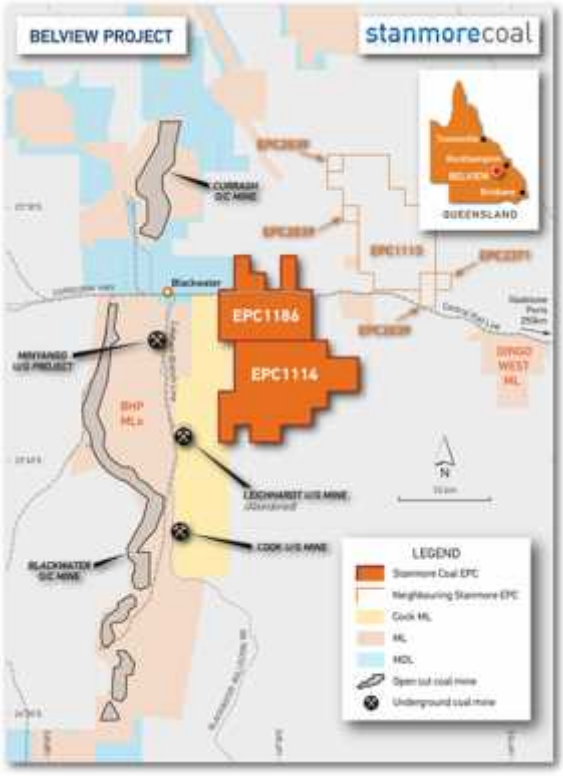
ASX announcement

13 August 2013

Belview Coking Coal Project JORC Resource Upgrade

Highlights

- **The JORC Inferred Resource has been increased to 322Mt**
- **Further material exploration target[1] of between 204Mt and 306Mt**
- **Initial coal quality testing demonstrates potential to produce a low ash coking coal, accompanied by a secondary PCI product**
- **Establishes an excellent foundation for the development of a high quality coking coal project in the heart of the Bowen Basin**



Stanmore Coal Limited ("Stanmore Coal" or "the Company") has completed a five hole drilling program in the northern area of the Belview Underground Coking Coal Project (EPC 1114 and EPC 1186) and is pleased to announce a JORC Inferred Resource for the Project of 322Mt and a further exploration target[1] of between 204Mt and 306Mt.

Positive coal intersections were achieved across a range of seams as shown below, with modelled depth of cover to the Aries seam from approximately 325 metres in the north of the Project area, as shown in Appendix 1.

SEAM NAME	AVERAGE THICKNESS(m)	SEAM NAME	AVERAGE THICKNESS(m)
Aries	2.6		
Castor	2.9	Gemini	7.1
Pollux	4.1		
Orion	0.4		
Pisces Upper	2.4	Pisces	4.7
Pisces Lower	2.1		

Figure 1 – Average Modelled Seam Thickness within project area

The Gemini Seam exists where the Castor and Pollux seams coalesce with an inter-burden of less than 0.5 metres. The JORC Inferred Resource established in each seam is set out below:

				Raw Air Dried Coal Quality (adb)					
Seam	Mass (Mt)	Thickness (m)	Insitu RD *	Moisture %	Ash %	Fixed Carbon %	Volatile Matter %	Total Sulphur %	Calorific Value MJ/kg
Total Castor	107	2.6	1.60	1.9	30.2	51.9	16.4	0.39	18.2
Total Pollux	166	3.2	1.44	1.5	15.8	64.5	18.5	0.38	29.2
Total Gemini	23	6.7	1.42	1.2	13.4	65.2	20.1	0.37	30.3
Total Pisces Upper	26	2.1	1.44	2.1	17.4	64.6	17.1	0.39	30.0
Total Resource	**322**		**1.49**	**1.7**	**20.2**	**60.7**	**17.9**	**0.38**	**25.9**

Figure 2 – JORC Resource and Quality Weighted Averages by Seam

The location of individual holes from the recent drilling program and historical holes included in the Project geological model are identified on the map in Appendix 2.

Incorporation of drilling results into the geological model has enabled refinement to the additional exploration targets[1] within the Project area:

Seam	Minimum (Mt)	Maximum (Mt)
Aries	102	152
Castor	33	48
Pisces Upper	69	106
Total	**204**	**306**

Figure 3 – Exploration Target[1] by Seam

The JORC Inferred Resource estimate and additional exploration target[1] are made in accordance with the 2012 JORC code and apply the following assumptions:

- in-situ moisture of 3.7%
- a maximum depth cut-off of 800 metres
- minimum seam thickness of 1.5 metres

Coal Quality

Raw coal quality testing has been completed on the core samples taken from all five holes. The results are summarised in Figure 2 above. Washability and clean coal composite results are pending but initial results indicate that the quality is typical of other coking coals produced from the Rangal Coal Measures in the region and consistent with the Company's strategy of producing a primary coking coal and a secondary PCI product.

