



ANNUAL REPORT FOR: RETENTION LICENCE 8/1987

FOR PERIOD: July 2020 to June 2021

AUTHOR: K Falconer

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Submitted by:

Keith Falconer
Operations Manager, Cornwall Coal

Abstract

Retention Licence RL8/1987 is located on the south west corner of Mining Lease ML1653PM and has an area within its boundary of 9 sq km. The northern section of the licence is excluded as there is an overlap from Mining Lease ML1653PM and this effectively reduces its size to 7sqkm. The licence area contains a potential open cut resource, but is more importantly considered as a location for the portals of a replacement underground mine to Blackwood 4, namely Blackwood 6. The mine is currently undertaking a feasibility study to understand the cost of establishing the Blackwood 6 mine. This has included gathering additional information for the purposes of lodging a Development Application. An application to convert the RL to a ML was lodged on 30 July 2021.

Figure 1 shows the relativity of the RL to the ML and the extent of the exclusion area.

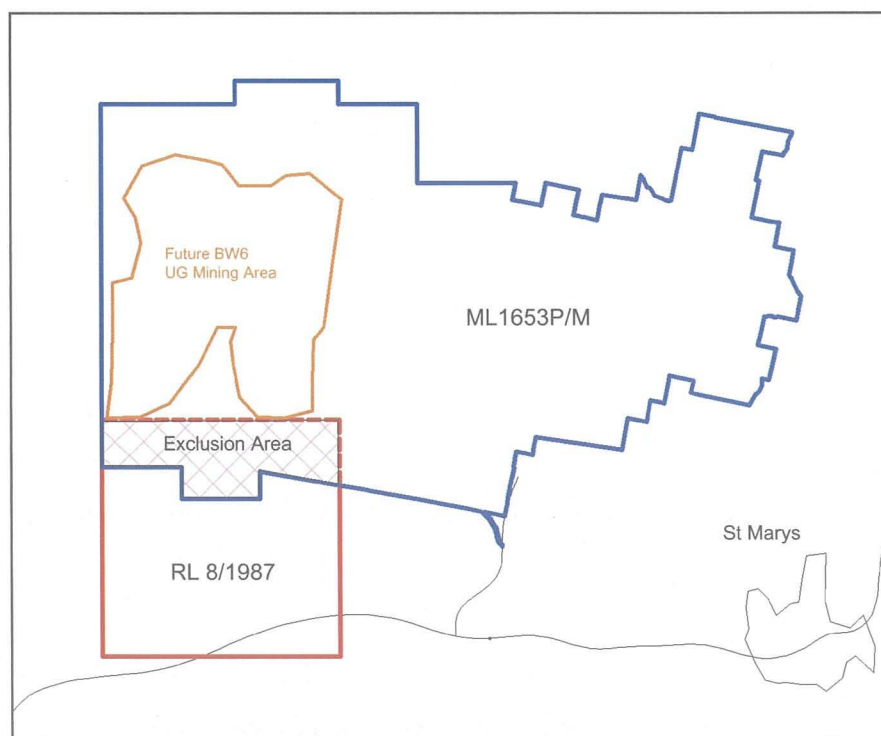


Figure 1 Position of RL relative to the ML and St Marys township

1 Introduction

The datum used is GDA94. The licence number is RL8/1987 and the licence area is located in the Fingal Valley west of St Marys. The single owner is Cornwall Coal which is a wholly owned subsidiary of Cement Australia Pty Ltd.

The exploration rational has been as follows;

- Determine where the seam outcrops and the depth of cover in the proposed portal area to determine the slope stability. Map and identify the different rock strata.
- Understand what the implications of removing any opencut coal would be and what the size of any opencut resource may be which could be removed during the site preparation for an underground mine.
- Survey the site to understand the ground contours and how best the surface mine site and access routes could be laid out

The coal resource within RL8/1987 is a continuation of the underground coal resources found within ML1653PM which outcrops on the southern side of Mt Nicholas. The area was explored by Shell Australia in the 1980s and resources were identified in the Upper and Lower Fenton coal seams and exploration reports were provided to the Tasmanian Government at the time. The resulting feasibility studies and abridged geological information is in Cornwall Coal's possession. Since that time and up until this year there has been no physical exploration of significance.

The location of RL8/1987 is shown in Appendix 1. The location of the area sought for a ML is detailed in Appendix 2.

