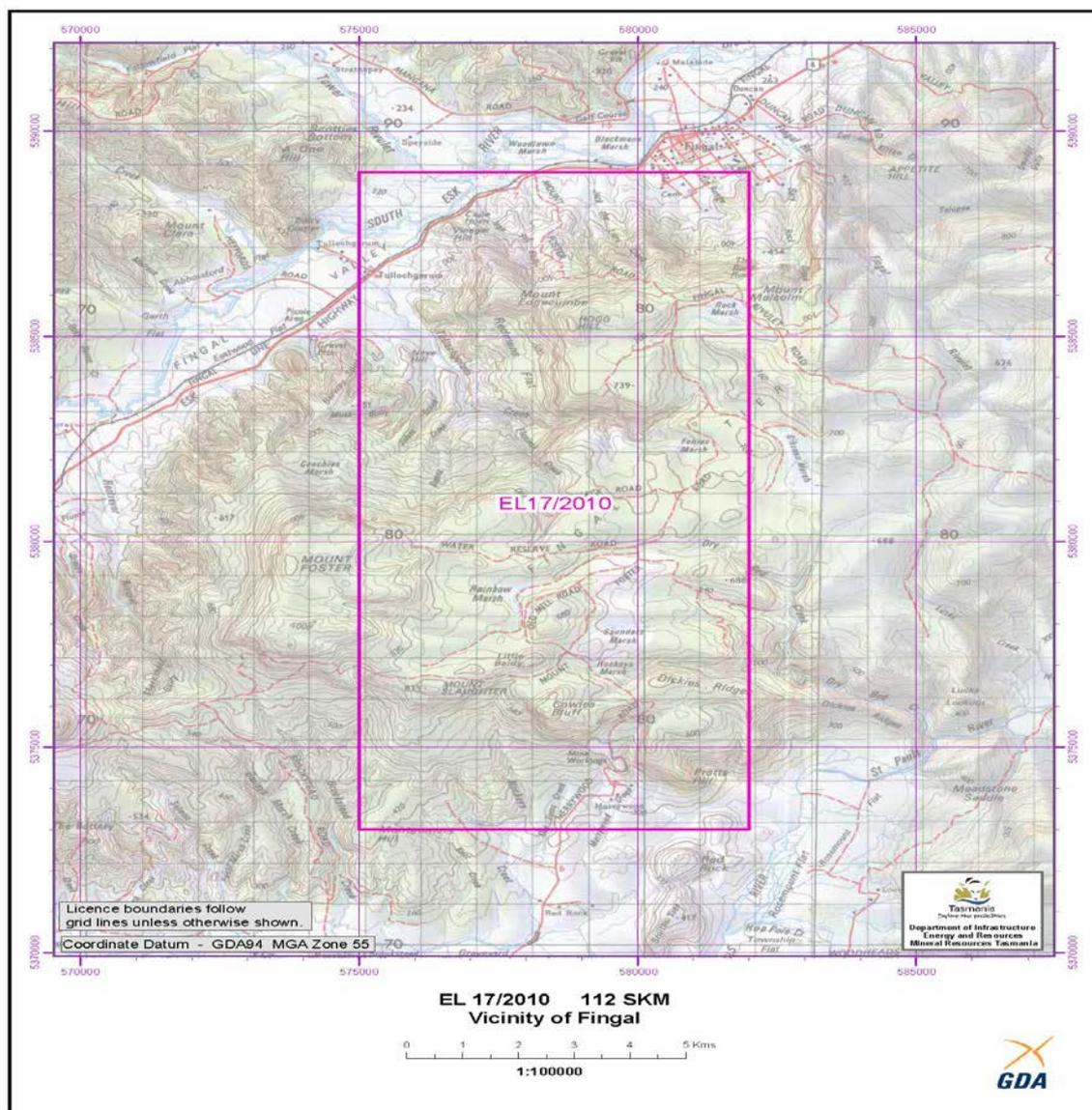


Figure 1 Locality map from MRT.

Geology

The basement Mathinna Beds (Siluro-Devonian) have been intruded by the Ben Lomond Devonian Granite to the north of the licence. The Lower Parmeener Super Group marine sediments unconformably overlie the Mathinna. The unconformity outcrops in Tullochgorum Creek in the north west corner of the licence (see Figure 2 – purple rocks are Mathinna Beds and blue are the Lower Parmeener). The total thickness of the Lower Parmeener has been estimated to be 150m to 200m near Merrywood (Waters, 1978).

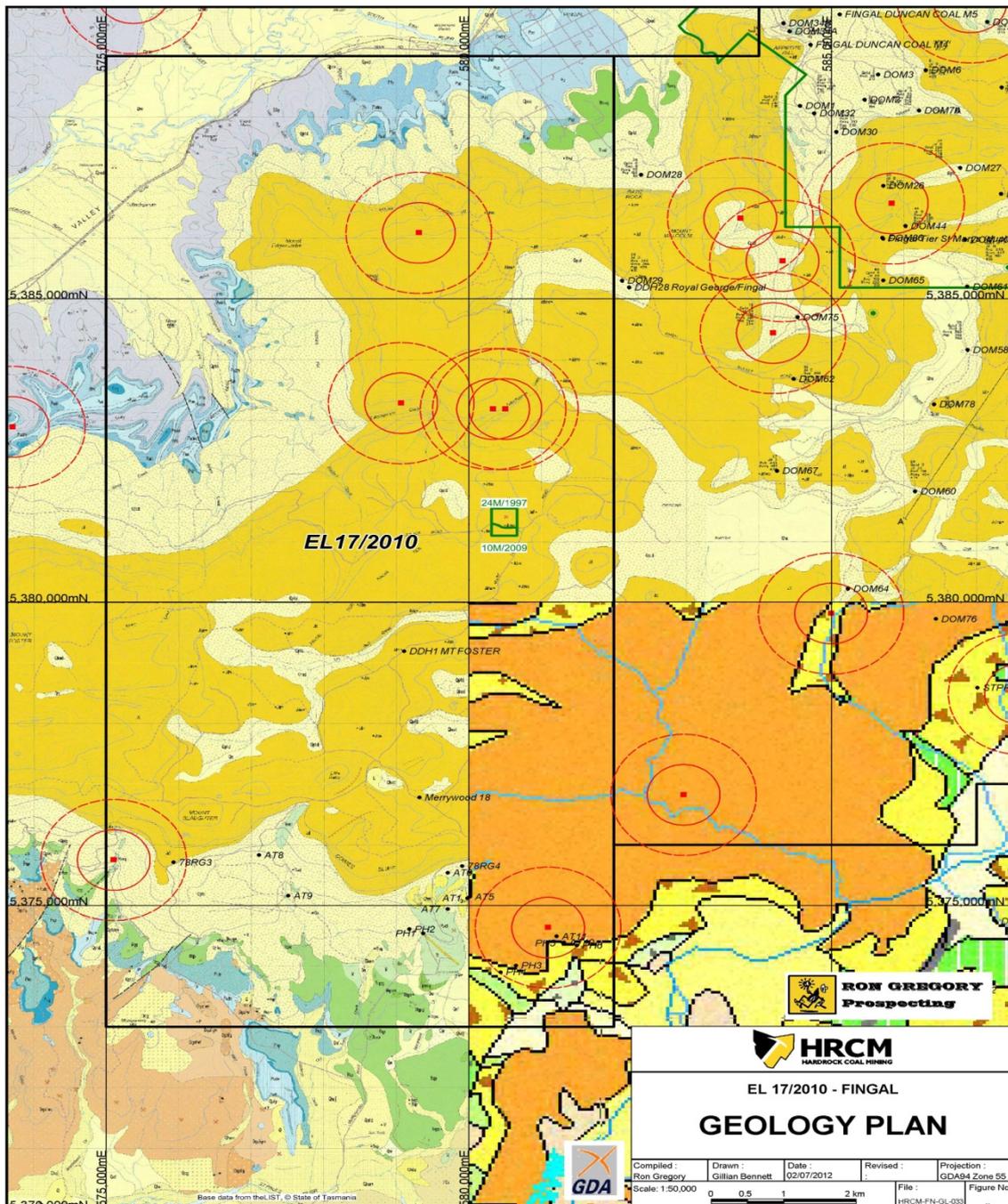


Figure 2 Compilation of the geology from MRT maps.

The Upper Parmeener Super Group overlies the Lower Parmeener and is a quartz rich sandstone sequence that grades up into lithic sandstones with interbedded mudstone, siltstone, claystone and coal (light green on Figure 2). The coal measures are found in the upper part of the lithic sandstone sequence which is approximately 300m thick in the Merrywood area (Bacon, 1983).

The regional dip of the Parmeener is 3 to 5° to the south east. Jurassic dolerite has intruded these sediments and forms the dominant outcropping rock type in the area (brown to yellow brown in Figure 2). The dolerite has progressively rafted up the Upper Parmeener towards the north of the licence and the coal measures appear to have been eroded away. The geology map (Figure 2) illustrates the increase in thickness of the Upper Parmeener to the south east.

Exploration and Government Reports

UR1983_07: 1983/07. The Merrywood coalfield by CA Bacon

In this brief report Bacon (1983) tentatively correlates the Merrywood seam with either seam B or C from the Fingal Tier. The seam is relatively thick at around 4m with 2m free of dirt bands.

Bacon (1983) refers to a 1974 Department of Mines (DOM) hole approximately 1.5km to the north of the Merrywood Mine (see Figure 3 below). In DOM DDH 18 dolerite had intruded to RL 293m and eroded out the Merrywood Seam.

