

034001

MINES		
FILE REF. E.L.19/91		
- 2 MAR 1993		
DOC. REF.		
OFFICER	FOR ACTION	FOR INFO.
See folio 59		
for covering		
letter		
REQUISIT TO	DATE	

Merrywood Coal Company Pty Ltd

E.L. 19/91 Royal George

Year 1 Annual Report

MICROFILMED
FICHE No.012679-

K.C. Morrison
February, 1993

AMG REFERENCE POINTS ADDED

INTRODUCTION AND TENEMENT DETAILS

E.L. 19/91 is an 8 km² licence at Royal George in the St. Pauls River Valley, N.E. Tasmania. (Fig. 1.)

It was issued from 10 April 1992 to Merrywood Coal Company Pty. Ltd. who have 100% equity in the licence.

Land tenure comprises approximately 50% Private Freehold forest and grazing property and 50% State Forest.

Year 1 exploration confirmed the potential for a small resource of open-cuttable coal and further exploration is required to test the viability of the target.

EXPLORATION COMPLETED IN YEAR 1

In December 1992 a 40 metre deep, 6 inch diameter percussion drill hole (RGM-1) was completed at collar location: 572,830mE, 5,363,500mN, RL 590m. The hole was drilled by contractors, H. J. Stacpoole, using a truck-mounted Mobile B80 rig with air-driven down hole hammer.

RGM-1 tested the concept that shallow coal may occur along strike from a previous drill intersection (RG-1, I. C. E. Pty. Ltd., 1978) and if the reserve potential could be demonstrated then further intersections to test coal quality and variability would be needed.

RGM-1 intersected a 1.7 metre coal seam from 19 to 20.7 metres depth (see log sheet) and on the basis of visual examination only, the cuttings indicate that the coal warrants full seam sampling. Hand picked but inevitably contaminated samples of cuttings were analysed by SGS, Port Kembla, to give indicative minimum quality proximate analyses (see enclosed report) but the samples are not considered to be representative.

Seam correlation between RGM-1, RG-1 and a creek exposure 700 metres northeast of RGM-1 shows potential for a resource of at least 250,000 tonnes of unknown quality coal on the basis of the following assumptions:

- Average thickness of recoverable coal 1.5 metres
- Viable overburden thickness range 10 - 20 metres
- No significant faulting

FUTURE EXPLORATION

The target will be tested in Year 2 with several excavator cuts into the northern slopes of the prospect and by full seam analysis of large samples from unweathered exposures.