* * *

Commenting on the increase to the Project's resource base, Managing Director Nick Jorss said, "Establishment of a significant resource estimate within the project's northern area validates the Company's strategy of having expanded the footprint of Belview into shallower coal last year. The large resource base demonstrates the potential to develop a major coking coal mine at Belview which is surrounded by operating coking and PCI coal mines."

"The current downturn in the commodity cycle presents us with an excellent opportunity to lock in a low cost base for the Belview project, something that fits well with the company's value driven approach to project development. Reducing project capital and operating costs will also improve the Company's prospects of attracting strategic partners and procuring construction funding for the project. Being located on the existing Blackwater rail line serving the coal ports of Gladstone, means Belview is well positioned to secure low cost rail and port capacity for the project."

On behalf of the Board

D McAlpine
Joint Company Secretary

For further information, please contact:

Mr Nick Jorss
Managing Director
07 3238 1000

Mr Doug McAlpine
Company Secretary
07 3238 1000

Note 1: Exploration Target

All statements as to exploration targets of Stanmore Coal and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained in this document as to exploration results or exploration targets has been made consistent with the requirements of the Australasian code for reporting of exploration results, mineral resources and ore reserves ("JORC Code").

Competent Persons Statement

The information in this report relating to the Belview Project exploration results and coal resources is based on information compiled by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

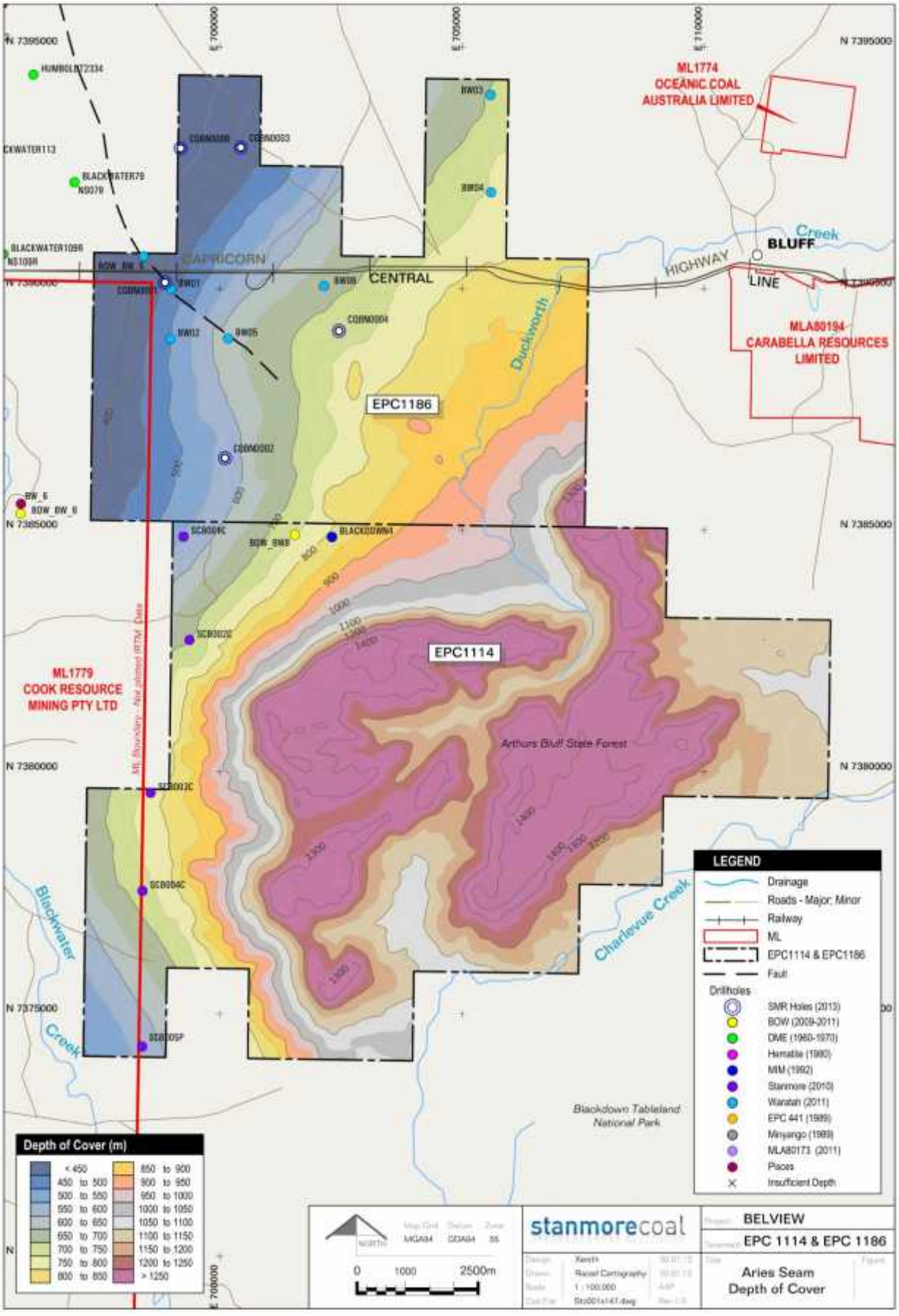
About Stanmore Coal Limited (ASX code: SMR)