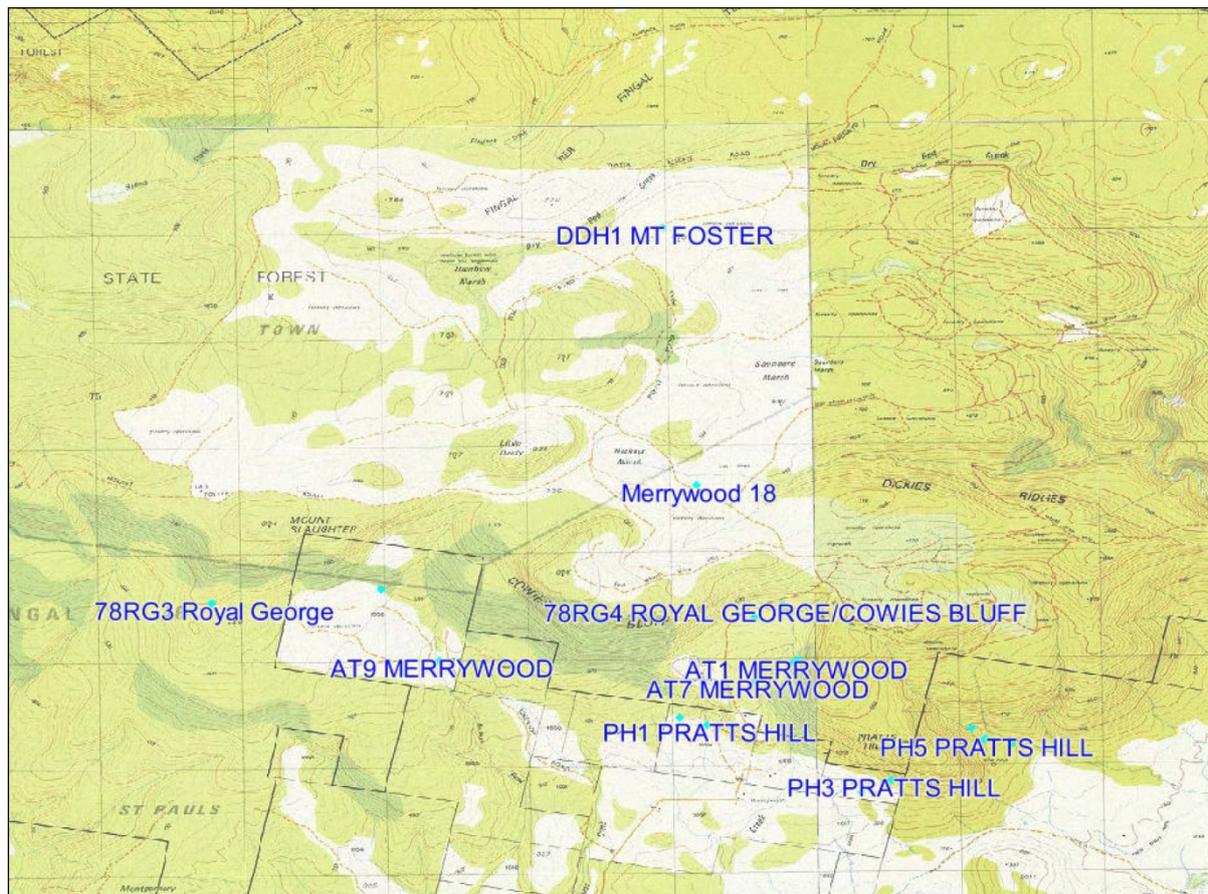


Figure 3 Drill holes in the Merrywood Mine area.

TCR 78_1278: Exploration Licence 16/77 Royal George. Report for six months 23rd December 1977 to 23rd June 1978 by D.D. Waters, July 1978. Investigator Coal Exploration Pty Ltd.

Four areas were identified within the St. Pauls River Valley for follow up exploration by Waters (1978). Area A is within EL 17/2010 and extends from the old Merrywood Mine to the west. It was suggested that some potential for small open cuts exist if the Merrywood Coal Seam is present west of the old open cut. Coal fragments were found in Hockeys Creek (site 3 on map Figure 4) immediately to the west of the open cut.

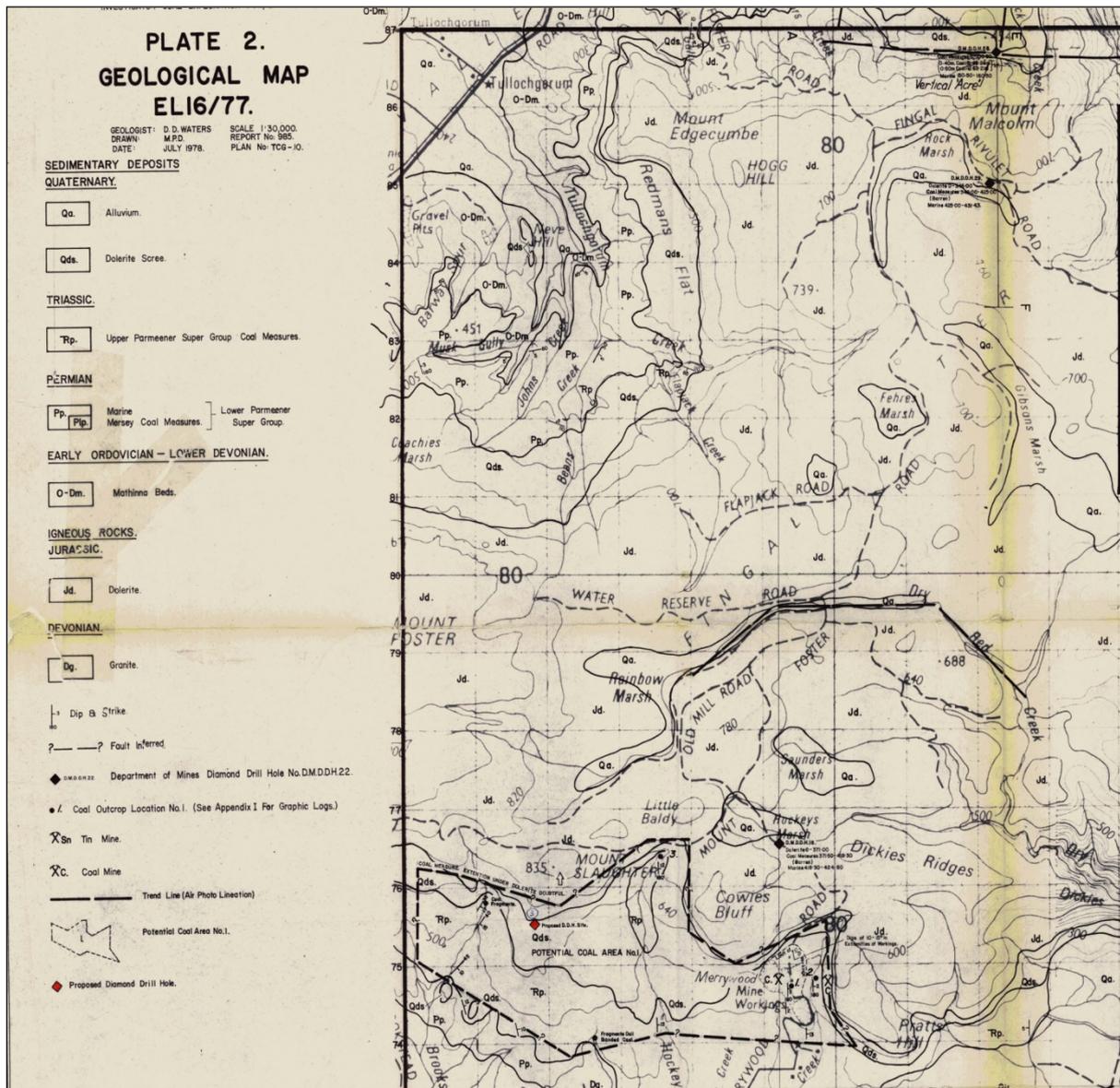


Figure 4 Investigator Coal Exploration geology map.

Sections from the Merrywood Mine, Hockeys Creek and DOM DDH 18 are presented below.

041

<u>LEGEND</u>		248042
Limestone		
Claystone		
Shale / Mudstone		
Siltstone		
Sandstone		
Conglomerate		
Carbonaceous Mudstone		
Coal Lenses		
COAL , Bright		
Bright banded		
Bright and dull		
Dull banded		
Dull		
Marine Fossils		
Dolerite		
Granite		

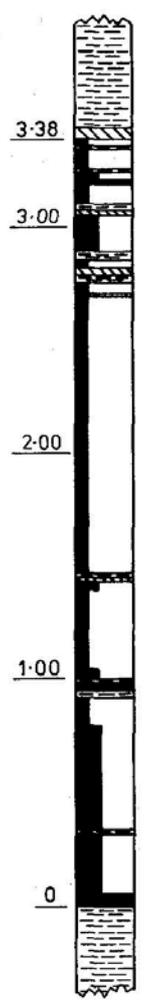
DRG.N° TCG-22

042

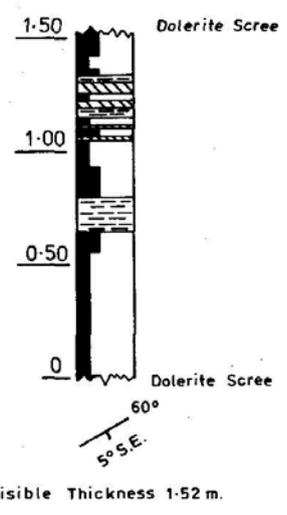
248043

MERRYWOOD SEAM

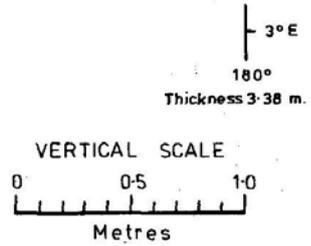
OUTCROP N° 1
Open Cut Section



OUTCROP N° 2
Merrywood Creek Section



5 cm



INVESTIGATOR COAL EXPLORATION PTY., LIMITED.	
MERRYWOOD SEAM	
OPEN CUT AND MERRYWOOD CREEK SECTIONS	
GEOLOGIST: D.D.W.	SCALE: 1:25
DRAWN: M.P.D.	REPORT No: 985
DATE: JULY 1978	PLAN No: TCG-12

043

248044

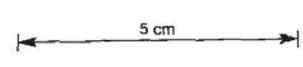
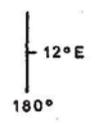
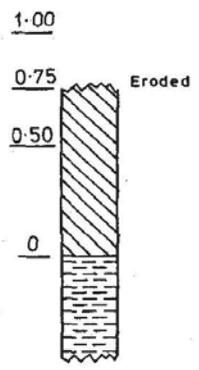
HOCKEY'S CREEK

(In Creek S.W. of Little Baldy)

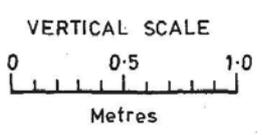
OUTCROP N°3

ELEV. 695 m.

