

EL65/2007 Tunbridge Annual Report 2016

EL 65/2007 (TUNBRIDGE)

September 2016 – September 2017

Energy Investments Pty Ltd
(ACN: 127 733 206)

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Abstract

The purpose of EL65/2007 is to locate an economically feasible coal resource for potential extraction.

No exploration works were conducted during the 2016 – 2017 licence period due to a decision by the Southern Midland Council to re-zone some areas of the licence, potentially harming the overall project economics. The company's Board of Directors appealed the council's re-zoning decision, but ultimately voted to suspend exploration works until a satisfactory outcome could be finalised by the Resource Management and Planning Appeal Tribunal.

A suitable outcome was reached in mid May 2017 when the Tasmanian Planning Commission finally made amendments to the re-zoning that allows mining as a discretionary land use. Unfortunately this did not leave sufficient time to carry out works in the current year with the onset of winter.

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1. Introduction

The aim of the current exploration programme on EL 65/2007 (Woodbury) is to quantify a JORC resource in the near surface Triassic coal measures.

The coal measures are associated with a lithic sandstone sequence which has been preserved from erosion by the overlying Jurassic dolerite capped Black Tier Range immediately to the south of the Woodbury deposit. Continuity of the coal seams has been established by past explorers through a combination of lithological, geophysical and analytical correlation. The Woodbury trough trends 112° and extends for a minimum of 9 kilometres (km) long and is 1 km wide. The Kuranda Graben forms a cross cutting structure trending 63° and is approximately 4 km long and 700 meters (m) wide. Coal seam distribution and lateral extent is not restricted to the graben structures.

Black coal was first discovered by Victor Petroleum and Resources Ltd, at Woodbury in 1981. Historically a number of companies have explored the region for coal, for relatively shallow open cut potential.

1.1 Report Datum

GDA94

1.2 Exploration Rationale

The aim of the current exploration program on EL 65/2007 (Woodbury) is to quantify an economically extractable JORC resource in the near surface Triassic coal measures.

1.3 Geological Setting

The coal measures are associated with a lithic sandstone sequence which has been preserved from erosion by the overlying Jurassic dolerite capped Black Tier Range immediately to the south of the Woodbury deposit.

Continuity of the coal seams has been established by past explorers through a combination of lithological, geophysical and analytical correlation. The Woodbury trough trends 112° and extends for a minimum of 9 kilometers (km) long and is 1 km wide. The Kuranda Graben forms a cross cutting structure trending 63° and is approximately 4 km long and 700 meters (m) wide. Coal seam distribution and lateral extent is not restricted to the graben structures.