Stanmore Coal is a growth focused, pure play coal exploration and development company with a number of prospective coal projects and exploration areas within Queensland's Bowen and Surat Basins. Stanmore Coal is focused on the creation of shareholder value via the identification and development of coal deposits, with a focus on the prime coal bearing regions of the east coast of Australia.

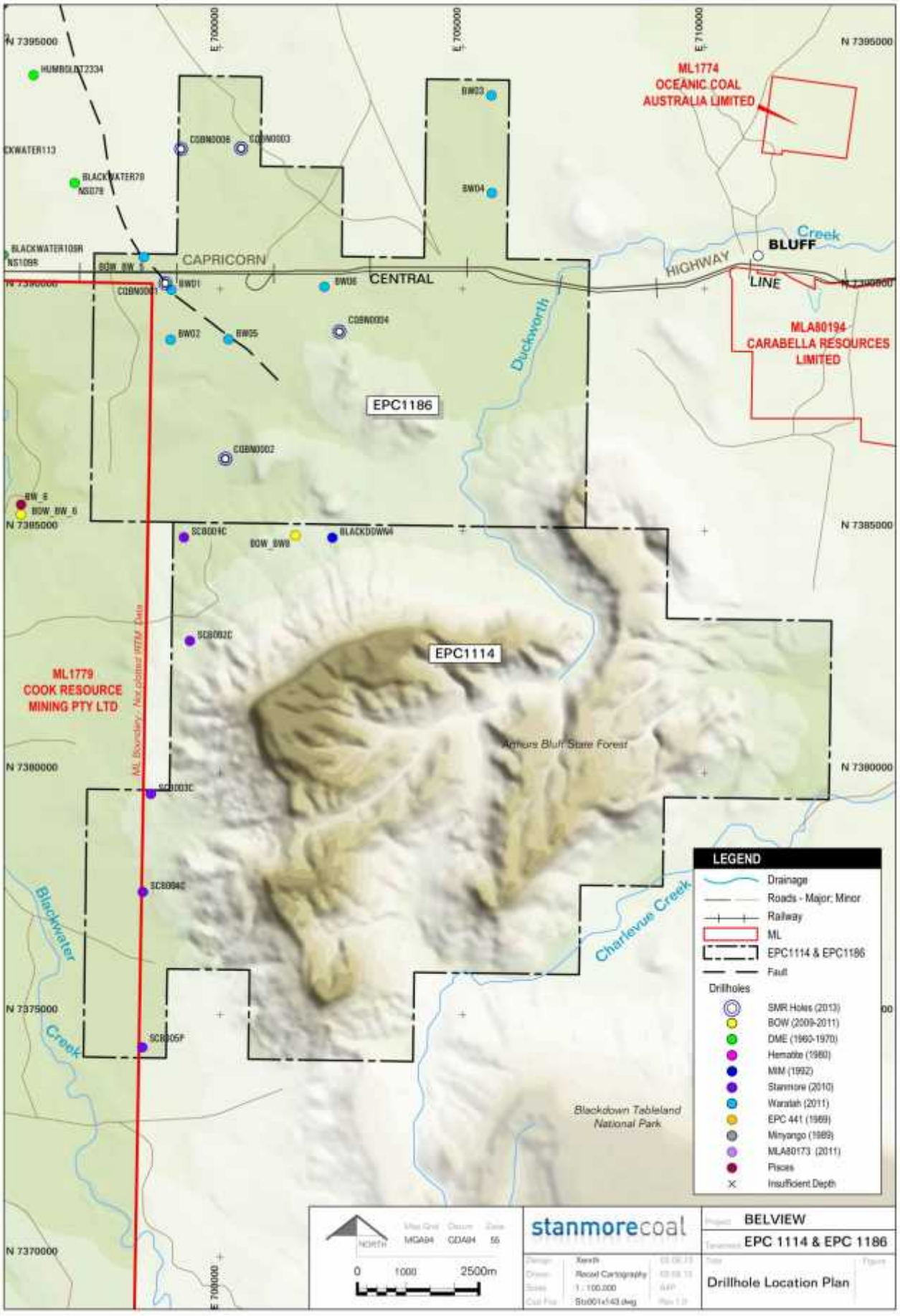
Stanmore Coal has seven coal project areas, covering over 2,769 km2 in total. These projects include significant deposits of open pit coking and thermal coal and are typically well located for export infrastructure.