2 Review of Previous Work

Previous work has comprised of drilling thirty five (35) drillholes. Of these, 32 holes were drilled by Shell in 1980-1981, twenty four (24) of them are in the exclusion zone and eleven (11) in the RL area. Drillhole data in terms of hole number, location, collar RL and total depth is given in Appendix 3 and their location is shown in Appendix 4. Much of the Shell data is contained in MRT report 83-1896 which has diagrammatic representations relating to geology, coal seam profiles, geotechnical testing and coal analysis. Some of the data was entered into the Cornwall Coal Mt. Nicholas geological model to the extent that it was needed for underground planning purposes.

Cornwall Coal have recently reviewed previous evaluations of this data and estimates that approximately 20kt of Fenton seam coal (Upper and Lower) at a strip ratio of 10:1 is available to extract as an opencut resource during the exposure and surface preparation work which would be required to construct a highwall entrance into the Blackwood 6 Underground mine. The underground mining potential from this location is estimated to be 12 million tonnes.

3 Exploration Completed During Reporting Period

In relation to exploration work completed during the period, the following reports are enclosed along with this annual report

- Aboriginal heritage assessment report, 31-8-21 by Stuart Huys and Vernon Graham
- Exploration and determination of bed rock and location of coal seam outcrop at portal location. Report of 13-1-21 by Ron Gregory Prospecting
- Land slip assessment report of 3-5-21 by pitt&sherry

Additional work is in the process of being undertaken in relation to the following matters

- Review of existing coal seam geological information across the mine site
- Survey work to consider the best means of accessing the mine site and the potential location of buildings and services
- Surface environmental impact studies
- Tree, vegetation and fauna studies
- Stream and water flow studies

The work being undertaken will form the basis of a Development Application. The details of this information will be reported once complete, in next year's annual report.

4 Discussion of Results

Planning work has determined that an underground entrance would fall outside of the consolidated mining lease ML1653 and within RL8/1987. As a result of this, an application was lodged to convert the retention licence to a mining lease. This application was subsequently revised to reduce the size of the RL seeking to be converted to a ML.

The likely location of the portals and associated infrastructure has been marked out on surface and further work is planned to better understand the nature of the surface strata and the interaction with planned buildings, access roads and the proposed service routes.

5 Relationship to ML1653 P/M

RL8/1987 is located on the South West corner of ML1653 P/M. There is no separate geological model for this Retention Licence as the area is covered by the geological model that Cornwall Coal maintains for Mt Nicholas. That model is provided to MRT as part of the confidential reports submitted for ML1653 P/M.

6 Conclusions

From results obtained both prior to the reporting period and during the last reporting period it is concluded that there is a potential coal resources which outcrops in the RL and which offers the most favourable means of commencing underground workings. The merits of any potential open cut resource are less well defined and would be of secondary interest to the establishment of an underground mine site.

7 Environment

The License Holder has accessed the License area to undertake exploration activities during the reporting period and two trenches were excavated to determine the seam outcrop, depth of cover and the overlying strata. A report on this activity was submitted to MRT. Subsequent to this work being undertaken the two trenches were filled in and the area rehabilitated. Some minor work was undertaken to improve the access track.

There has been access on foot for the purpose of land survey, environmental investigations and surface familiarisation.

8 Expenditure

Expenditure, as per the annual return, is estimated as follows:

Geology	\$ 55, 000
Remote sensing – working with LiDAR data	\$ 10,000
Land access – Aboriginal heritage and track clearing	\$15,000
Rehabilitation of exploration trenches	\$6,000
Feasibility studies	\$35,000
Other – Survey and planning work	\$45, 000
Administration – Change RL to ML	\$30,000
Total	\$ 196,000

9 References

There are no References.

APPENDICES

APPENDIX 1 - Location plan from MRT Files.

