ASX ANNOUNCEMENT

16 June 2020

AUSTCHINA COAL RESOURCE STATEMENT
UPGRADE TO 31 MAY 2020
BLACKALL COAL PROJECT

HIGHLIGHTS:

- AUSTCHINA HOLDINGS LIMITED has upgraded the Resource Statement for its Blackall Coal Project to 31 May 2020.
- Drilling in 2019 confirmed the shallow and relatively flat-lying nature of the Inverness Deposit and provided the appropriate level of geological certainty to include **30 million tonnes of Indicated coal resource**.
- Over 800Mt of the overall 1.3 billion tonnes coal resource are estimated to be at less than 50 metres depth.

AUSTCHINA HOLDINGS LIMITED (ASX: AUH, the Company or AustChina) is pleased to announce that it has upgraded the Resource Statement for its Blackall Coal Project to 31 May 2020. The resources include Indicated Resources of 30 million tonnes in EPC1993.

The company's maiden coal resource statement was announced on 20 June 2012 (ASX: "Maiden Resource Statement Confirms 1.3 Billion Tonnes JORC Resource at Blackall Coal Project"). A total Inferred Resource of 1.3Bt of thermal coal for the Inverness Deposit was confirmed, located immediately south of Blackall in Queensland.

AustChina holds Exploration Permits for Coal (EPCs) 1993 and 1719 in south-western Queensland, 145 kilometres south-west of Alpha and 680km west-northwest of Brisbane.

In December 2019, a cored drilling programme targeted to increase the stratigraphic, structural and coal quality knowledge of a section of the overall resource area was successfully completed in EPC 1993, with sample analysis continuing into 2020. Drill hole spacings were reduced allowing a section of the deposit to be elevated to Indicated Resource status under the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code).

McElroy Bryan Geological Services Pty Limited (MBGS) was commissioned by AustChina to provide an objective assessment of coal resources for its Blackall Coal Project compliant with the JORC Code.

The Inverness Deposit is situated within a broad synclinal structure trending north-northwest throughout the 25-kilometre length of the deposit. The coal seams are relatively flat-lying and the upper seams sub-crop locally, controlled by the gentle structure.

Chief Operating Officer Bruce Patrick said "The new data presented no surprises and confirmed the shallow and relatively flat-lying nature of the Inverness Deposit. By introducing new drill holes between the previously drilled holes the necessary level of geological certainty was provided to upgrade a portion of the resource to Indicated status".

Figure 1 below shows the drill hole locations for the Blackall Coal Project.