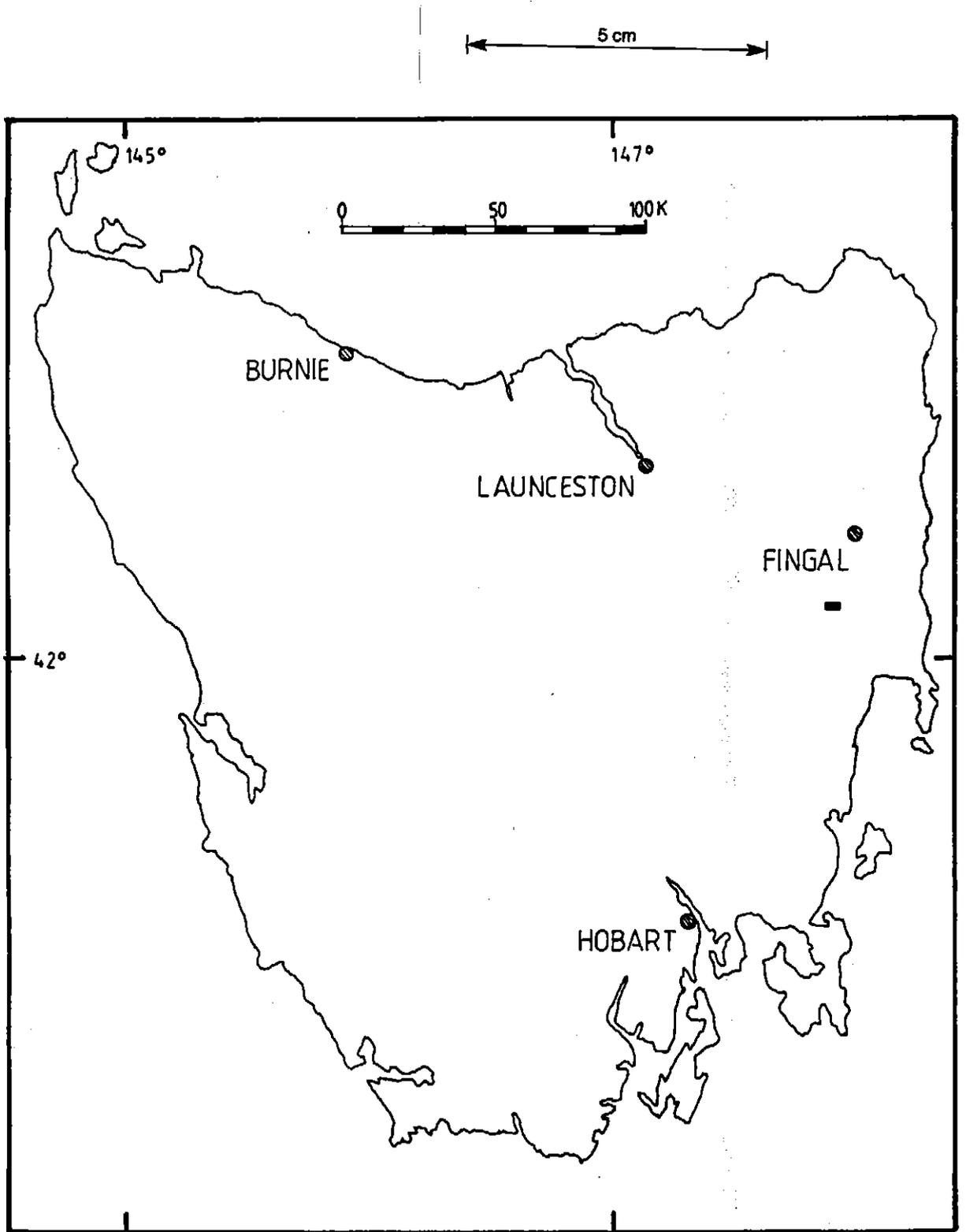


Fig. 1 Location Map EL 19/91

MERRYWOOD COAL COMPANY PTY. LTD.

DRILLING LOG SHEET.

TENEMENT: EL 14/91	LOCATION / SITE.	SAMPLE TYPE.	SAMPLED BY : (DATE)	COAL SECTIONS.
PROJECT : ROYAL GERRARD	RE M - 1 ~ 572830 m. E 5363500 m. N.	PERCUSSION DRILL CUTTINGS - 6" DIAM.	LOGGED BY : (DATE) K.M. 16/4/92	

SAMPLE No.	DESCRIPTION.	INTERVAL (m)	DESCRIPTION.
0-1 m.	TALUS : fresh, weathered Dol. - road gravel + natural talus		
1-6.7	SANDSTONE: yell brn soft, weathered, clayey, lithic		
6.7-6.9	COAL : dull, soft weathered.		
6.9-7.8	MUDSTONE: gry brn, mottled, soft, clayey MODERATE WATER FLOW 7.0m.		
7.8-10.8	MUDSTONE: gry, non-oxidised, minor siltst coal debris BASE OXIDATION 7.8m.		
10.8-11.0	COAL. MUDSTONE: gry blk soft, clayey		
11-12	MUDSTONE: gry, clayey		
12-12.5	COAL: Dull, soft, partly carb mudst.		
12.5-13	MUDSTONE: gry - beige, minor siltst.		
13-14.5	MUDSTONE: gry.		
14.5-15	SANDSTONE: gry, v-f, lithic		
15-16	MUDSTONE: gry, clayey, fissile.		
16-18	SANDSTONE: gry, f-v-f, clayey		
18-19	MUDSTONE: gry, minor coal debris		
19-20.7	COAL: clean, med-bright, low density, unweathered blocky fracture, minor clay, medst. dirt band contain. mainly in lower part of seam		
20.7-21	MUDSTONE: gry fresh		
21-23.5	SANDSTONE: gry, v-f-f, lithic, clayey		
23.5-25.7	MUDSTONE: gry		
25.7-26	COAL: hard, dull, laminated		
26-26.7	MUDSTONE: gry		
26.7-27	SANDSTONE: gry, f, lithic		
27-28	SANDSTONE: gry med. lithic		
28-30.8	SANDSTONE: A/N		
30.8-31	MUDSTONE: gry fissile, blocky		
31-32.4	MUDSTONE: A/N		
32.4-32.8	COAL: Hard, dull, blocky, dense		
32.8-35	MUDSTONE: gry		

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APPX 1

Our Reference: EP1702

Client Reference: ORDER NO.2329

ANALYTICAL REPORT ON SAMPLES SUBMITTED BY / ON BEHALF OF

MERRYWOOD COAL COMPANY

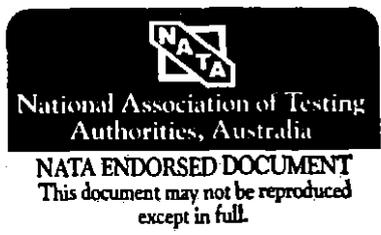
P.O. BOX 262

KINGSMEADOWS TAS 7249

Attn: MR. J. MIEDECKE

Date Received 21.Dec.1992

Date Completed 23.Dec.1992



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Issued at Port Kembla on 23.Dec.1992