Stanmore Coal Limited ACN 131 920 968
p: +61 (7) 3238 1000 | f: +61 (7) 3212 6250 | e: info@stanmorecoal.com.au | w: www.stanmorecoal.com.au
Street address: Level 11, 10 Market Street, Brisbane QLD 4000 | Postal address: GPO Box 2602, Brisbane QLD 4001

Appendix 1 – Depth of cover to Aries Seam



Appendix 2 – Drill hole locations



Appendix A. JORC CODE, 2012 EDITION – TABLE 1 REPORT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• For the Stanmore 2010 and 2013 exploration programs all coal seams intersected greater than 0.10 m were sampled with a maximum sample length of 0.50 m of coal. Coal plies were sampled discretely on the basis of lithological characteristics and quality. All non-coal material and partings less than 0.10 m were included with the lower coal ply and noted in the lithological description. Non-coal interburden material greater than 0.10 m and up to a maximum of 2.0 m was sampled separately. • The immediate 10 m of roof and 5 m of floor have been sampled and retained in core boxes for future geotechnical testing. • All coal and roof and floor dilution samples were double bagged at site and marked with sample number, date, hole and project. These were refrigerated on site until geophysical corrections confirmed representative core recovery of the seam and samples. The qualified samples were then transported to the laboratory via courier. • Coal Quality samples from the Stanmore Drilling program were sent to Bureau Veritas Laboratories in Brendale, Queensland. • All coal quality samples were prepared and analysed using Australian Standard testing methodologies.
Drilling	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g.*	• All coal quality holes were cored (partially or fully) using a PQ size core barrel producing an 83.1 mm core diameter.

Criteria	JORC Code explanation	Commentary
techniques	*core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Non cored holes were use in the model to define structure and stratigraphy but were not used as Points of Observation • A full list of drill holes and drilling methods is available at the end of Table 1 in Appendix B – Drill Hole Data.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• An assessment of core recovery was completed by comparing the recovered thickness measured during geological logging and by the driller, to geophysical picked thicknesses from the geophysical logs. • If there was less than 95% core recovery a redrill was required. • Volumetric analysis of samples was conducted on both Stanmore exploration programs from 2011 SCB series and 2013 CQBN series and also for the Waratah 2012 BW series • The analysis was based on sample mass received versus expected sample mass derived from sample length by core diameter by apparent Relative Density • If sample mass was below 95% a separate exercise interrogating the linear recovery via photos and logs was undertaken to decide whether the sample could be included and not bias the results.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All core was geologically logged, marked and photographed before sampling. Geological and geotechnical features were identified and logged. • All chip holes were geologically logged. • All drill holes have been geophysical logged with a minimum density, calliper, gamma and verticality unless operational difficulties prevented full or partial logging of the drill hole. A full list of the suite of geophysical logs that have been run on each drill hole can be found in Appendix B – Drill Hole Data. • The calibration of the geophysical tools was conducted by the

Criteria	JORC Code explanation	Commentary
		geophysical logging company. Coal Seam Wireline services.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All core samples were double bagged on site and transported to the Laboratory for testing. • Bureau Veritas Laboratories comply with Australian Standards for sample preparation and sub sampling. • Large wash samples were pre-treated and dry sized and various sizes before sample splitting and analysis. Proximate analysis was completed on a portion of the original sample. • Raw analysis procedure keeps ½ of the sample as reserve.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Bureau Veritas Laboratories comply with the Australian Standards for coal quality testing and are certified by the National Association of Testing Authorities Australia (NATA). • Geophysical tools were calibrated by the logging company Coal Seam Wireline services. • The density measurement is calibrated to precise standards and where possible validated in a calibration hole.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data*	• Bureau Veritas Laboratories comply with the Australian Standards for coal quality testing and as such conduct the verifications for coal quality analysis outlined in the standards. • Coal Quality results were verified by Xenith Personnel before

Criteria	JORC Code explanation	Commentary
	verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	inclusion into the geological model and resource estimate. • Product Coal assessment has been undertaken by McMahon Coal Quality Resources. • No adjustments have been made to the Coal quality data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Professional Survey of the coal quality boreholes for the Stanmore exploration programs was completed by T.R. Baillie Consulting Surveyors (2013) and Klau Geomatics (2010). • Datum GDA 94 and projection MGAZ55 was used. • The topographic surface, topo_glomap was modelled from ASTER Global Digital Elevation Model ("ASTER GDEM") survey. It has been captured with 1.5 arc-second resolution, equivalent to approximately 32.0 m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Inferred resources have only been reported in this resource estimate and reflect the low data density of this estimate. • The inclusion of boreholes from neighbouring areas has given the model a reasonable amount of lateral continuity in all directions. • The applied data spacing is 4000 m between points of observation. (2000 m radius extended out from a POB). • Multiple samples were obtained for some seams within the Belview Project area. As such, where appropriate, sample compositing has been completed. Samples were weighted against sample thickness and insitu RD.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have*	• Geological structure in the area is aligned with the Jellinbah Fault complex on a northwest to southeast orientation. • One normal fault has been interpreted from drill hole data from the 2013 program as it was directly intersected. However, the current drill hole spacing is insufficient to resolve structure