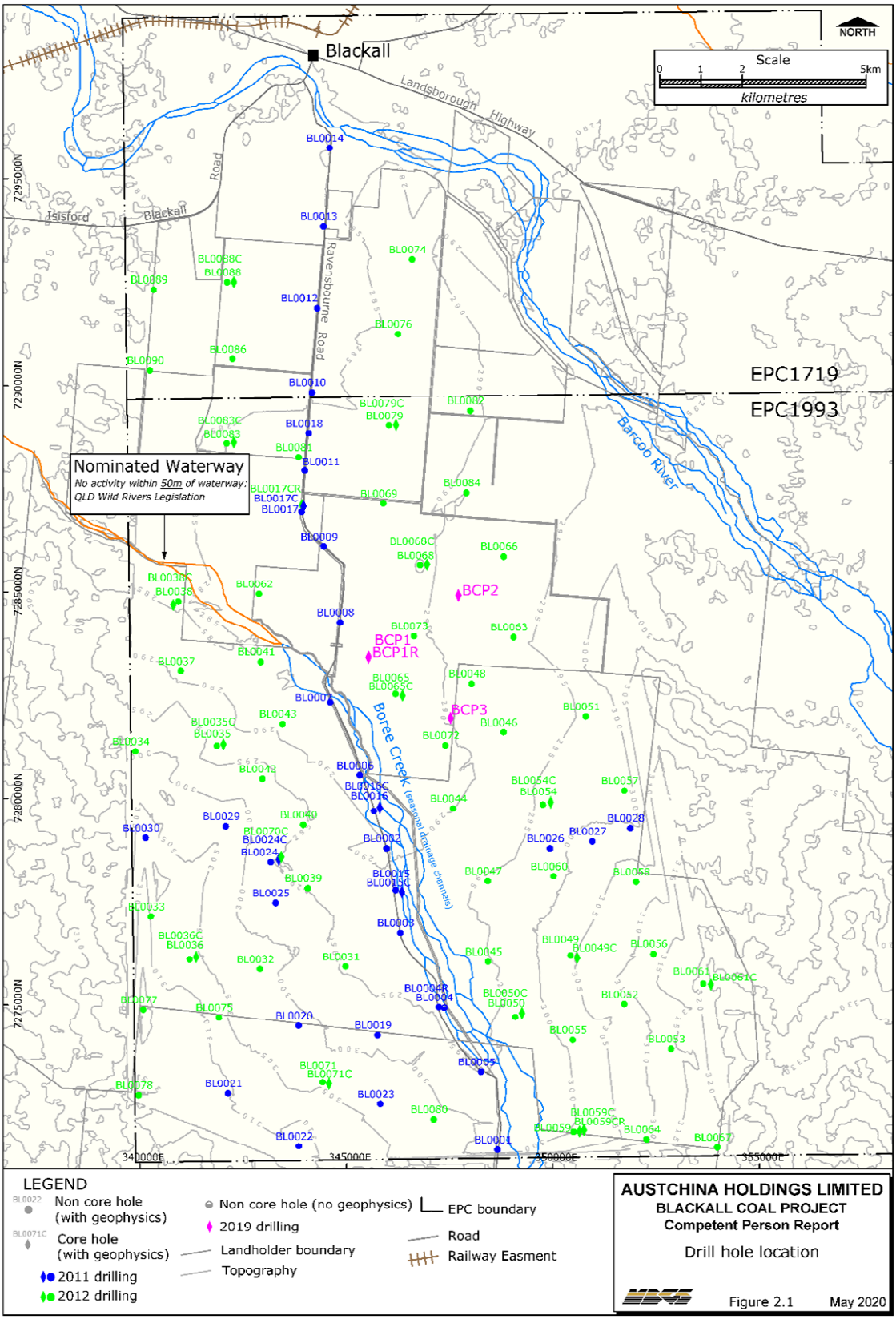

Figure 1: Drill Hole Locations

Over 800Mt of the resources were estimated at less than 50 metres depth.

Tables 1 and 2 provide the updated Summary Coal Resources by Seam, Category and Depth for EPCs 1719 and 1993, respectively.

TABLE1:

Seam Name	Block Area (km^2)	Coal Area (km^2)	Coal Thickness (m)	In Situ Density (g/cc) (1)	Raw Ash (%) (2)	Specific Energy (kcal/kg) (a.d.) (3)	Specific Energy (kcal/kg) (2)	Total Sulphur (%) (2)	Inferred Resources (Mt)			
									Subcrop-50m	50-100m	100-150m	Total
F	7.70	6.37	1.2	1.56	35	3090	2640	0.53	10	1	-	11
E	12.23	5.50	2.1	1.42	18	4480	3940	0.37	15	16	-	31
D	15.33	7.70	2.2	1.39	14	4800	4250	0.48	16	27	-	43
C	12.73	5.75	0.6	1.39	15	4880	4180	0.42	1	5	-	6
B	22.48	8.04	0.7	1.43	20	4500	3810	1.21	4	11	2	17
						Inferred subtotal for EPC1719			46	60	2	**108**
							Inferred Total for EPC1719					**108**
							Inferred Total for EPC1719 (Rounded)					**100**

Notes: 1 In Situ Density generated from Ash regression at 25% moisture basis
2 Raw coal quality parameters reported at In Situ Moisture basis (25%)
3.Specific Energy reported at air dried basis
4. Default In Situ Density generated from available laboratory data
5. Default Raw Ash generated from default In Situ Density and ash/density regression

TABLE 2:

Seam Name	Block Area (km^2)	Coal Area (km^2)	Coal Thickness (m)	In Situ Density (g/ cc) (1)	Raw Ash (%) (2)	Specific Energy (kcal/kg) (a.d.) (3)	Specific Energy (kcal/kg) (2)	Total Sulphur (%) (2)	Indicated Resources (Mt)			
									Subcrop-50m	50-100m	100-150m	Total
F	1.91	1.89	1.4	1.52	31	3343	2971	0.67	5.1	-	-	5.1
E	2.83	2.13	0.7	1.44	22	4062	3666	0.34	17.9	2.9	-	20.8
D	2.29	1.27	0.5	1.39	15	4566	4150	0.34	3.4	2.2	-	5.6
C	0.47	0.43	0.3	1.35	10	4994	4551	0.39	0.02	0.4	-	0.4
						Indicated Subtotal for EPC1993			26.4	5.5	-	31.9
							Indicated Total for EPC1993					**32**
							Indicated Total for EPC1993 (Rounded)					**30**
F	21.20	18.09	0.6	1.48	26	3837	3352	0.57	47	1	-	48
E	43.20	30.60	0.4	1.41	18	4416	3964	0.36	244	25	-	269
D	149.46	70.95	0.4	1.42	19	4334	3898	0.61	300	105	-	405
C	159.49	58.71	0.4	1.41	18	4415	3964	0.41	125	98	<1	224
B	173.57	75.11	1.1	1.43	20	4280	3810	1.31	36	114	9	159
A	56.07	17.67	1.0	1.38 (4)	14 (5)	4790	4290	-	10	17	30	57
						Inferred Subtotal for EPC1993			761.86	361.2	39	**1162**
							Inferred Total for EPC1993					**1162**
							Inferred Total for EPC1993 (Rounded)					**1200**

Notes: 1. In Situ Density generated from Ash regression at 25% moisture basis
2. Raw coal quality parameters reported at In Situ Moisture basis (25%)
3. Specific Energy reported at air dried basis
4. Default In Situ Density generated from available laboratory data
5. Default Raw Ash generated from default In Situ Density and Ash/Density Regression