M.R. 776 764 St. Pauls Sheet



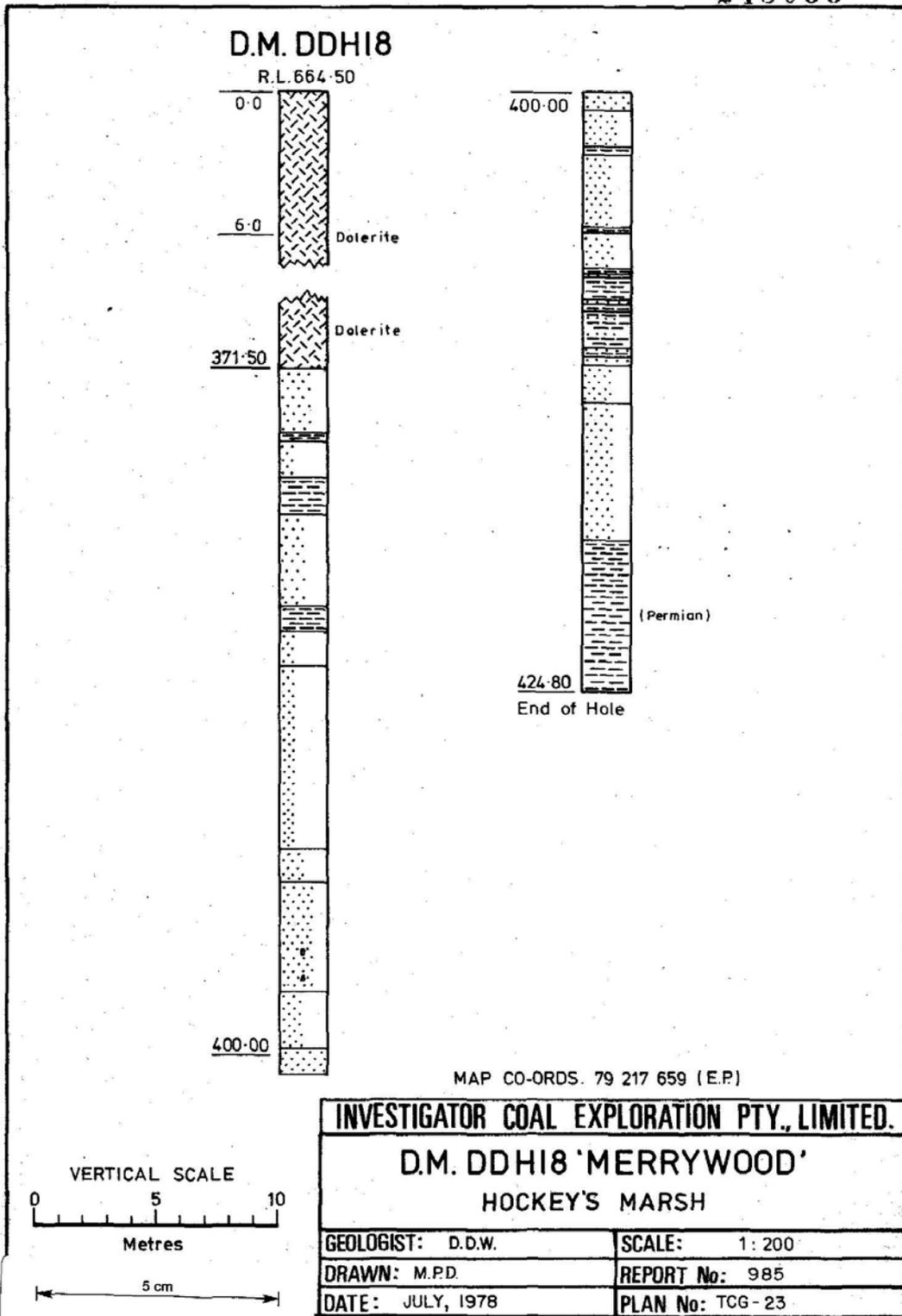
Comments : Fragments of Dull Banded Coal found in Creek below outcrop, but above 770 750 (MR. St. Pauls Sheet)



INVESTIGATOR COAL EXPLORATION PTY., LIMITED.	
OUTCROP N° 3	
HOCKEY'S CREEK	
GEOLOGIST: D.D.W.	SCALE: 1:25
DRAWN: M.P.D	REPORT No: 985
DATE: JULY 1978	PLAN No: TCG-13

054

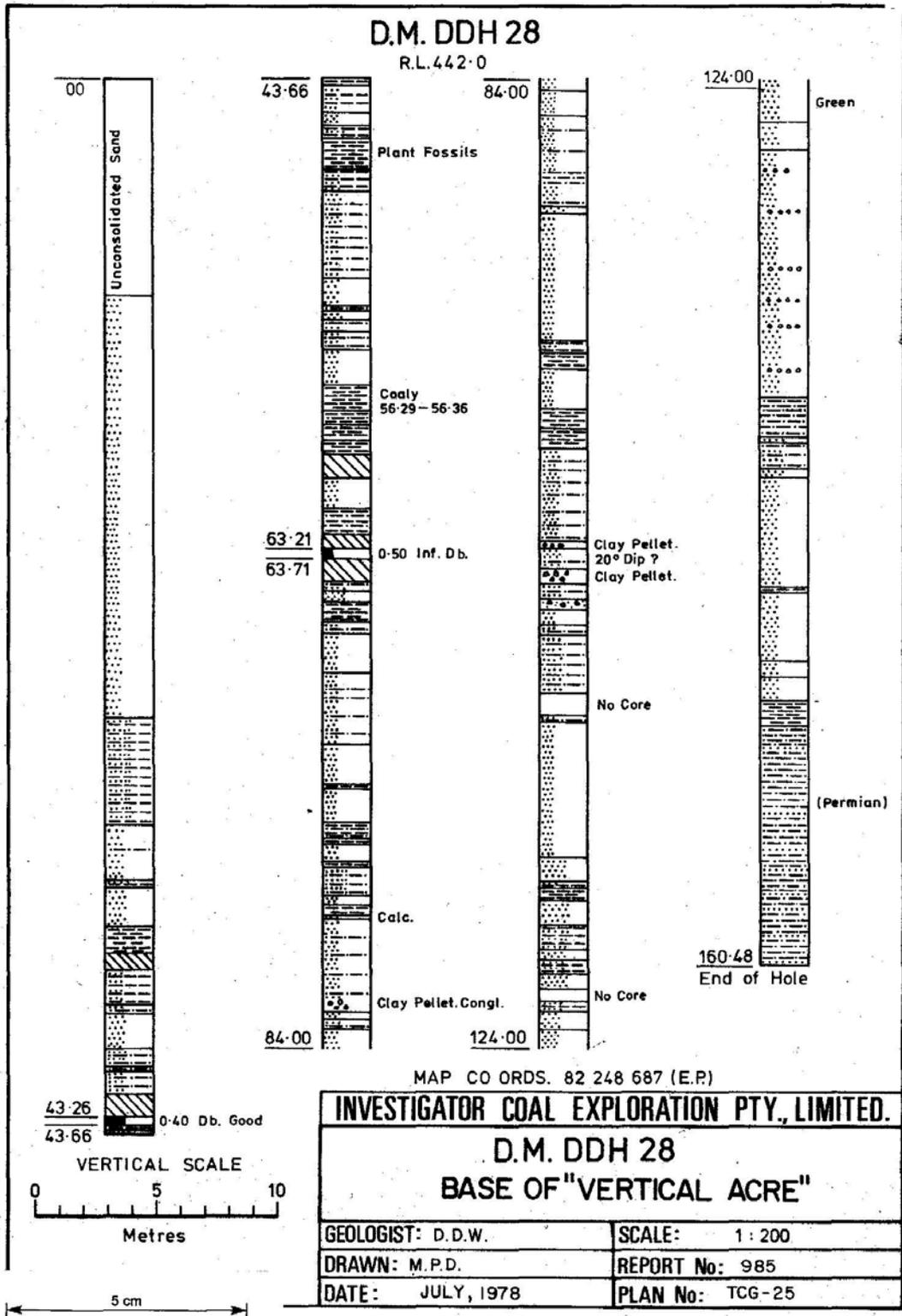
248055



Waters (1978) refers to three DOM DDH which were relogged including DOM DDH 28 which is immediately south of Fingal at the base of the "Vertical Acre" or Bare Rock and the following graphic log is included:

056

248057



DOM DDH 28 appears to have intersected the lower part of the Upper Parmeener with some traces of coal. The MRT database incorrectly shows this hole close to DOM 29 (see Figure 5 - map below) and attributes it to Investigator Coal DDH 28 Royal George/Fingal.