Criteria	JORC Code explanation	Commentary
	introduced a sampling bias, this should be assessed and reported if material.	between drill holes. • Data points have been obtained on either side of this identified fault to ensure there is no sampling bias associated with this structure. • All drill holes are vertical to intersect the largely flat- lying coal bed stratigraphy.
Sample security	• *The measures taken to ensure sample security.*	• Sample Security was ensured under a chain of custody between Stanmore Coal personnel on site and Bureau Veritas laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling was undertaken by Stanmore Coal personnel. • Bureau Veritas undertook internal audits and checks in line with the Australian standards and their NATA certification.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>
<table>
<tr><th>Tenure Type</th><th>Tenure Number</th><th>Date Lodged</th><th>Date Granted</th><th>Date Expires</th><th>Principal Holder</th><th>Number of Sub blocks</th></tr>
<tr><td>EPC</td><td>1186</td><td>03-Sep-2007</td><td>12-Mar_2008</td><td>11-Mar-2018</td><td>Belview Expansion Pty Ltd</td><td>23</td></tr>
<tr><td>EPC</td><td>1114</td><td>14-Dec-2006</td><td>28-Feb-2008</td><td>27-Feb-2013</td><td>Belview Coal Pty Ltd</td><td>38</td></tr>
</table>
• Overlapping tenements:
o EPP1025 - BOW Energy
o EPP 806 - OME resources Australia Pty ltd
o EPP 751 - CH4 Pty Ltd
o ML1779 - Cook Resources Mining Pty Ltd (this overlaps a strip of the western extent of EPC 1114 and EPC 1186. This would limit resource extraction in this area. This zone has been taken into account when estimating resources in the Belview Project.
• Overlying a section of EPC 1114 is state forest “Arthurs Bluff”.
• There are no known impediments to obtaining a licence to operate in the Belview project.</td></tr>
<tr><td>Exploration</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• Exploration drilling completed within and in close proximity to the Belview Project has been reviewed as part of this report.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
done by other parties		• Within the lease boundary there are 21 boreholes o Seven Stanmore Coal partially cored drill holes drilled in 2013 (CQBN series) (CQBN0005 a redrill of CQBN0003 and CQBN0007 a redrill of CQBN0006) o Six Stanmore Coal partially cored drill holes drilled in 2011 (SCB series) (SCB005P a redrill of SCB005C) o Two BOW gas wells drilled in 2010 - 2012 (BOW series). o Six Waratah Holes (BW Series) • An additional 19 boreholes outside of the lease boundary were included to ensure adequate structural control of the resource deposit: o 14 DME historical boreholes drilled in (Blackwater and Humboldt series). o Two BOW gas wells drilled in 2010 - 2012 (BOW series). o Three Hematite Petroleum Pty Ltd gas wells drilled in 1980 (Gemini series). • There are 3 seismic surveys that have been completed over the project area: o Two surveys were completed by the Bureau of Mineral Resources ('BMR') in 1960 and 1989 respectively and transect EPC1186. o A regional 2D seismic survey was undertaken in 1992 by MIM Holdings Ltd, with survey lines that transect or run adjacent to the Belview Project area. The survey was carried out in two phases and was oriented to intersect the anticipated major fault direction of north to northwest trending structure.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Belview Project area lies within the Bowen Basin in the Taroom Trough. The Bowen Basin covers an area estimated at 60,000 Km^2 and is categorised as a back arc extensional foreland basin of Permo–Triassic age.

Criteria	JORC Code explanation	Commentary
		• The stratigraphy of the project area includes: o Quaternary alluvial deposits distributed around the base of the elevated Blackdown tableland Plateau. These sediments are comprised of clay, silt and sand, alluvial fans, sheet wash, flood out sheets and alluvial floodplains. o Tertiary aged sediments cover the majority of EPC1186 to the north. These sediments are comprised of deeply weathered coarse sandstone Breccia with a gravel and coarse sand matrix. o Triassic aged Rewan group and Glenidal formation and Expedition sandstone in the elevated areas of the Blackdown Tableland Plateau and underlying the Quaternary and Tertiary sediments of EPC1186 and EPC1114. o Permian aged Rangal coal measures underlie the Triassic aged Rewan group. The Rangal Coal measures are the stratigraphic equivalent of the Bandanna Formation and the Baralaba Coal measures. o The Burngrove formation is beneath the Rangal coal measures and consists of mudstone, siltstone, sandstone, coal and Tuff. • Coal seams occur within the Rangal Coal Measures which are Permian in age and dips gently at approximately 3 – 5 degrees to the east. The coal seams found within the Rangal Coal Measures are as follows: o Aries Seam o Castor Seam o Pollux Seam o Orion Seam o Pisces Seam o At Belview the Gemini seam is found in the south and west of the Project area. The Gemini Seam is found when the