Figures 2 to 7 show the Coal Resources for Seams A to F

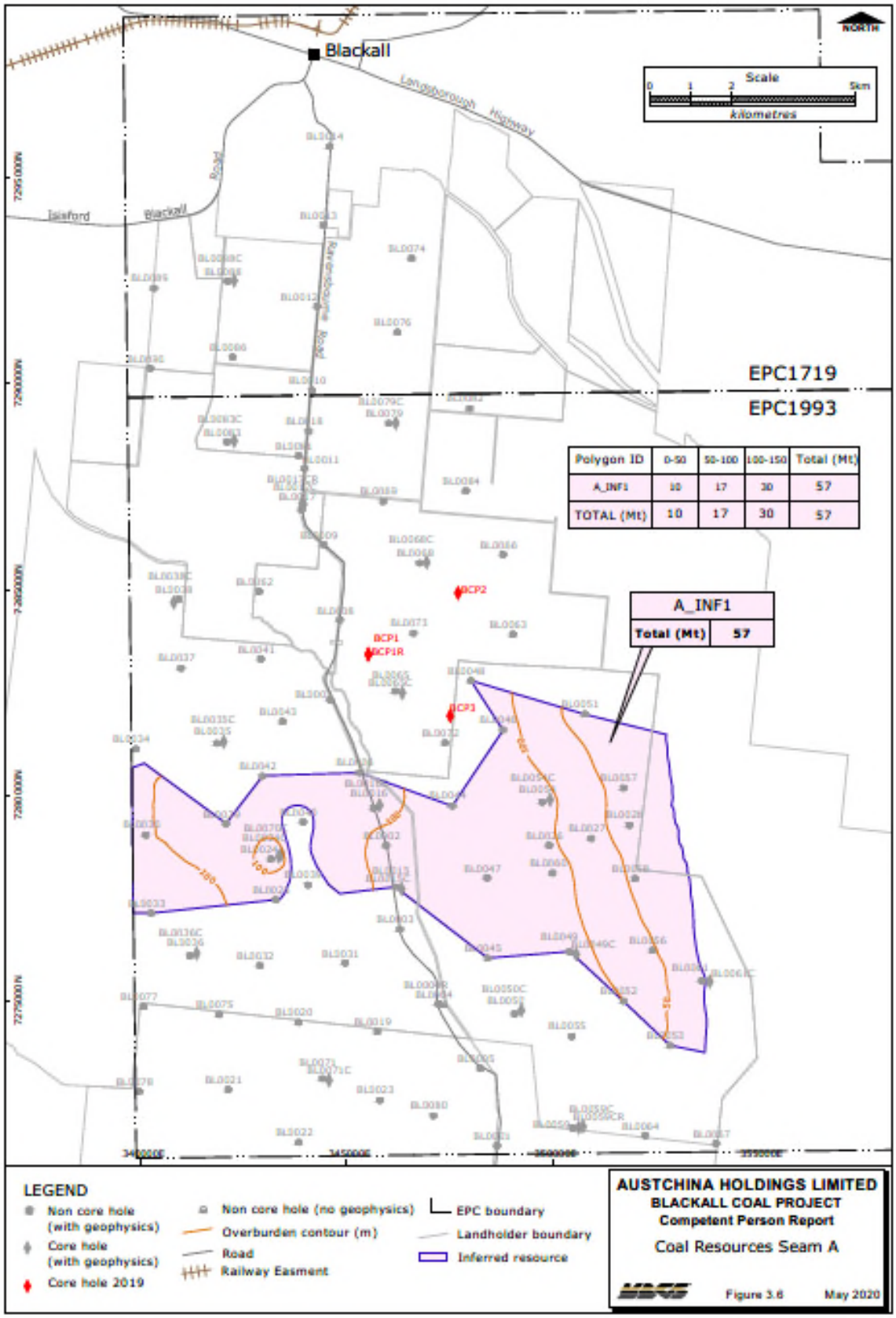

Figure 2 – Coal Resources Seam A