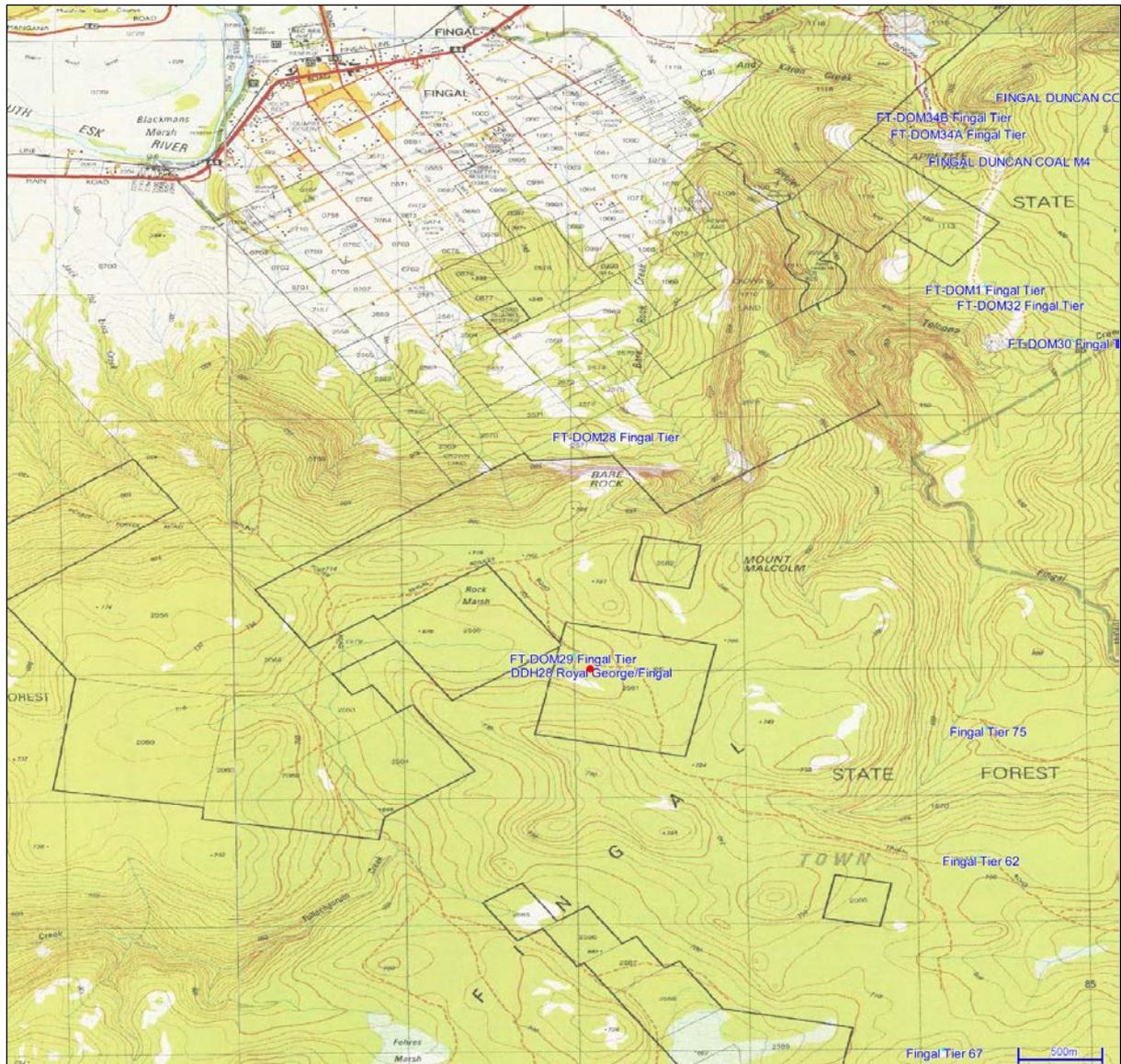


Figure 5 Map of drill holes to the north and just east of EL 17/2010.

The log for DOM DDH 29 from Threader and Bacon (1983) suggests that the dolerite has intruded the Upper Parmeener at or near the level of the east Fingal seam:

10 132 No 3551

DRILLING TARGET:-- Base of dolerite intruded at or near level of East Fingal Seam.											
REMARKS:--											
SURVEY DATA						ASSAY DATA					
DEPTH metres	Bearing mag.	incl. degs	SAMPLE No.	FROM metres	TO metres	RECOVERY		ASSAY RESULTS			
						metres	%				

GEOLOGICAL LOG

Logged by:-- V.M. Threader

FROM m	TO metres	RECOVERY		DESCRIPTION	SECTION	
		metres	%		Core	Sample
0.00	346.10			Dolerite, sharp bottom contact, dip 60°.		
346.10	347.30	1.20	100	Lithic sandstone, medium.		
347.30	348.38	1.08		- medium with carbonaceous partings parallel to contact.		
348.38	349.39	1.01		- medium carbonaceous.		
349.39	349.78	0.39		- medium with clay pellets and calcite veins.		
349.78	350.12	0.34		Lithic sandstone.		
350.12	350.30	0.18		- (broken core).		
350.30	352.01	1.71	99	Lithic sandstone.		
352.01	353.30	1.28		- fine, laminated, in part current bedded.		
353.30	353.97	0.67		- medium.		
353.97	354.00	0.03		- calcareous.		
354.00	356.90	2.89	100	Mudstone, laminated.		
356.90	357.25	0.35		Mudstone, carbonaceous.		
357.25	357.93	0.68		Mudstone.		
357.93	359.30	1.37		Mudstone, laminated.		

Continued over:--

DEPARTMENT OF MINES—TASMANIA

DIAMOND DRILL CORE RECORD

HOLE No.:-- 29	MAP SHEET No. 48	DISTRICT FINGAL	LOCATION OF SITE:--
FINGAL TIER			
R.L. OF SITE:-- 686.4 m	SITE SURVEY ON MAP No.:		CORE SIZE:-- NQWL
BEARING OF HOLE:--	AIR PHOTO No.:		COMMENCED:-- 9/9/77
INCLINATION OF HOLE:-- Vertical	DRILL:-- Longyear 38		COMPLETED:-- 22/11/77
CO-ORDS OF SITE:-- EP82008511	DRILLER:-- L. Newman		FINAL DEPTH (m):-- 431.43 m

M1029

5820 53851

Index Page:--

29		GEOLOGICAL LOG		16 193		Page:- 2	
FROM metres	TO metres	RECOVERY		DESCRIPTION	SECTION		
		metres	%		Core	Sample	
359.30	360.37	1.05	97	Mudstone, interbedded laminated and non-laminated.			
360.37	360.58	0.20		Laminite, mudstone/sandstone.			
360.58	360.92	0.33		Interbedded medium lithic sandstone and carbonaceous siltstone.			
360.92	361.12	0.20		As above (broken core).			
361.12	361.59	0.45		As above with discordant bedding.			
361.59	362.30	0.69		Laminite, light grey sandstone/carbonaceous siltstone (75:25).			
362.30	362.90	0.60	100	Interbedded carbonaceous siltstone and medium siliceous sandstone.			
362.90	363.12	0.22		Laminite (units as above).			
363.12	364.70	1.58		As above, calcareous at base, sharp bottom contact.			
364.70	365.39	0.65		Mudstone.			
365.39	366.34	0.99	99	Laminite, sandstone/siltstone.			
366.34	366.71	0.37		Lithic sandstone, medium-fine with occasional bands and pellets of siltstone.			
366.71	366.87	0.15		Siltstone.			
366.87	368.30	1.42		Mudstone, in part laminite.			
368.30	368.77	0.47		Mudstone, medium.			
368.77	369.09	0.30		Lithic sandstone, medium with occasional siltstone partings.			
369.09	369.53	0.46		Lithic sandstone, medium.			
369.53	369.74	0.21		Calcite.			
369.74	372.76	3.00		Lithic sandstone, medium, few siltstone partings, dip 25 - 30°.			
372.76	372.89	0.12		Lithic sandstone with clay pellets.			
372.89	378.50	5.59		Lithic sandstone.			
378.50	378.92	0.42		Lithic sandstone with scattered clay pellets.			
378.92	379.13	0.21		Lithic sandstone, calcareous.			
379.13	379.33	0.20		Transition bed.			
379.33	380.30	0.96		Mudstone.			

Continued over

ASSAY DATA

SAMPLE No.	FROM metres	TO metres	RECOVERY		ASSAY RESULTS															
			metres	%																

TCR 79_1324: Exploration Licence 16/77 Royal George. Report for six months 23rd June 1978 to 23rd December 1978 by J.W.Sangster, March 1979. Investigator Coal Exploration Pty Ltd.

In this report Sangster (1978) describes the drilling of four diamond holes in the Merrywood and Royal George area. Two were south of Royal George and two were close to Merrywood.

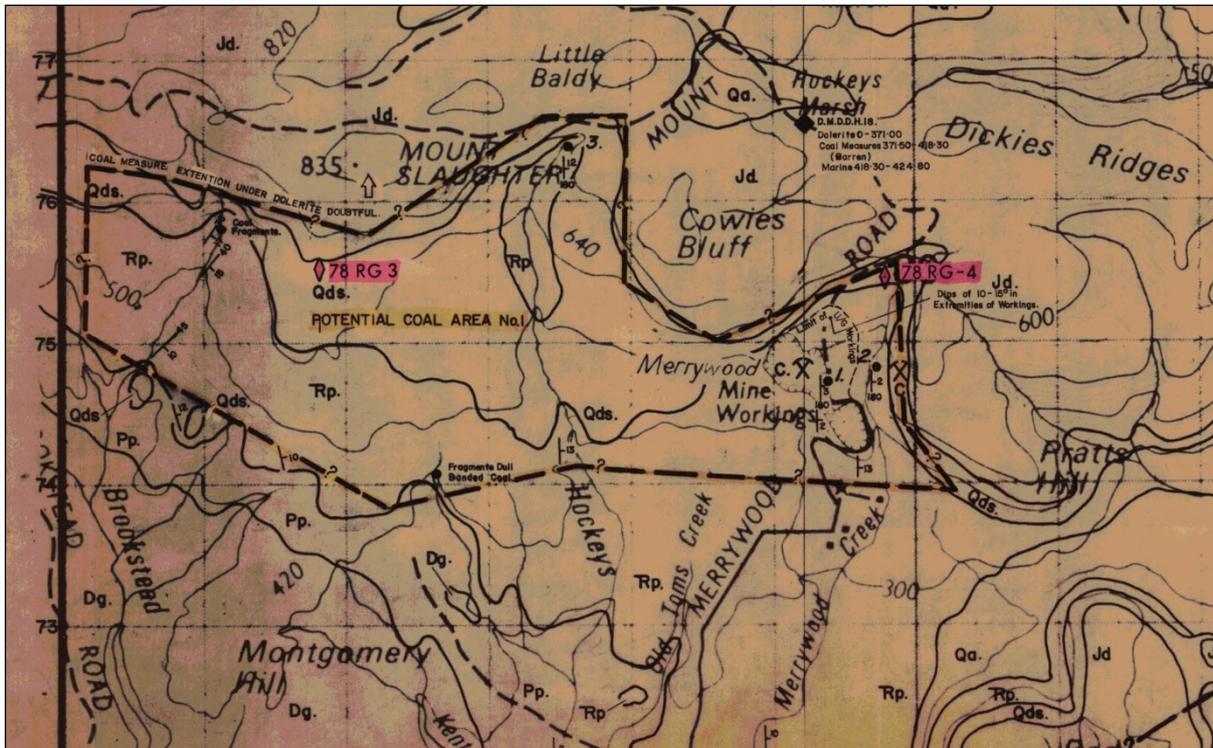


Figure 6 Map showing drill holes 78 RG 3 and 78 RG 4.