1.4 Licence Information

1.4.1 Licence Number

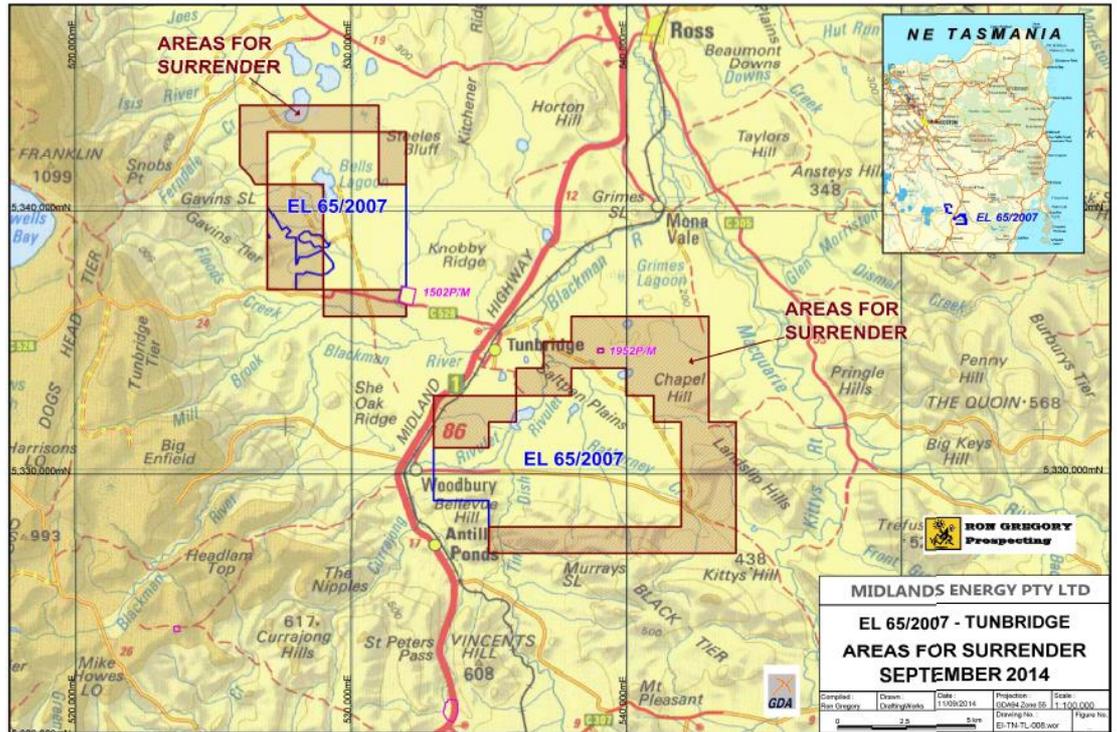
EL65/2007

1.4.2 Licence Name

Tunbridge

1.4.3 Licence Location

Tunbridge district including Woodbury



1.4.4 Reporting Period

18th September 2016 – 17th September 2017

1.4.5 Tenement Holder

Energy Investments Pty Ltd

2. Previous Work

2.1 Work Prior to Current Licence

A number of past explorers have conducted significant exploration over the Woodbury tenement. A joint venture between Costain Australia Limited, Victor Petroleum & Resources Limited and North West Bay Company Pty. Limited completed a study into the economics of supplying a nearby coal fired power plant in 1983 proposed by the Hydro Electric Commission of Tasmania.

3. Exploration

3.1 Desktop Studies

No Desktop Studies were completed in 2016 - 2017

3.2 Regional Exploration Activities

No regional exploration was conducted in 2016 - 2017

3.3 Prospect-based Exploration Activities

No Prospect-based exploration was conducted in 2016 - 2017

3.3.1 Prospect-based Exploration Activities

3.3.2 Geology

No on-ground geology works were conducted during 2016 - 2017

3.3.3 Geochemistry

No geochemistry works were conducted during 2016 - 2017

3.3.4 Geophysics

No geophysics works were conducted during 2016 - 2017

3.3.5 Remote Sensing

No Remote Sensing was conducted in 2016 - 2017

3.3.6 Drilling

No Drilling was conducted during 2016 - 2017

3.3.7 Ore Reserves and Resources

Current total JORC 2012 compliant coal resources for EL65/2007 are 34 million tons.

This is comprised of an Inferred resource of 28.3 million tons, and an Indicated resource of 5.8 million tons with the below in-situ quality;

Calorific Value 18.9 MJ/kg (4,513 Kcal/kg)

Raw Ash 40%

Total Sulphur 0.4%

Fixed Carbon 43.5%

Volatile Matter 13.3%

Total Moisture 6%

3.3.8 3D Modelling

No 3D Modelling was conducted in 2016 – 2017

4. Results

No Results were recorded for the 2016 - 2017 licence period

5. Conclusions

5.1 Conclusions

It is evident through many years of successful exploration that the Woodbury deposit is economically viable for mining even at the prevailing low coal price. All focus now is on progressing through the feasibility, planning and regulatory process and associated works.

5.2 Recommendations

Further works will be commenced to undertake the MLA during the coming year. Much of the exploration will be focussed on infill and development drilling to allow for mine planning which is to occur simultaneously. This is expected to be started on the finalisation of a substantial investment the company is expecting soon. This will fund exploration at Tunbridge for the coming two years and will give the company the required project data to gain all the necessary regulatory approvals and permits. The company recommends the following:

- Conduct 2D ground seismic survey
- Infill/development drilling to lift categorisation of resource to gain certainty for mine planning
- Drilling should be on a close spaced grid concentrating on the potential resources beneath the hilly cover immediately to the north and east of Ratharney Rivulet
- Several large diameter diamond cored holes should also be completed to allow for more comprehensive washability testing to be conducted.
- Continuing work on Bankable Feasibility studies, refining the economics of the project & coal marketing
- Mine Planning/mining method decision
- Commence Regulatory approvals process with MRT, EPA & local government bodies
- 2x Scout holes at the Bells Lagoon prospect

6. Environment

No environmental disturbance was created during the 2016 - 2017 period. To the company's best knowledge, all previous disturbances have been rehabilitated

7. Expenditure

Expenditure for the 2017 exploration year has been calculated at \$3,249 as per the companies' quarterly returns up to and including June Quarter 2017.

8. References

N/A

9. Appendices

N/A