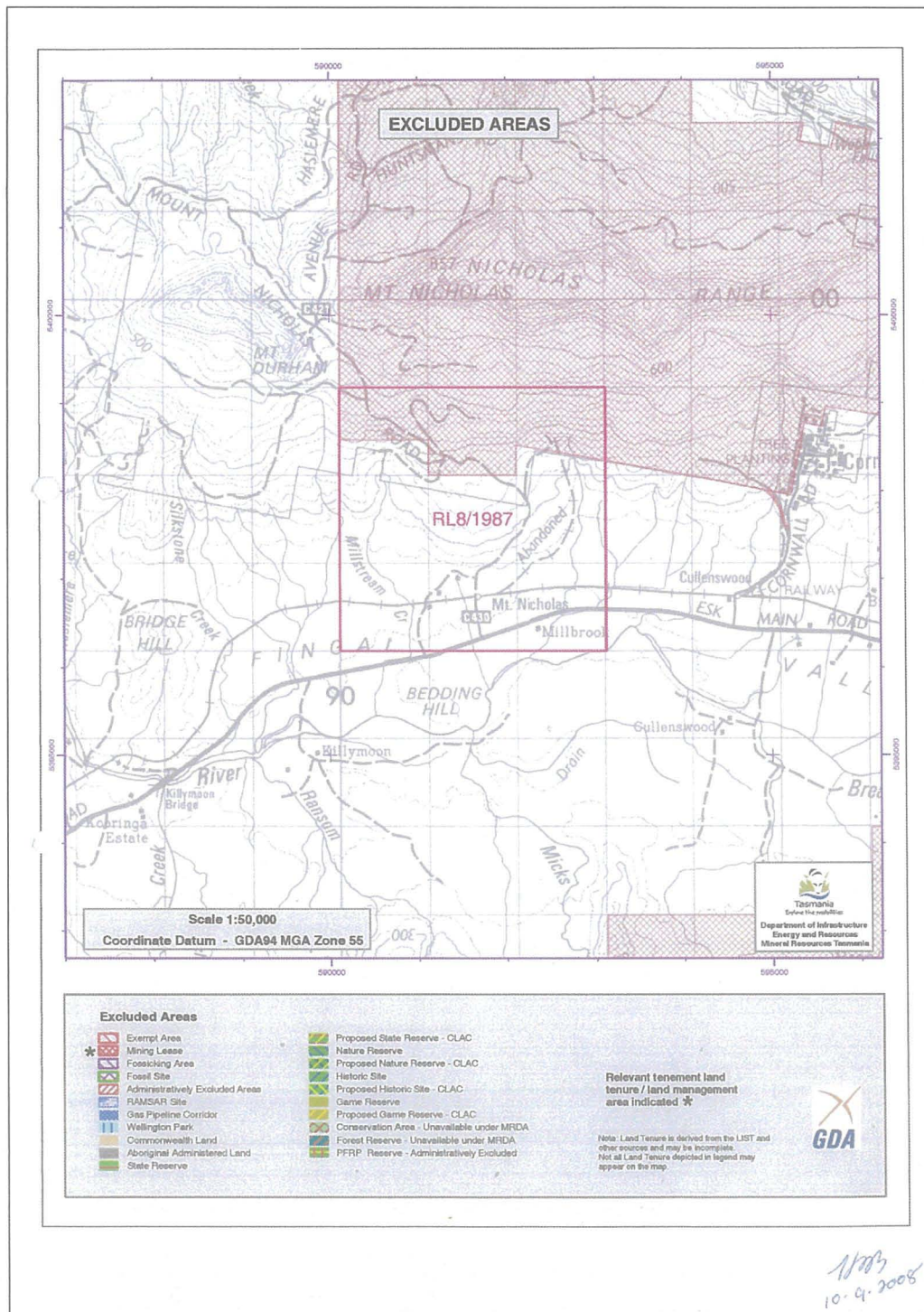
APPENDIX 2 - Listing of drillholes.