Criteria	JORC Code explanation	Commentary
		Castor and Pollux Seams converge to form one seam.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting and Northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *Hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• A detailed list of the drill holes used to define the resource in the Belview Project can be found in Appendix B. • All drill holes have been modelled from vertical, although hole deviation (from vertical) has been recorded for all boreholes. • A review and analysis of the deviation data will be considered in the next model update
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All seams where multiple coal quality samples were taken were given a composite coal quality value. This composite value was generated within the Ventyx Minescape software and was weighted on thickness and insitu RD. Insitu RD was only weighted against thickness.
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The inclusion of boreholes from neighbouring areas has given the model a reasonable amount of lateral continuity in all directions. • Point of observation spacing has been extrapolated in a maximum of a 2000 m radius from the drill hole.

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Resource shape to the south demonstrates a north south continuity but not further drilling is required to establish continuity to the east. • Drill holes have been drilled vertically with minor deviations being recorded. The Permian sequence is relatively flat lying and dips gently to the east at an angle of 3 – 5 degrees. • Seam thicknesses have been corrected to geophysics to ensure accuracy
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All appropriate diagrams are contained within the main body of the report – Belview Coal Resource estimate 2013.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All available exploration data for the Belview Project area has been collated and reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No further exploration data was gathered and or utilised in the resource estimation.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• No decision on future work has been made as the Belview Project data is currently being evaluated.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data is validated by Stanmore personnel and stored in internal databases • Coal Quality data is validated by Chris McMahon of MCQR • Data is also validated by Xenith and internally by visual checks undertaken in the Minescape Software
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• No site visits have been undertaken due to the limited drilling program that has been completed in 2013. • Troy Turner is familiar with the Blackwater area and stratigraphy. Review of the previous exploration data indicates that the Belview Project is typical of the area.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Three faults were included in the schema for this modelling process FU300ext, F1s and F2s. Only the FU300ext continues into the Tenement areas • No further structure has been identified within the EPC lease areas of the Belview Project as drill hole spacing is not sufficient to delineate structure in detail. • Seismic Surveying has identified other discontinuities interpreted as faulting but these are outside of the lease areas. E.g. Jellinbah fault • The mineral Resource Estimation was guided and controlled by the drill hole information attained through the various exploration programs.

Criteria	JORC Code explanation	Commentary
		• It is recommended that further drilling is undertaken to assist with the accurate determination of fault delineation and structural continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Grid Spec; Belnth_50 • Grid Spacing; 50 m • Grid Origin; 684553.207 east, 7373405.692 north • Number of Row and Columns in Grid; 448 Rows and 566 Columns • Grid Dimensions; 22,350 m north south, 28,250 m east west

Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
	• *The assumptions made regarding recovery of by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	• *Any assumptions behind modelling of selective mining units.*
	• *Any assumptions about correlation between variables.*
	• *Description of how the geological interpretation was used to control the resource estimates.*
		• Estimations were undertaken on a first order inverse distance basis
		• An extrapolation distance of 2000m from POBS was utilised for this estimate
		  • Schema; Bel120713
		  • Thickness Interpolator; Finite element method (FEM)
		  • Trend Interpolator; FEM
		  • Surface Interpolator; FEM (First Order)
		  • Minimum Interval thickness; 0.1 m
		  • Seams Modelled; Aries, Castor, Pollux, Pisces Upper and Pisces Lower
		  • Seam Relationship; Conformable
		  • Seam Continuity; Pinch
		  • Compound Seams Modelled; Gemini (Castor and Pollux), Pisces (Pisces Upper and Lower)
		  • Compound Seam Continuity; Pinch
		  • Compound Seam minimum separation distance for coalescing; 0.5 m
		  • Additional Survey; GM_SPLITEXT (interpreted split line limits where Castor and Pollux coalesce to form the