SGS Australia Pty Ltd
40 SWAN STREET
WOLLONGONG NSW 2500
Telephone: 042 283766
Telex:
Fax: 042 263348
NATA Reg. No. 2557

Our Reference: EP1702

Client Reference: ORDER NO.2329

Analysis \ Sample Ref: RG1A-1

	DRY	Determ.	Moisture
Inherent Moisture	%	2.8	AD
Ash	%	39.5	AD
Volatile Matter	%	23.0	AD

Analysis \ Sample Ref: RG1A-2

	DRY	Determ.	Moisture
Inherent Moisture	%	3.1	AD
Ash	%	43.3	AD
Volatile Matter	%	21.7	AD

Analysis \ Sample Ref: RG1A-3

	DRY	Determ.	Moisture
Inherent Moisture	%	2.6	AD
Ash	%	34.5	AD
Volatile Matter	%	22.4	AD

Analysis \ Sample Ref: RG1A-4

	DRY	Determ.	Moisture
Inherent Moisture	%	2.6	AD
Ash	%	27.5	AD
Volatile Matter	%	23.9	AD

SIZE ANALYSIS REPORT

Our Ref: EP1702

Client Ref:

ORDER NO.2329

Sample Reference: RG1A-1

Cumulative Mass(g) 624.0

FRACTION	MASS(g)	FRACTIONAL%			CUMULATIVE%		
		MASS%	ASH(ad)	IM(ad)	MASS%	ASH(ad)	IM(ad)
+26.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-26.5 +19.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-19.0 +12.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-12.7 +6.3	84.0	13.5	40.0	2.4	13.5	40.0	2.4
-6.3 +3.35	198.0	31.7	36.8	2.6	45.2	37.8	2.5
-3.35 +2.0	172.0	27.6	37.5	2.6	72.8	37.7	2.6
-2.0 +1.4	138.0	22.1	38.6	2.6	94.9	37.9	2.6
-1.4	32.0	5.1	45.3	3.1	100.0	38.3	2.6

SIZE ANALYSIS REPORT

Our Ref: EP1702

Client Ref:

ORDER NO.2329

Sample Reference:

RG1A-2

Cumulative Mass(g) 806.4

FRACTION	MASS(g)	FRACTIONAL%			CUMULATIVE%		
		MASS%	ASH(ad)	IM(ad)	MASS%	ASH(ad)	IM(ad)
+26.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-26.5 +19.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-19.0 +12.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-12.7 +6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-6.3 +3.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-3.35 +2.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
-2.0 +1.4	2.3	0.3	33.9	3.1	0.3	31.2	2.9
-1.4	803.9	99.7	41.6	3.0	100.0	41.6	3.0

SIZE ANALYSIS REPORT

Our Ref: EP1702

Client Ref:

ORDER NO.2329

Sample Reference: RG1A-3

Cumulative Mass(g) 361.5

FRACTION	MASS(g)	FRACTIONAL%			CUMULATIVE%		
		MASS%	ASH(ad)	IM(ad)	MASS%	ASH(ad)	IM(ad)
+25.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-26.5 +19.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-19.0 +12.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-12.7 +6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-6.3 +3.35	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-3.35 +2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-2.0 +1.4	0.2	0.1	0.0	0.0	0.1	0.0	0.0
1.4	361.3	99.9	33.8	2.4	100.0	33.8	2.4

SIZE ANALYSIS REPORT

Our Ref: EP1702 Client Ref: ORDER NO.2329

Sample Reference: RG1A-4

Cumulative Mass(g) 495.7

FRACTION	MASS(g)	FRACTIONAL%			CUMULATIVE%		
		MASS%	ASH(ad)	IM(ad)	MASS%	ASH(ad)	IM(ad)
+26.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-26.5 +19.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-19.0 +12.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-12.7 +6.3	89.0	18.0	24.4	2.4	18.0	24.4	2.4
-6.3 +3.35	204.1	41.2	27.2	2.4	59.1	26.3	2.4
-3.35 +2.0	124.2	25.1	30.2	2.5	84.2	27.5	2.4
-2.0 +1.4	50.5	10.2	30.8	2.3	94.4	27.9	2.4
-1.4	27.9	5.6	35.2	2.4	100.0	28.3	2.4

Coal Samples

RGIA-1	20 - 20.7	+ 1.4 mm
RGIA-2	20 - 20.7	- 1.4 mm
RGIA-3	19 - 20	- 1.4 mm
RGIA-4	19 - 20	+ 1.4 mm

←
(+ 2mm washed)