APPENDIX 3 - Location of drillholes

APPENDIX 4 - Conceptual Plan showing site and underground access

APPENDIX 5 – Mining Lease application

Appendix 1 - Location of RL8/1987 from MRT Files

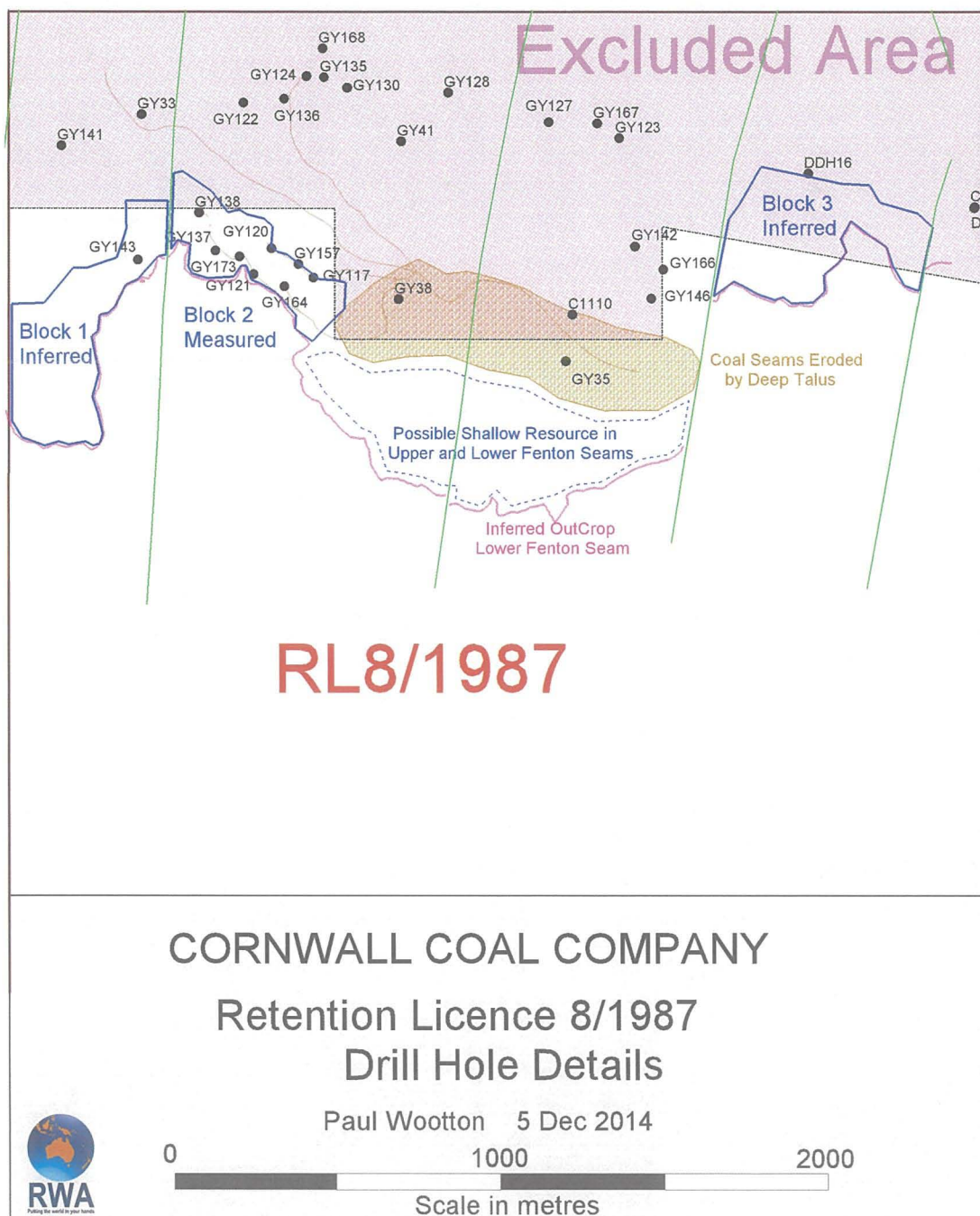


Appendix 2 – Listing of Drillholes within the Overall RL Boundary

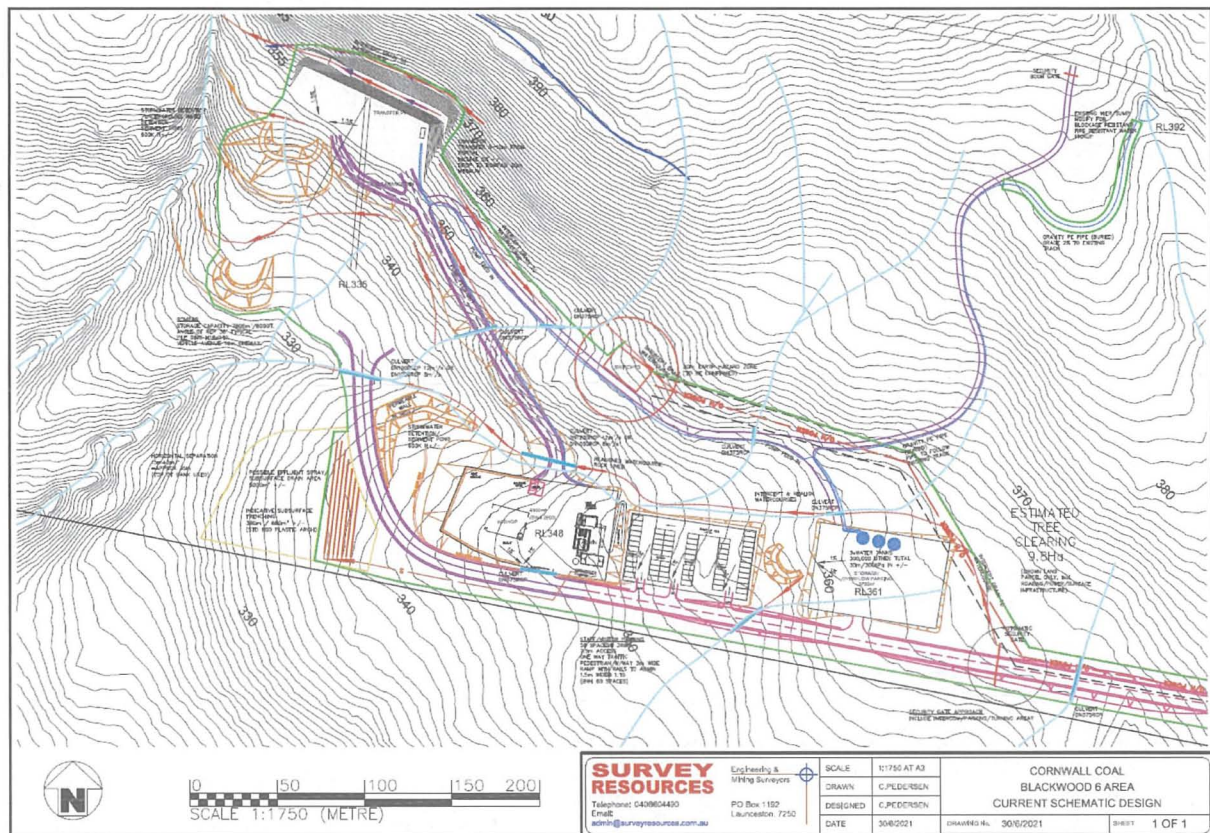
Drill Hole	East (MGA)	North (MGA)	Collar RL (AHD)	Total Depth
GY35	591,817.0	5,398,118.0	356.0	56.7
GY117	591,046.2	5,398,372.0	392.8	54.5
GY120	590,917.2	5,398,461.0	394.5	54.0
GY121	590,862.2	5,398,382.0	349.9	18.3
GY122	590,830.2	5,398,906.0	475.0	30.3
GY123	591,979.2	5,398,798.0	463.0	141.4
GY124	591,025.2	5,398,987.0	453.6	4.3
GY127	591,765.2	5,398,847.0	473.0	48.5
GY128	591,457.2	5,398,937.0	473.5	64.0
GY130	591,149.2	5,398,952.0	457.2	42.0
GY132	591,567.2	5,399,912.0	620.7	283.9
GY135	591,079.2	5,398,984.0	458.1	18.0
GY136	590,956.2	5,398,918.0	453.1	36.5
GY137	590,742.2	5,398,454.0	357.1	16.0
GY138	590,692.2	5,398,570.0	372.1	31.0
GY141	590,275.2	5,398,775.0	458.8	42.5