Criteria	JORC Code explanation	Commentary
	• *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Gemini Seam • Faults Modelled; FU300EXT, F1S, F2S • Grid Spec Belnth_50 • No previous estimation of resources exists for the EPC 1186 portion of the Belview Project area • This Resource Estimate referred to the discrepancies that exist with a previous resource estimate undertaken by SRK in 2011 for the Gemini seam in EPC1114
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a insitu moisture basis • The moisture content was derived from the following formula. ISM = 0.348 + 1.1431 x MHC using the available moisture holding capacity values from the most recent Stanmore drilling.(ACARP report C10041)
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Maximum Raw Ash Percentage – A maximum raw ash percentage of 50%, air dried basis, has been applied to the resource estimate. • This is a moot point as no value in the limited data attained this cut off.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• It is Xenith's opinion that at this stage of the project that there are no limiting mining factors. • It is recognised that the seams in this resource, in the east reach the maximum operating depth of current underground mines in Australia and therefore a maximum depth of resource of 800m from topography has been applied. • Further to this, a minimum thickness of 1.5m was used across the resource to account for the potential underground mining method. This is seen to be reasonable assumptions in line with current operations.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• It is Xenith's opinion that at this stage of the project that there are no limiting metallurgical factors. Nearby mines produce both thermal and coking coal products from the same seams.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• It is Xenith's opinion that at this stage of the project that there are no limiting environmental factors.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the*	• Preston Sanders Insitu Relative Density Estimation – The insitu density of the coal seams has been estimated using the Preston Sanders insitu relative density estimation equation. • Sample were assigned an Insitu moisture value of 3.7% • Bed moisture values were derived from the equation ISM = 0.348 + 1.1431 x MHC using the available moisture holding capacity values from the most recent Stanmore drilling.(ACARP report C10041)

Criteria	JORC Code explanation	Commentary
	evaluation process of the different materials.	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• An inferred resource has been identified in the Belview Project area dependant on the level of confidence in the seam structure and continuity in addition to the level of variability in the coal quality data. • The accepted spacing between POB's of 4,000m was utilised for this estimation
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No results for any 3rd party audits or reviews have been completed.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Xenith have assigned and inferred level of confidence to the Coal Resource Estimate depending on the seam and drill hole spacing, as described in the section 'Resource Estimation' of this report. • No geostatistical modelling has been completed. • Factors that could affect accuracy include unknown structures between completed boreholes, seam washouts in roof or inseam stone bands developing. No evidence exists as this point in time for these apart from three faults currently in the geological model

Appendix B. DRILL HOLE DATA

Company	Year	Borehole ID	Easting	Northing	Elevation	Total depth	Hole Type	Hole size (mm)	Core Diameter	Geophysical logs	Dip	Azimuth	POB (seams)
Waratah Coal	2011	BW01	698996	7389981	200.0	512.0	Chip	120	-	DGCS	-	-	-
Waratah Coal	2011	BW05	700172	7388963	200.0	701.0	Chip	-	-	-	-	-	-
Waratah Coal	2011	BW06	702152	7390046	195.0	765.0	Core	122.6	-	DGCV	34.34	209.36	PL Only
BOW energy	2009	BOW_BW_5	698426	7390661	206.8	626.4	Partial Core	96.1	HQ (63.5 mm)	DGCVS	17.23	90	AR,CA,PIU
BOW energy	2009	BOW_BW_6	695886.1	7385337.5	173.1	600.3	Partial Core	97.1	HQ (63.5 mm)	DGCVS	8.41	58	-
BOW energy	2010	BOW_BW8	701552	7384903	231	998.0				Nil	-	-	-
BOW energy	2010	BOW_BW_7	701715.2	7398404	186.8	746.3	Partial Core	97.1	HQ (63.5 mm)	DGCVS	-	-	-
Stanmore Coal	2011	SCB001C	699251.4	7384866	199.7	667.0	Partial Core	96.1	HQ (63.5 mm)	DGC	-	-	AR,GM
Stanmore Coal	2011	SCB002C	699376.6	7382728	234.8	865.4	Partial Core	96.1	HQ (63.5 mm)	DGC	-	-	GM,PIU,PIL
Stanmore Coal	2011	SCB003C	698570	7379565.5	231.7	910.4	Partial Core	96.1	HQ (63.5 mm)	DGC	-	-	GM only
Stanmore Coal	2011	SCB004C	698406.7	7377540	221.2	877.6	Partial Core	96.1	HQ (63.5 mm)	DGC	-	-	GM only
Stanmore Coal	2011	SCB005P	698399.7	7374327	215.1	672.8	Partial Core	122.6	PQ (83.1 mm)	DGC	-	-	-
Stanmore Coal	2011	SCB005C	698393.3	7374331	214.9	702.7	Partial Core	96.1	HQ (63.5 mm)	DGC	-	-	-
Hematite Petroleum Pty Ltd	1980	GEMINI1	693771.8	7375313	220.8	609.6	test production	216					-
Hematite Petroleum Pty Ltd	1980	GEMINI4	694139.5	7375277.5	222.4	477.0	test production	216					-
Hematite Petroleum Pty Ltd	1980	GEMINI3	694343.9	7375736.5	222.9	492.0	test production	216					-

