

Imperial Coal
Notes for Exploration Licence Annual
Return for EL10/2012 St Marys

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Summary of Exploration Completed

EL10/2012 is prospective for export thermal coal resources within the Upper Parmeener of the Tasmania Basin. Little to no exploration has been conducted for coal in the area since the 1990's with the bulk of exploration being shallow drilling in the 1980's. Imperial is exploring EL10/2012 for shallow modest size open-cut and larger export thermal coal resources. Imperials Year 1 exploration program on EL10/2012 consisted of:

Desktop Work including

- Remote sensing - Acquisition and processing of ASTER imagery
- Literature review
- Land access
- Cross section interpretation

Field Work including

- Landowner meetings
- Historical drillcore review
- Mapping of new marker horizons and new coal outcrops
- Locating drillholes and historic outcrops

Key findings were

- ASTER mineral mapping did not allow for desktop stratigraphic mapping due to dense vegetation cover, it did however help guide field mapping programs through identification of area more likely to have outcrop.
- Historic Resources adjacent to EL10/2012 are potentially of export quality coal after washing. These resources trend into EL10/2012.
- A New coal seam outcrops were identified that will add significantly to modelling of coal throughout the licence. Preliminary sectional interpretation indicates that there is potential for shallow coal resources to be identified on the Northern and southern flanks of Mt Durham.

Proposed Exploration

Year 2 works will focus on further mapping of the Upper Parmeener and on exploring for new coal outcrops. Both of these pieces of information will add significantly to the 3D understanding of the distribution of coal within the licence.

Given that seams are generally < 3m thick, small topographic inaccuracies may limit the evaluation of the economic viability of any coal, particularly the potential strip ratio. Therefore Imperial will consider the acquisition of a LIDAR DEM.

A preliminary 3D model using digitally recovered historic seam and detailed lithological data should be built prior to any further drilling. This will assist in choosing locations for drillholes planned in year 2 to maximise any potential open-pittable resource and test areas of high geological uncertainty.

The estimated cost of the revised program which includes further detail geological mapping, LIDAR Survey and a 300m drill program for EL10/2012 is \$155,000

Environmental Impact Activities

Prior to conducting field work in EL10/2012 Imperial submitted a work program to the environmental division of MRT. This program outlined the low impact nature of the investigation, which involved driving on established tracks and roads, hiking to points of interest, and collecting small rock samples. The work program was communicated to Imperial to be accepted on August 9th 2013. No environmental concerns were raised, except to be aware of possible eagles nesting.

In accordance with Tasmanian legislation, Imperial sent out letters to advise landholders within EL10/2012 at least 14 days in advance of entry. These letters, sent to both private landowners and Forestry Tasmania, outlined the nature of the exploration activities and provided contact details should the landowners have any queries.

Rehabilitation

Due to the low impact nature of the exploration no rehabilitation was required.