DDH 78 RG 3 was 3.5 km west of the old Merrywood Mine and DDH 78 RG 4 was just north of the Merrywood Mine.

Both holes intersected coal and the sample intervals are presented below. The assay results for these samples are also presented below.

202015

TABLE 4 : COAL SEAM DETAILS - BORE 78RG - 3

SEAM NO.	COAL SEAM DEPTHS & THICKNESS	COAL SEAM DESCRIPTION	ROOF DESCRIPTION	FLOOR DESCRIPTION
1 Sampled	66.78 - 67.86 m (1.015 m)	1 mudstone band and 1 sandstone band. Base is dull and coaly shale, top also dull	1 m sandstone, then 0.6 m mudstone then 2.8 m sandstone	1.9 m mudstone, 11.8 m sandstone
2 Sampled	102.93 - 103.535 m (.605 m)	1 mudstone band, very dull	2.4 m mudstone then 3 m sandstone	0.5 m mudstone then 5 m sandstone/mudstone
3 Sampled	112.62 - 113.86 m (1.24 m)	1 band, dull coal	0.3 m mudstone then 2.8 m sandstone	2.4 m mudstone/sandstone
4 Sampled	118.04 - 118.61 m (0.57 m)	No bands, top is coaly shale, medium dull	1.6 m sandstone/mudstone	0.9 m sandstone then 0.6 m dolerite and sandstone

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014

202017

TABLE 5 : COAL SEAM DETAILS - BORE 78RG - 4

SEAM NO.	COAL SEAM DEPTHS AND THICKNESS	COAL SEAM DESCRIPTION	ROOF DESCRIPTION	FLOOR DESCRIPTION
1 Not Sampled	23.8 - 24.15 m (0.35 m)	Weathered, dull, seam was probably larger but dolerite had removed it	Dolerite to surface	6 m mudstone with coaly stringers, breaks up on dehydration
2 Sampled	34.98 - 35.9 m (0.92 m)	3 small mudstone bands, medium bright, mudstone base	4.8 m sandstone and siltstone	1 m mudstone which breaks up 10 hrs. after drilling then seam 3
3 Sampled Merrywood	36.91 - 39.145 m (2.235 m)	5 minor mudstone bands, uniform brightness (medium dull)	1 m mudstone then seam 2	0.7 m mudstone which breaks up 10 hrs. after drilling, then 8 m sandstone
4 Not Sampled	94.48 - 94.925 m (.445 m)	2 mudstone bands, dull to shaley coal	2.8 m mudstone, which is broken and slicken sided	2.4 m sandstone and mudstone
5 Not Sampled	100.08 - 100.545 m (.465 m)	2 mudstone bands, medium bright	2.6 m sandstone/ siltstone	2.5 m sandstone/ siltstone
6 Sampled	107.39 - 108.16 m (0.77 m)	Top is coaly shale, one band in middle, rest is uniform medium dull	4.2 m mudstone/sandstone	1.55 m mudstone/sandstone then 1.6 m sandstone/ siltstone

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910

Hole 78RG 3

202023

Sample No.	Ply	Depth from (m)	Depth to (m)	Thickness (m)	As Received Moisture %	Ash % (d.b)	Volatile Matter % (d.b.)	Fixed Carbon % (d.b.)	S % (d.b)	S.E. MJ/kg (d.b.)	Relative Density	FC/Vol.	Seam	Description
78RG-3:1		66.78	67.795	1.015	5.3	27.2					1.50		1	Coal & Stone
78RG-3:2		102.43	103.535	0.605	5.2	65.9					1.88		2	Coal & Stone
78RG-3:3		112.62	113.86	1.24	3.9	80.7					2.26		3	Coal & Stone
78RG-3:4		118.04	118.61	0.57	4.3	48.9					1.71		4	Coal & Stone

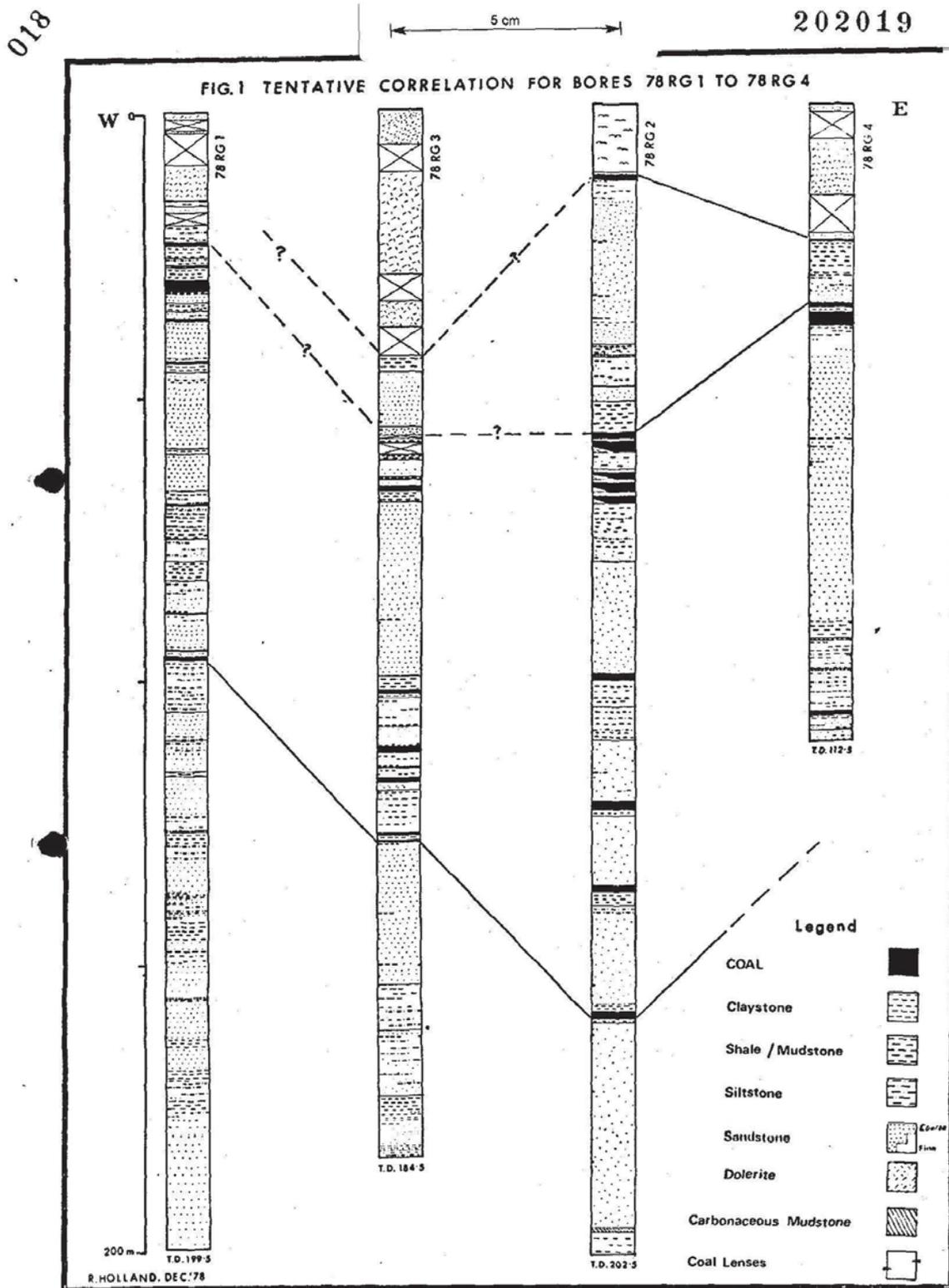
Hole 78RG 4

78RG4-1		34.98	35.885	0.905	7.4	36.3					1.56		2	Coal & Stone
78RG4-2	A	36.945	37.575	0.63	7.1	31.6					1.52		3	Coal & Stone
	B	37.575	38.105	0.53	6.4	23.4	23.6	53.0	0.44	25.86	1.45	2.25	3	Coal
	C	38.105	39.145	1.04	7.1	28.8					1.49		3	Coal & Stone
78RG4-3		107.39	108.16	0.77	8.3	35.6					1.55		6	Coal & Stone

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022

The graphical sections of the four holes show a tentative seam correlation from Merrywood across to Lewis Hill.



The conclusions from this work were:

- The seams are lenticular and show variation in dip over the licence.
- Igneous intrusions are the main geological constraint.
- Widespread lateral variation of the sediments makes the prediction of mining conditions and correlation of seams difficult.
- More detailed physical and chemical analysis of the coal from larger samples would be required to indicate its suitability to steam raising for power generation.