Company	Year	Borehole ID	Easting	Northing	Elevation	Total depth	Hole Type	Hole size (mm)	Core Diameter	Geophysical logs	Dip	Azimuth	POB (seams)
DME	1969	BLACKWATER120	689951.4	7382132.5	193.9	412.9	-	-	-	-	-	-	-
DME	1969	BLACKWATER121	692327.2	7381763	183.0	457.2	-	-	-	-	-	-	-
DME	1969	BLACKWATER115	689587.9	7386876	179.5	400.0	-	-	-	-	-	-	-
DME	1969	BLACKWATER124	692197	7384780	183.0	392.2	-	-	-	-	-	-	-
DME	1969	BLACKWATER118	692788.6	7386649.5	180.0	309.9	-	-	-	-	-	-	-
DME	1969	BLACKWATER116	691454.3	7388667	191.0	382.7	-	-	-	-	-	-	-
DME	1984	HUMBOLDT2334	696153.2	7394420	189.0	406.4	Partial Core		HQ	DGCR	-	-	-
DME	1968	BLACKWATER113	695052.9	7392742	168.0	330.0	-	-	-	-	-	-	-
DME	1983	HUMBOLDT2332	694204.5	7395061	166.0	326.4	Fully cored		HQ	DGCR	-	-	-
DME	1983	HUMBOLDT2333	695466.4	7396090.5	184.2	363.4	Partial Core		HQ	DGCR	-	-	-
DME	1983	HUMBOLDT2326	693742.7	7396606	167.5	292.6	Core		HQ	DGCR	-	-	-
DME	1983	HUMBOLDT2331	698373.3	7397067	169.8	423.3	Partial Core		HQ	DGCR	-	-	-
DME	1983	HUMBOLDT2330	696593.3	7397614	175.0	260.9	Partial Core		HQ	DGCR	-	-	-
DME	1983	HUMBOLDT2328	696012	7399198	160.0	258.8	Core		HQ	DGCR	-	-	-
Stanmore Coal	2013	CQBN0001	698867.3	7390118.5	209.7	515.6	Partial Core	122.6	PQ (83.1 mm)	DGCNRIA	19.17	11.99	PL Only
Stanmore Coal	2013	CQBN0002	700107.3	7386491	204.3	685.0	Partial Core	122.6	PQ (83.1 mm)	DGCNRIA	10.41	75.51	AR,CA,PL

Company	Year	Borehole ID	Easting	Northing	Elevation	Total depth	Hole Type	Hole size (mm)	Core Diameter	Geophysical logs	Dip	Azimuth	POB (seams)
Stanmore Coal	2013	CQBN0003	700432.1	7392910.5	190.3	565.0	Partial Core	122.6	PQ (83.1 mm)	DGCNRIA	4.94	315.22	CA,PL
Stanmore Coal	2013	CQBN0004	702461.2	7389119.1	220.7	847.0	Partial Core	122.6	PQ (83.1 mm)	DGCNRIA			
Stanmore Coal	2013	CBQN0006	699194.4	7392896.4	195.1	452.0	Partial Core	122.6	PQ (83.1 mm)	DGCNRIA			CA, PIU

Appendix C. POINTS OF OBSERVATION SUMMARY TABLE

		Suitability for Point of Observation By Seam						
Series	Hole Name	Aries	Castor	Pollux	Gemini	Pisces Upper	Pisces Lower	Comment
Waratah	BW01				na			Chip hole unsuitable as Point of observation
	BW05				na			Chip hole unsuitable as Point of observation
	BW06	too thin? Good but remote?	Good High RD High Ash plies close enough full Castor	Good	na	no geophysics	no geophysics	
Bow Energy	BOW_BW_5	Good but remote	Good	too thin due to KL	na	Good	Good	
	BOW_BW8	good but remote			na	too thin		no geophysics no photos
Stanmore 2011	SCB001C	Good but remote	Gemini	Gemini	Faulted Repeat	no qual	no qual	
	SCB002C	too thin	Gemini	Gemini	Good	Good but remote	too thin	
	SCB003C	Good but remote	Gemini	Gemini	Good	no qual	no qual	
	SCB004C	Good but remote	Gemini	Gemini	Good	no qual	too thin	
	SCB005C	Unable to use not correlatable with twin						Hole repeat not correlatable
	SCB005P	Unable to use not correlatable with twin						Hole repeat not correlatable
Stanmore 2013	CQBN0001	Faulted Out	Faulted Out	Good	na	Poor recovery no analysis	Poor recovery no analysis	
	CQBN0002	Heat Effected	too thin	Good	na	too thin 0.8m KL	too thin KL	
	CQBN0003	too thin	KL see CQBN0005	Good	na	KL too thin	too thin	
	CQBN0004	too thin	no qual at time	too thin due to KL	na	KL too thin	too thin	No quality in time for model run only Castor sampled
	CQBN0005	too thin	redrill of Castor CQBN0003	na	na	na	na	
	CQBN0006	too thin	Good	KL see CQBN0007	na	Good	too thin	Pisces Upper only at this model run
	CQBN0007	too thin	redrill of Castor CQBN0006	redrill of Pollux CQBN0006	na	na	na	No quality in time for model run