GY142	592,028.2	5,398,467.0	393.3	62.0
GY143	590,507.2	5,398,426.0	355.2	24.5
GY146	592,078.2	5,398,308.0	352.0	17.4
GY151	590,949.2	5,399,237.0	524.1	186.4
GY157	591,000.2	5,398,413.0	393.0	54.5
GY164	590,957.2	5,398,345.0	355.8	18.2
GY166	592,116.2	5,398,397.0	364.0	36.5
GY167	591,912.2	5,398,843.0	468.7	45.0
GY168	591,075.2	5,399,072.0	472.7	132.4
GY173	590,818.2	5,398,436.0	357.9	10.9
GY28	591,014.2	5,399,777.0	593.5	335.0
GY33	590,518.2	5,398,870.0	467.2	132.9
GY38	591,303.2	5,398,306.0	391.4	75.0
GY40	590,411.2	5,399,744.0	583.8	229.5
GY41	591,311.2	5,398,788.0	448.8	118.0
GY43	591,625.2	5,399,433.0	559.1	238.3
DDH16	592,559.0	5,398,690.0	394.0	54.3
DDH21A	593,067.0	5,398,585.0	400.0	45.3
C0021	593,068.0	5,398,588.0	401.0	80.0
C1101	593,639.5	5,401,723.4	448.8	60.8
Total metres				2,898.7

Drillholes in 'Excluded' area

Appendix 3 – Location of Drillholes within the Overall RL Boundary



Appendix 4 – Conceptual Plan showing site and underground access



Appendix 5 – Mining Lease application

