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RELINQUISHMENT REPORT – GIPPS CREEK ROAD EL 23/2010
BLACK ROCK ENERGY PTY LTD
a subsidiary of Indicoal Mining Australia Pty Ltd

Relinquishment Report
Exploration Licence 23/2010
“Gipps Creek Road”
G Boden
14 September 2012

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1. Exploration Philosophy

The current tenement holder of exploration licence 23/2010, Black Rock Energy Pty Ltd (BRE), was sold to Indicoal Mining Australia Pty Ltd (Indicoal) by Spitfire Resources Ltd (Spitfire) on 6 June 2011. Indicoal acquired ownership of the tenement as part of a transaction whereby it purchased all the issued equity and capital of Black Rock Energy Pty Ltd.

This relinquishment report covers tenement EL23/2010 "Gipps Creek Road", referred to as the Avoca (Extension) Project, which is in the district of Avoca (see Figure 1).

The previous operators (Spitfire) conducted part of the works during the reporting period.

Indicoal's objective at the Avoca (Extension) Project was to gather more detail on the extent of the coal seams and resource potential to determine the development potential. Historical works in the tenement area and associated works in the adjacent Avoca tenement have identified the presence of coal seams. Historical drilling around the Avoca region has defined a known area of coal seams and has provided some basic data on coal quality. However, there is not enough information at this stage to consider the coal prospectivity of the project.

Coal is present in the Avoca area in an outlier of Triassic sediments of the Upper Parmeener Group. The coal seams occur in a fluvial lithic sandstone facies near the top of the sequence. Several small underground and open cut mines have operated in the area previously and have exploited a coal seam up to 3.5m thick. Previous production is estimated to be 400,000 tonnes. Seam thickness is reported to change rapidly and local faulting is present. A thick Jurassic age dolerite sill has intruded the sediments, and dips at about 5° to the west and is several hundreds of metres thick in places. It is located above the coal seams and from the limited amount of coal quality data available, it does not appear to have devolatilized the coal. Subsequent erosion has removed the dolerite in places exposing the underlying Triassic sediments and also appears to have eroded some of the coal bearing sequence in some areas.

This report refers to the tenement number EL23/2010 which is in the district of Avoca, roughly 18km NW of the Avoca Township (see Figure 1).

The last annual report for EL23/2010 was lodged for the period 23 November 2011, the anniversary date of tenement grant.

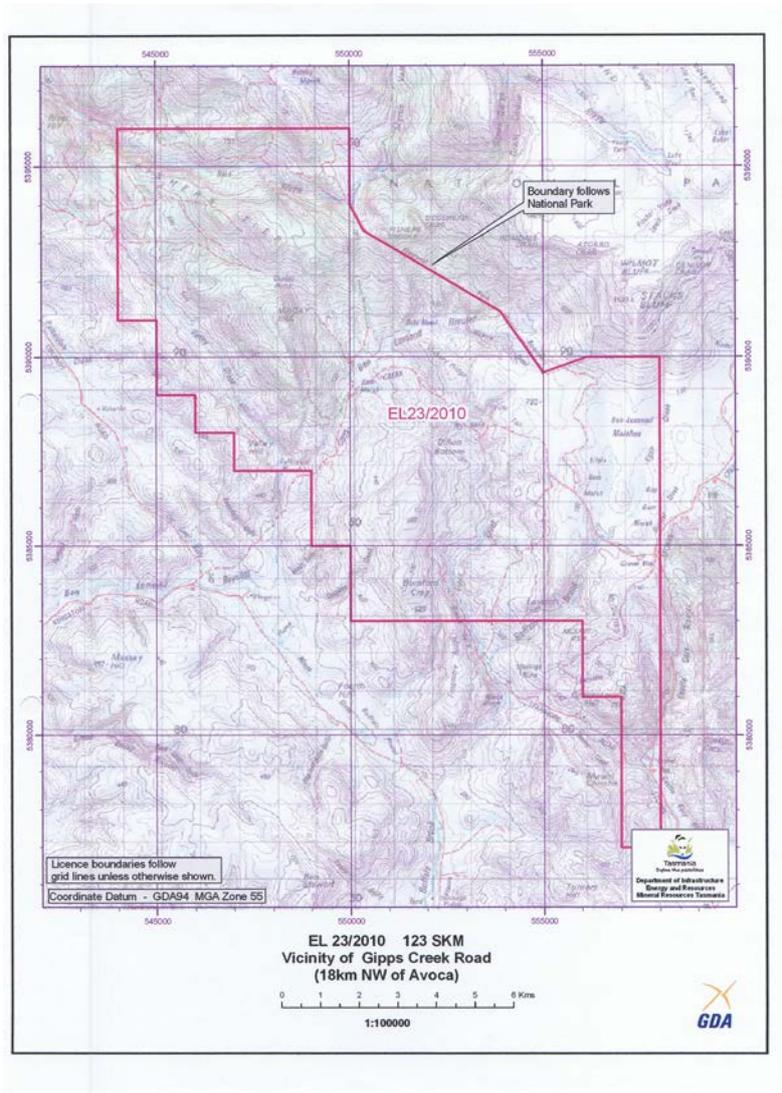


Figure 1: EL 23/2010 Location Map

2. Summary of exploration

A preliminary data review was undertaken by Spitfire in conjunction with Marston and in association with the adjacent Avoca Project tenement. This was to gain an understanding of the geology and to ascertain the exploration process.

