

EL65/2007 Tunbridge Annual Report 2019

EL 65/2007 (TUNBRIDGE)

September 2018 – September 2019

Energy Investments Pty Ltd
(ACN: 127 733 206)

wholly owned subsidiary of



MIDLAND
ENERGY

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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 2018 – 2019 licence period due to an inability to secure funding as result of extremely hard investment conditions for junior coal exploration companies globally. Perceived sovereign risk by potential foreign investors was a common theme as evidenced by the delayed approvals for Adani's Carmichael coal mine.

To satisfy the company's ongoing capital requirements, Energy Investments' parent company Midland Energy Pty Ltd has recently formed a US based affiliate company, Midland Energy America LLC and released a **Regulation D 506 (c)** compliant Private Placement Offering to fund Energy Investments' ongoing exploration and development expenditure requirements.

This is a regulated offering under United States Securities Laws to accredited investors. The USA was selected as the best location to raise capital due to its favorable laws for start-up and emerging companies as well as it being one of the largest sources of capital in the world, with less risk aversion than other markets. Details of the offering can be obtained at www.midlandenergyamerica.com

During the reporting period, Energy Investments also received a \$50,000 "EDGI" grant. The company currently has a lodged a works program with MRT and is awaiting approvals to recommence exploration works on EL65/2007.

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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 1120 and extends for a minimum of 9 kilometres (km) long and is 1 km wide. The Kuranda Graben forms a cross cutting structure trending 630 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 112⁰ and extends for a minimum of 9 kilometers (km) long and is 1 km wide. The Kuranda Graben forms a cross cutting structure trending 63⁰ 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

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 2018 - 2019

3.2 Regional Exploration Activities

No regional exploration was conducted in 2018 - 2019

3.3 Prospect-based Exploration Activities

No Prospect-based exploration was conducted in 2018 - 2019

3.3.1 Prospect-based Exploration Activities

3.3.2 Geology

No on-ground geology works were conducted during 2018 - 2019

3.3.3 Geochemistry

No geochemistry works were conducted during 2018 - 2019

3.3.4 Geophysics

No geophysics works were conducted during 2018 - 2019

3.3.5 Remote Sensing

No Remote Sensing was conducted in 2018 - 2019

3.3.6 Drilling

No Drilling was conducted during 2018 - 2019

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 2018 – 2019

4. Results

No Results were recorded for the 2018 - 2019 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 low coal prices of recent years. With a strong and consistent increase in coal prices over the last two years, 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. Energy Investments' parent company is currently raising funds through a US based **Regulation D 506 (c)** Private Placement Offering. 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

Additionally, Energy Investments has recently received a \$50,000 “EDGI” grant to assist in commencing “greenfield” exploration in the Bells Lagoon area. The initial program consists of 8 diamond drill holes. The company has lodged a works program with MRT and currently awaiting approval to approach landholders and commence

exploration. The potential discovery of economic coal in this area may further underpin the company's plans for development of the Woodbury Project.

6. Environment

No environmental disturbance was created during the 2018 - 2019 period. To the company's best knowledge, all previous disturbances have being rehabilitated.

7. Expenditure

Our minimum expenditure for the 2019 exploration year has been estimated at \$130,500 to conduct the (EDGI co-funded) exploration campaign at Bells Lagoon.

However, if the aforementioned capital raising is fully subscribed (\$10,000,000 USD) the company proposes to rapidly accelerate exploration with a "development focus".

8. References

N/A

9. Appendices

N/A