TCR 84_2193: Final report on EL 22/1982 Mt Foster. Report prepared for Cornwall Coal Company NL by McElroy Bryan and Associates Pty Ltd. August 1984.

EL22/82 extended to the east of Mt Foster and the exploration was intended to examine the theory that the Triassic coal measure outcropped at Redmans Flats above Tullochgorum Creek and to the east of Mt Foster.

Bryan (1984) reported that coal outcrops were rumoured to exist in the vicinity of Mount Foster and in Tullochgorum Creek. This report is lacking in information and states only that no significant coaly material was found in these areas.

Three holes were drilled in January 1984 to the north of the dolerite and it is stated "that as previously reported these only intersected Permian strata" (see Figure 7 below). This previous report has not been found in this literature search. The drill holes were collared in dolerite scree and estimated to be up to 100m below the apparent base of the dolerite sill. It is assumed from the names of the holes e.g. M.F. RDH 1 that they were rotary drill holes. These drill holes are not in the MRT database.

Because it was possible that Triassic coal measures could have been under the dolerite scree at a higher level than these three drill holes indicated another hole was located on the Fingal Tier (MF DDH 1 on Figure 7). In this report it is stated that this hole was terminated in dolerite at 255m (see log below).

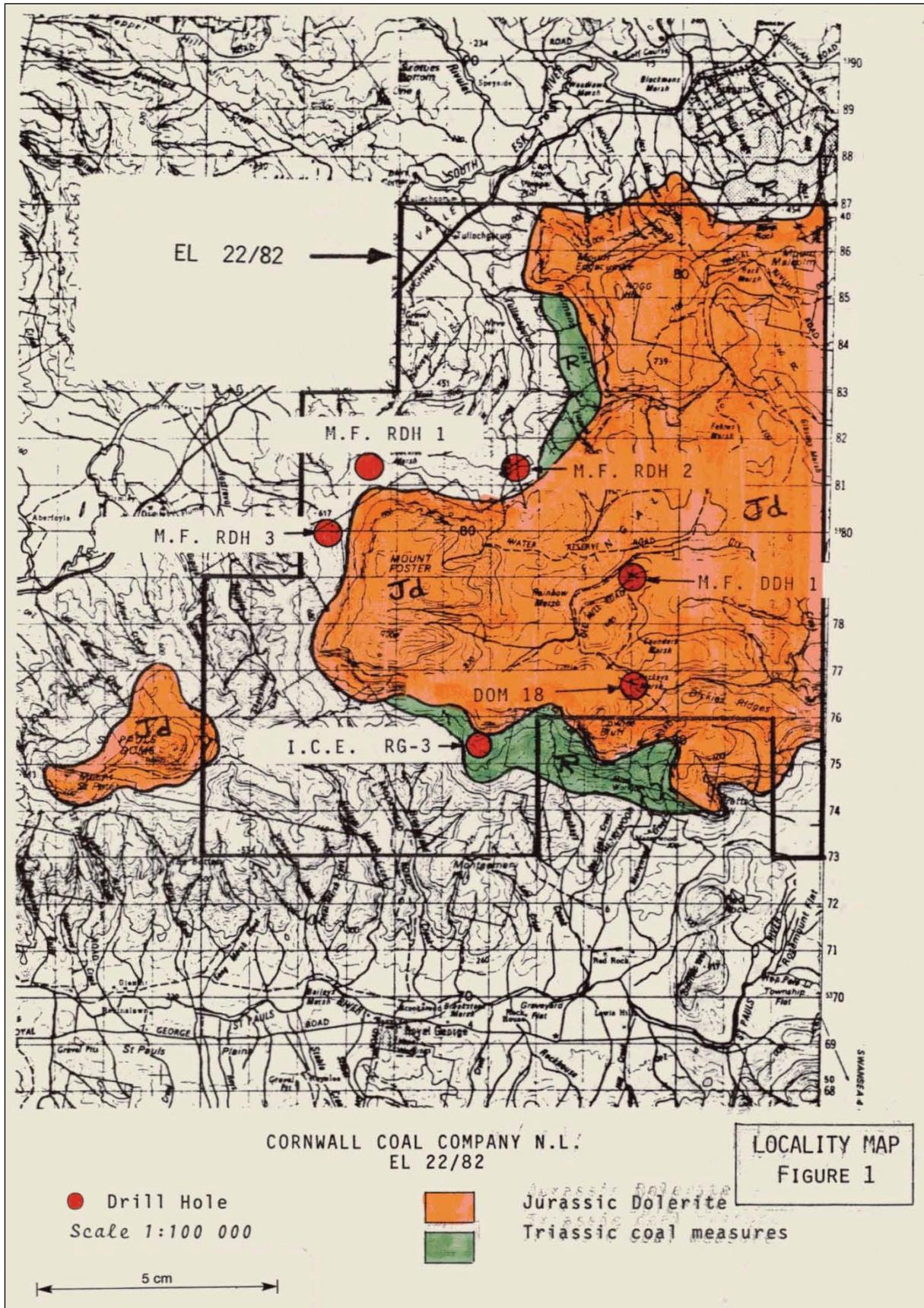


Figure 7 Geology and drill holes EL22/82.

MT FOSTER D.D.H. 1

<u>Area:</u> Fingal Valley, EL 22/82 Mt Foster	<u>Location:</u> (Approx. AMG Co-ords):	E 579 000 N 5379 000
<u>Drilled by:</u> H.J. Stacpoole (Foxmobile 80)	<u>Collar RL:</u>	Approx. 615 m
<u>Logged by:</u> J.H. Bryan	<u>Total Depth:</u>	255 m
<u>Date Commenced:</u> 5.6.84	<u>Date Completed:</u>	27.6.84

	<u>Estimated Thickness (m)</u>	<u>Estimated Depth to Floor (m)</u>	<u>Remarks</u>
DOLERITE SCREE	5.00	5.00	200 mm Casing to 5 m HW Casing to 114 m
DOLERITE, hard, coarse grained, grey/brown, some quartz veins	250.00	255.00	Down-hole Hammer to 114 m NO Core 114 m - 255 m

DRILL HOLE COMPLETED AT 255 M
AFTER DRILLING THROUGH
DOLERITE

The conclusion was that the Triassic coal measures were less extensive than previously thought and may not crop out on Redmans Flat. Triassic sediments which might contain coal may be confined to a small area in the south, around drill hole 78 RG3.

It was also concluded that the Jurassic dolerite is about 300m thick and for nearly all of EL 22/82 appears to be in contact with the Permian sediments.

**TCR 87_2645 Avoca Transport Company Pty Ltd EL 21/82 Merrywood Area.
Exploration Licence Report Period October 1985 to October 1986**

A small drilling and mapping program was carried out around Merrywood. It included the deepening of an existing drill hole to confirm correlation, the drilling of a further two diamond drill holes and one open hole within the immediate vicinity of the Merrywood Coal Mine and the drilling of two scout holes in the western portion of the licence (see Figure 8 and 9 below).

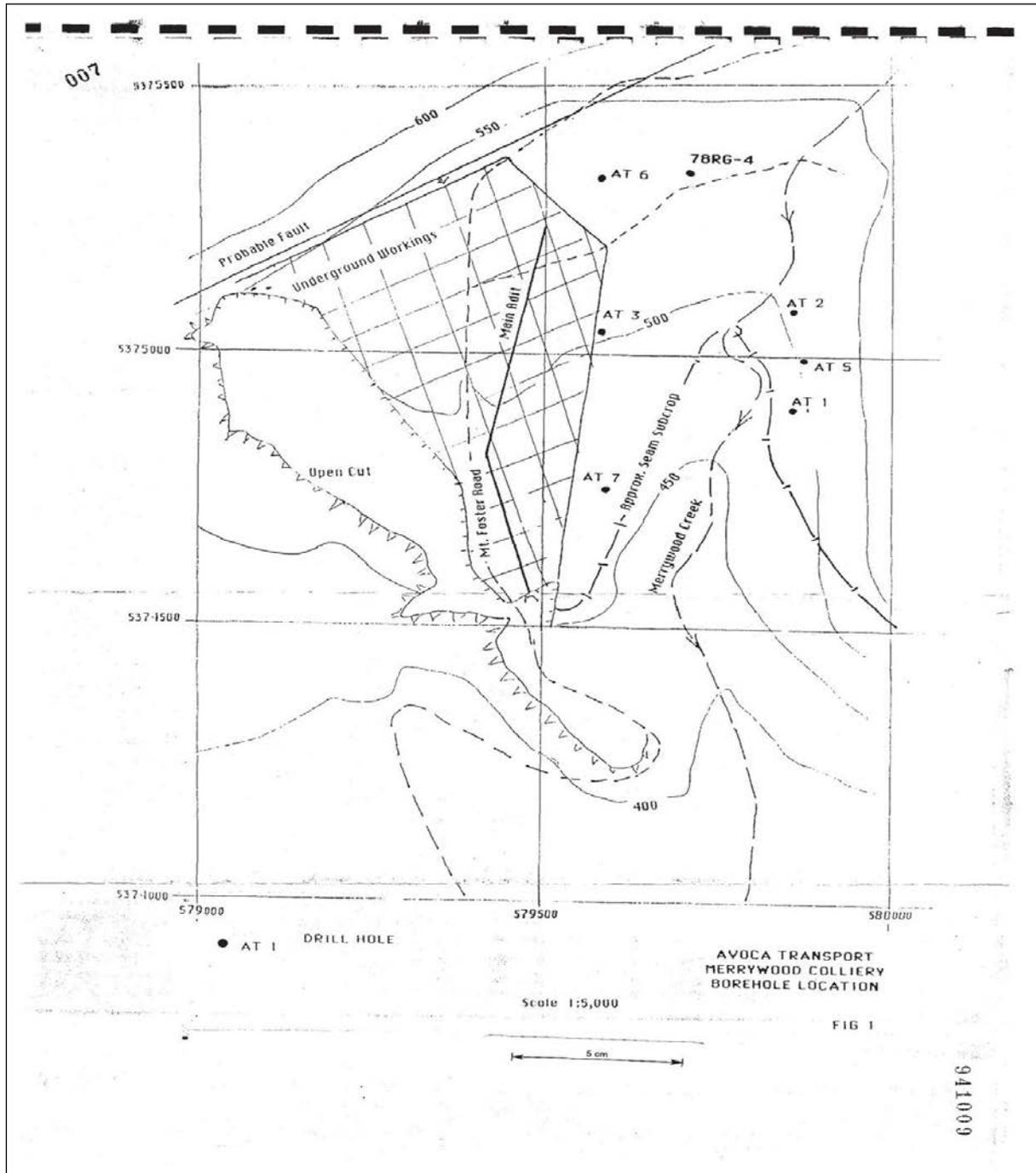


Figure 8 Merrywood Mine drill hole locations.