Exploration works conducted by BRE during the tenement tenure comprised work directed by Indicoal and Spitfire. This involved reviewing historical data, geological ground mapping, data acquisition search and planning of additional detailed works for the next reporting period to help determine the prospectivity of the project area.

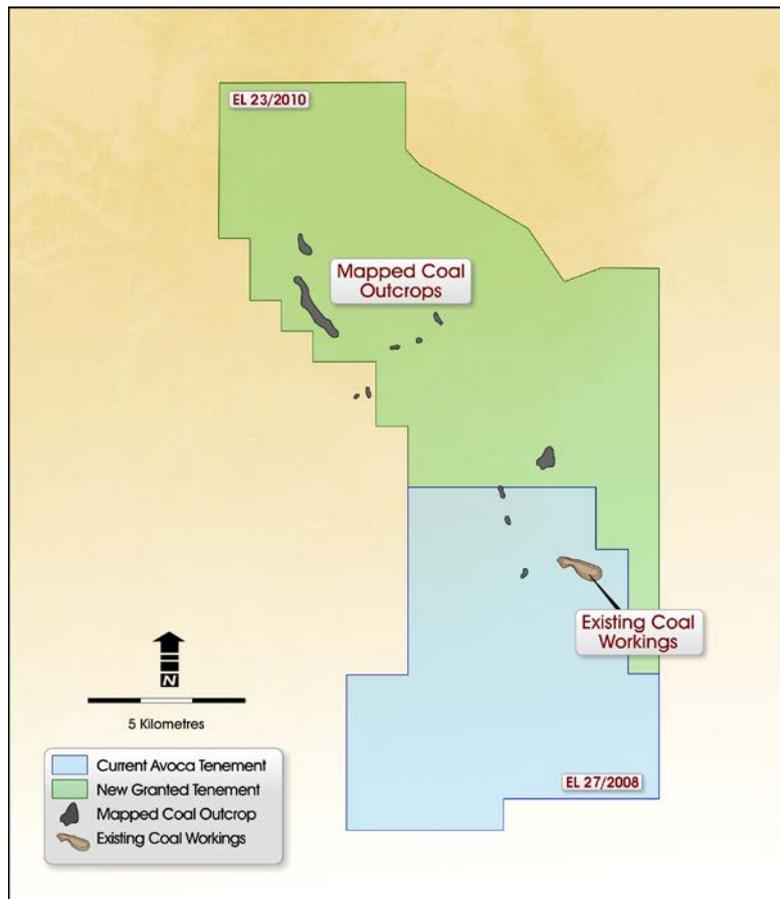


Figure 2: EL 23/2010 Coal Outcrop Map (with EL27/2008)

The desk top studies and data searches, in association with works conducted within EL27/2008, provided the basis for completing an initial geological ground mapping exercise. This produced a coal outcrop map (see Figure 2).

3. Exploration completed since previous annual report

No field work has been conducted since the previous annual report. Further desktop review has led to the conclusion that coal seams are likely to be too narrow to be economic, particularly in the face of falling coal prices. It was concluded that further exploration expenditure was not warranted at this time.

4. Nature and distribution of mineralisation

Coal is present in the Avoca area in an outlier of Triassic sediments of the Upper Parmeener Group. The coal seams occur in a fluvial lithic sandstone facies near the top of the sequence. Several small underground and open cut mines have operated in the area previously and have exploited a coal seam up to 3.5m thick. Previous production is estimated to be 400,000 tonnes. Seam thickness is reported to change rapidly and local faulting is present. A thick Jurassic age dolerite sill has intruded the sediments, and dips at about 5° to the west and is several hundreds of metres thick in places. It is located

above the coal seams and from the limited amount of coal quality data available, it does not appear to have devolatilized the coal. Subsequent erosion has removed the dolerite in places exposing the underlying Triassic sediments and also appears to have eroded some of the coal bearing sequence in some areas.

5. Bibliography of reports

Annual Report December 2011 – Black Rock Energy Pty Ltd

6. Transparencies

No transparencies were prepared for the area.

7. Site work and rehabilitation

No site disturbance works were conducted on the tenement

No environmental clearance works were conducted during the tenement tenure.

8. Digital datasets

No digital datasets prepared on the tenement