The Merrywood seam occurs throughout the licence area and is well developed although it appears some erosion of the seam has occurred in places.

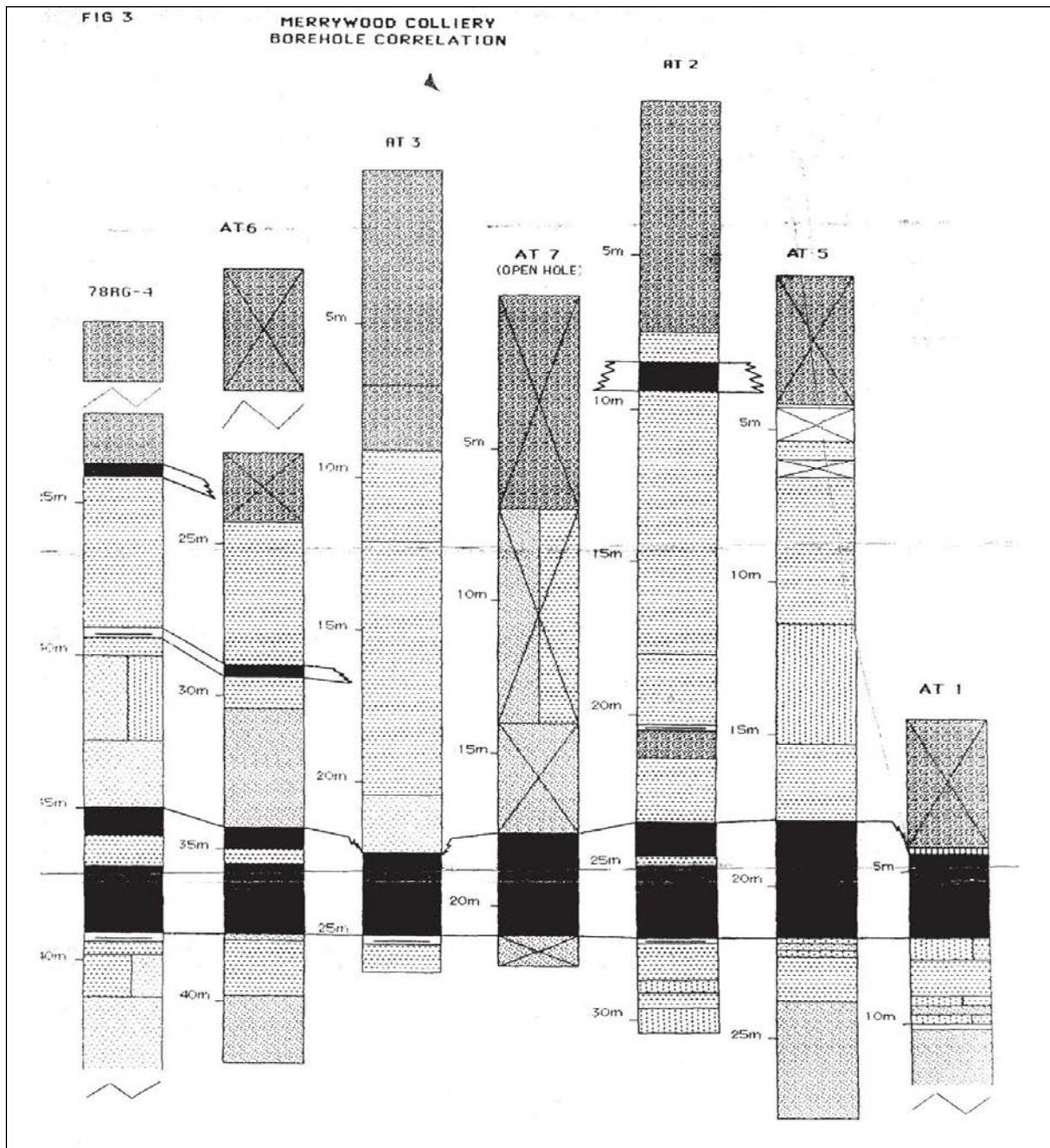


Figure 10 Merrywood bore hole correlations.

The Merrywood seam contains a number of non-coal partings which were correlated over the licence area. Figure 11 illustrates the ply and parting correlation for the holes drilled within the Merrywood lease.

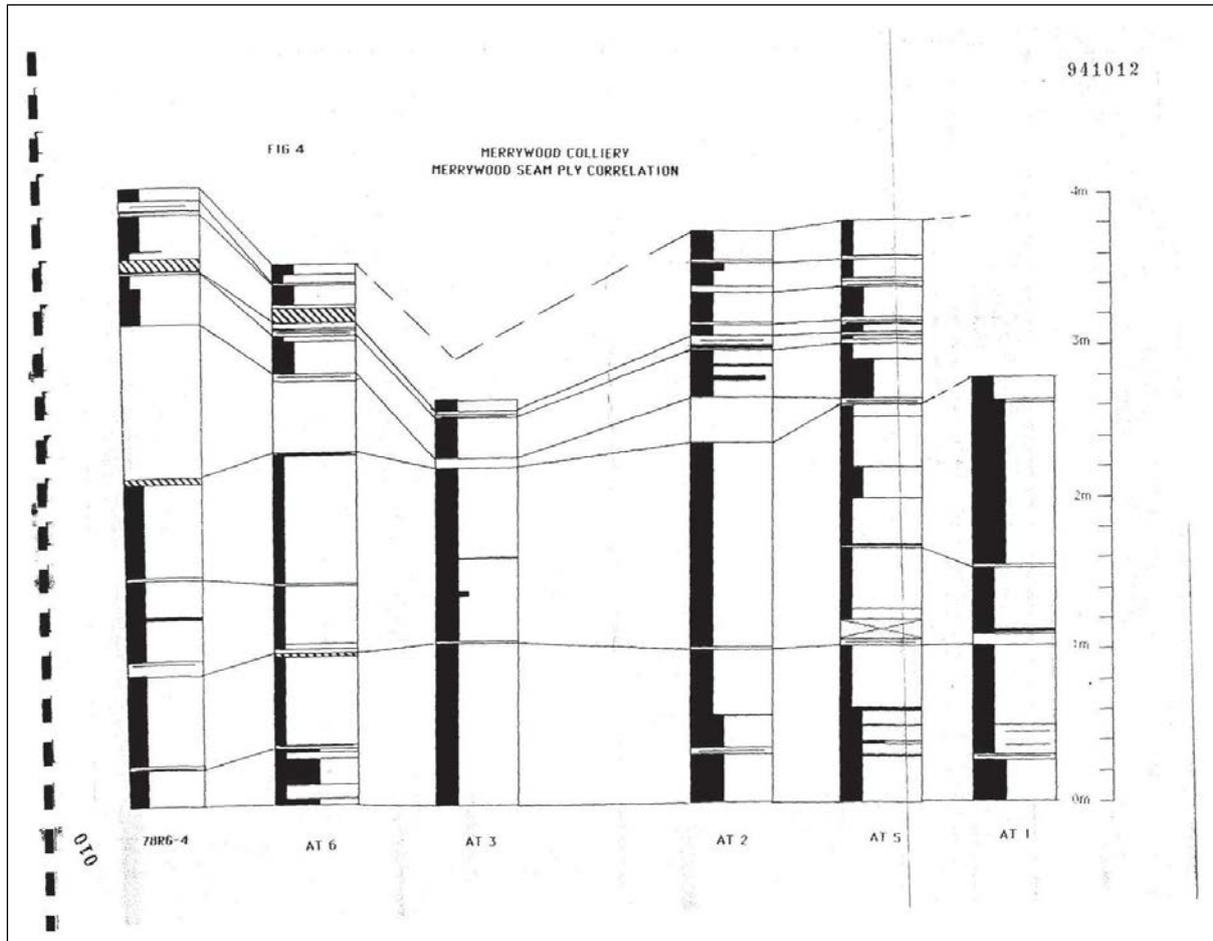


Figure 11 Merrywood seam ply correlations.

The report presents a number of representative assays from the drill holes at Merrywood:

Sample No.	Mass	Moisture	Ash	Volatile Matter	Fixed Carbon	Total S (%ad)	SE MJ/kg
ME10	1.994	5.0	39.5	19.8	35.7	0.40	17.62
ME 11	4.276	3.5	27.7	22.2	46.6	0.34	22.38
ME12	2.324	3.3	22.6	23.1	51.0	0.40	24.74
ME13	1.802	4.0	32.3	24.5	39.2	0.37	20.32
ME14	3.022	3.4	29.2	22.6	44.8	0.33	21.66
ME15	2.200	3.1	26.3	25.6	45.0	0.43	22.84
ME16	1.008	3.5	36.7	26.0	33.8	0.77	19.42
(Composite of ME 10, 11,12.)							

Two holes (AT 8 and AT 9 see figure 9 for locality) were drilled to the west of the mine in the vicinity of Hockeys Creek. Hole AT 8 was terminated at 37m in dolerite scree while AT 9 was terminated at 17.5m in sandstone.

Mapping in the area did not locate the coal sequence. A thin coal seam was located in the upper portion of Hockey's Creek at approximately the 650m elevation.

It was concluded from this work that the area to the east of Pratts Hill had potential for shallow open cut reserves.

TCR 87_2727 Avoca Transport Company Pty Ltd EL 21/82 Merrywood Area. Exploration Licence Report. October 1986 to October 1987.

Two shallow holes were drilled in the eastern area of the E.L at Pratts Hill (see Figure 12 below).

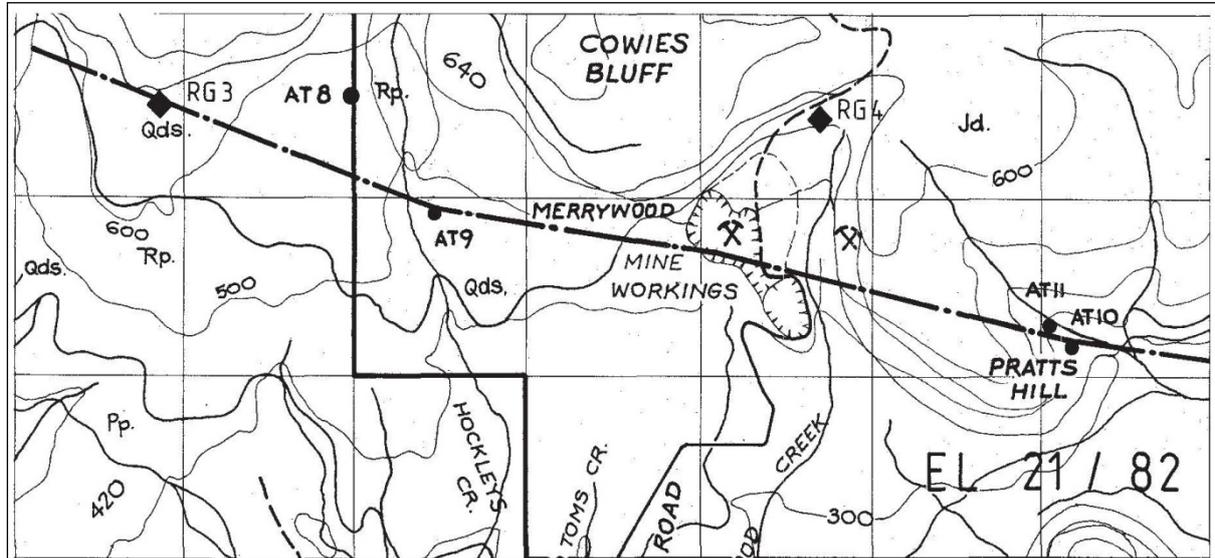


Figure 12 Drill holes at Pratts Hill section line.

A seam was intersected in AT11 and it was tentatively correlated to the Merrywood seam. The section indicates (see Figure 13 below) a coal seam dip of 14° which is much steeper than the regional dip of 2° to the south east. It was noted that these steeper dips indicate structural disturbance at Pratts Hill area, where there is also a difference of around 100m on the dolerite contact.

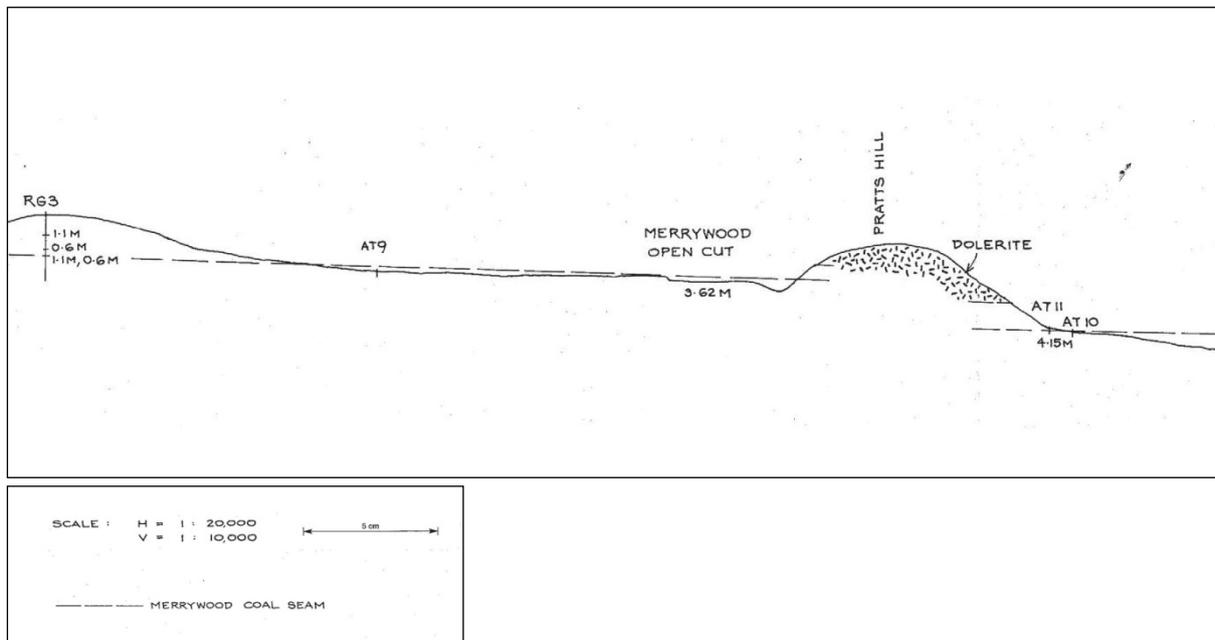


Figure 13 Cross section east to west in Merrywood area.

The section indicated that there is fault displacement at Pratts Hill.

Further drilling was recommended to the north east of AT10 and AT11.

TCR 93_3407 Merrywood Coal Company Pty Ltd. EL12/91 Pratts Hill Year 1 and Final Report. KC Morrison. 8 December 1992.

Six percussion holes (see Figure 14 below for localities) tested two targets:

The first target was looking for a down faulted Merrywood mine sequence south of the mine and the fault scarp - dolerite dyke association to the southwest of the mine.

The second target was shallow coal below the talus apron on the southern and eastern margins of Pratts Hill to test for the three metre deeply weathered seam found in AT11.

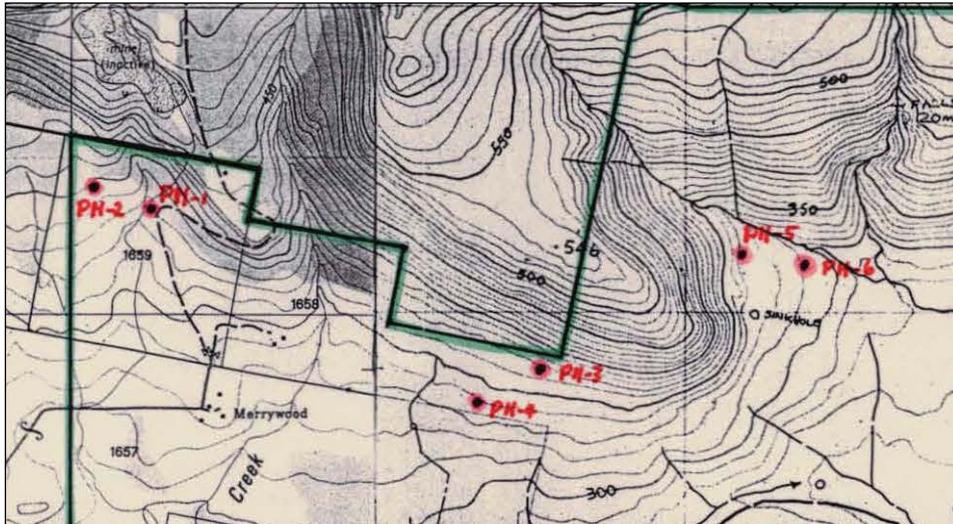


Figure 14 Drill hole locality map. Merrywood Mine in north west corner.

The results were disappointing with no significant coal seams being intersected.

Holes PH-1 and PH-2 tested the down faulted Merrywood section theory. The coal measures were intersected but did not have any coal present.

Holes PH-3 to PH-6 and the previous drilling at Pratts Hill demonstrated that the seam is variable, deeply weathered at shallow depth (AT11), eroded prior to dolerite talus deposition (PH-5) and covered by thick dolerite talus (PH-3).

PH-4 and PH-6 were collared too low to intersect the seam.

The area was relinquished after these disappointing results.

Conclusions

- The drilling in the north of the licence and to the north west (DOM DDH 28 and DDH 29 and Cornwall Coal Company hole Mt Foster DDH 1 and RDH 1 to 3) strongly indicate that the dolerite sill has intruded into the lower part of the coal measures and the rafted coal bearing section has subsequently been eroded away.
- The Cornwall diamond drill hole M.F. DDH1 on the Fingal Tier was stopped at 255m in dolerite as it was calculated that it was below the RL of the coal measures.
- The drilling in the south has sterilised the area to the immediate north and east of the Merrywood Mine. DOM Merrywood 18 intersected 371m of dolerite and was stopped at 405m in the lower section of the coal measures. As the dolerite base was at RL 293 it was interpreted that the coal bearing sequence had been eroded.
- The drilling around Pratts Hill to the east of Merrywood did confirm that the Merrywood seam was present in part but shallow and oxidised.
- The Merrywood drilling has indicated that the coal measures are faulted and can have steep dips in this area.
- The thick scree slopes around Merrywood have affected the drilling and the potential for open cut mining.
- The Investigator drill hole 78 RG 3 intersected a number of seams that correlated with the Merrywood section. Assays indicated some potential with the best intersection giving 1.015m at 27.2% ash.
- The coal measures were mapped in Hockeys Creek between 78 RG 3 and Merrywood and thin coal beds were reported.
- The area to the north of drill hole 78 RG 3 and Hockeys Creek around Mt Slaughter has good prospectivity as the coal measures are present immediately to the south and the base of the dolerite is high up in the sequence.

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