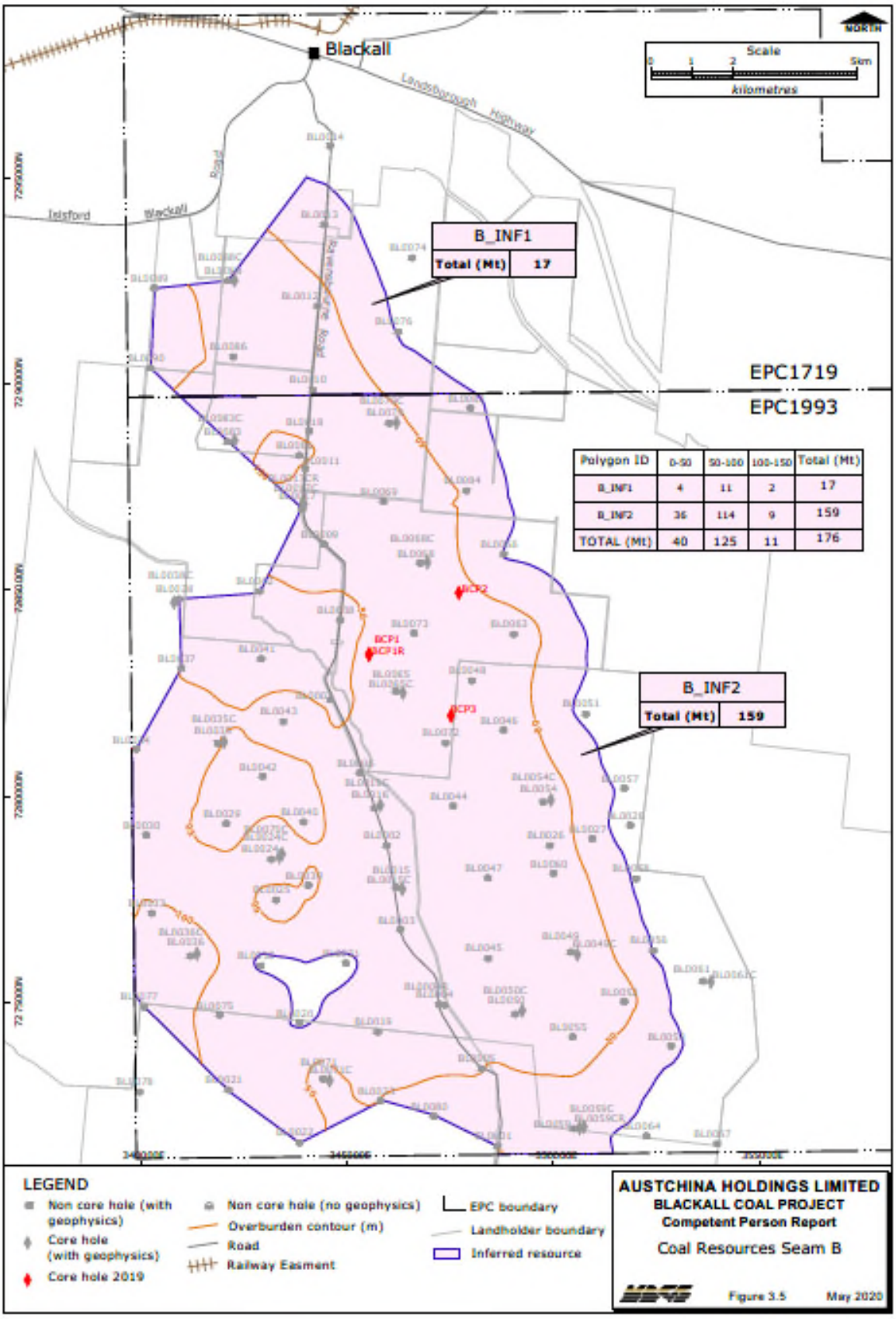

Figure 3 – Coal Resources Seam B

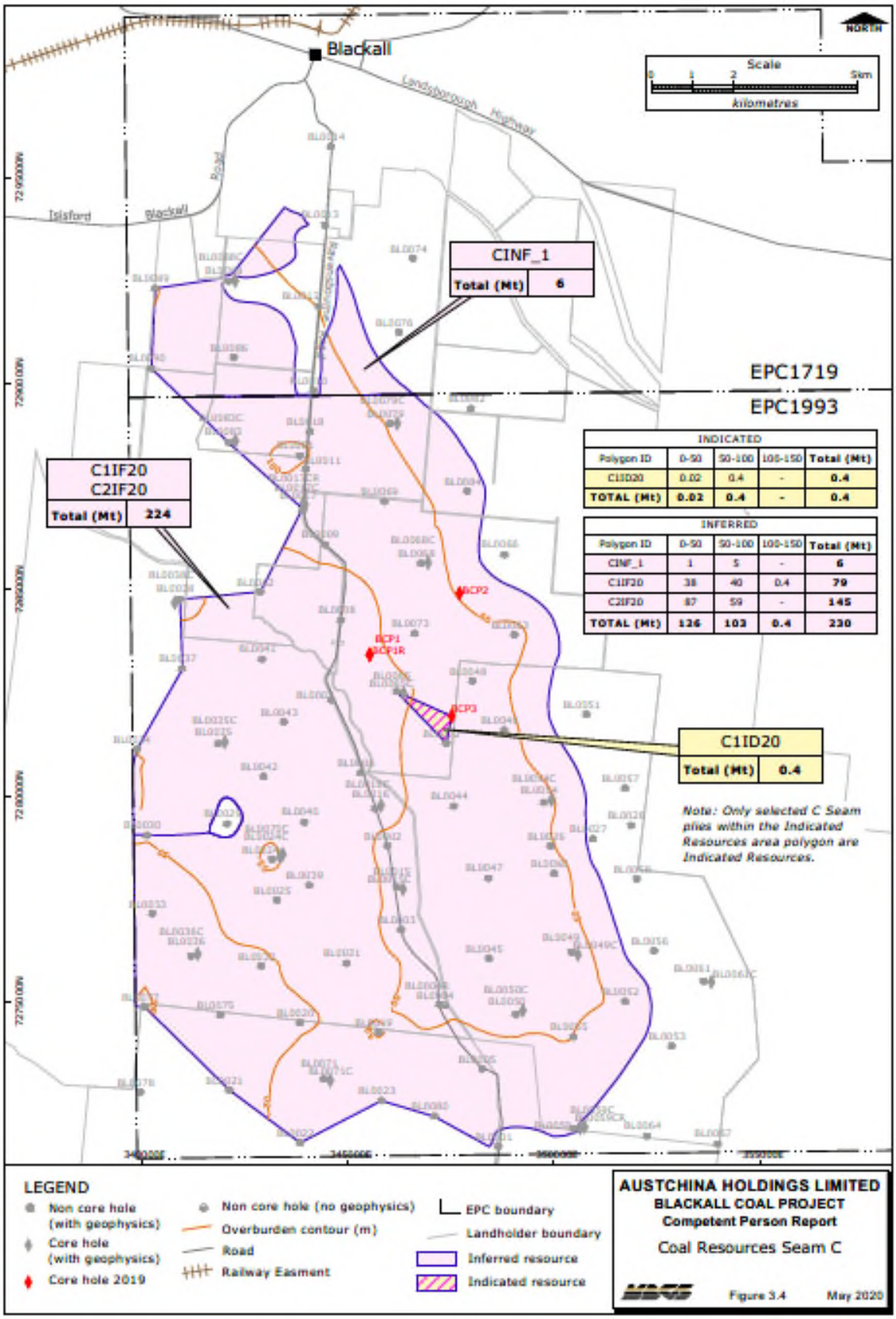

Figure 4 – Coal Resources Seam C

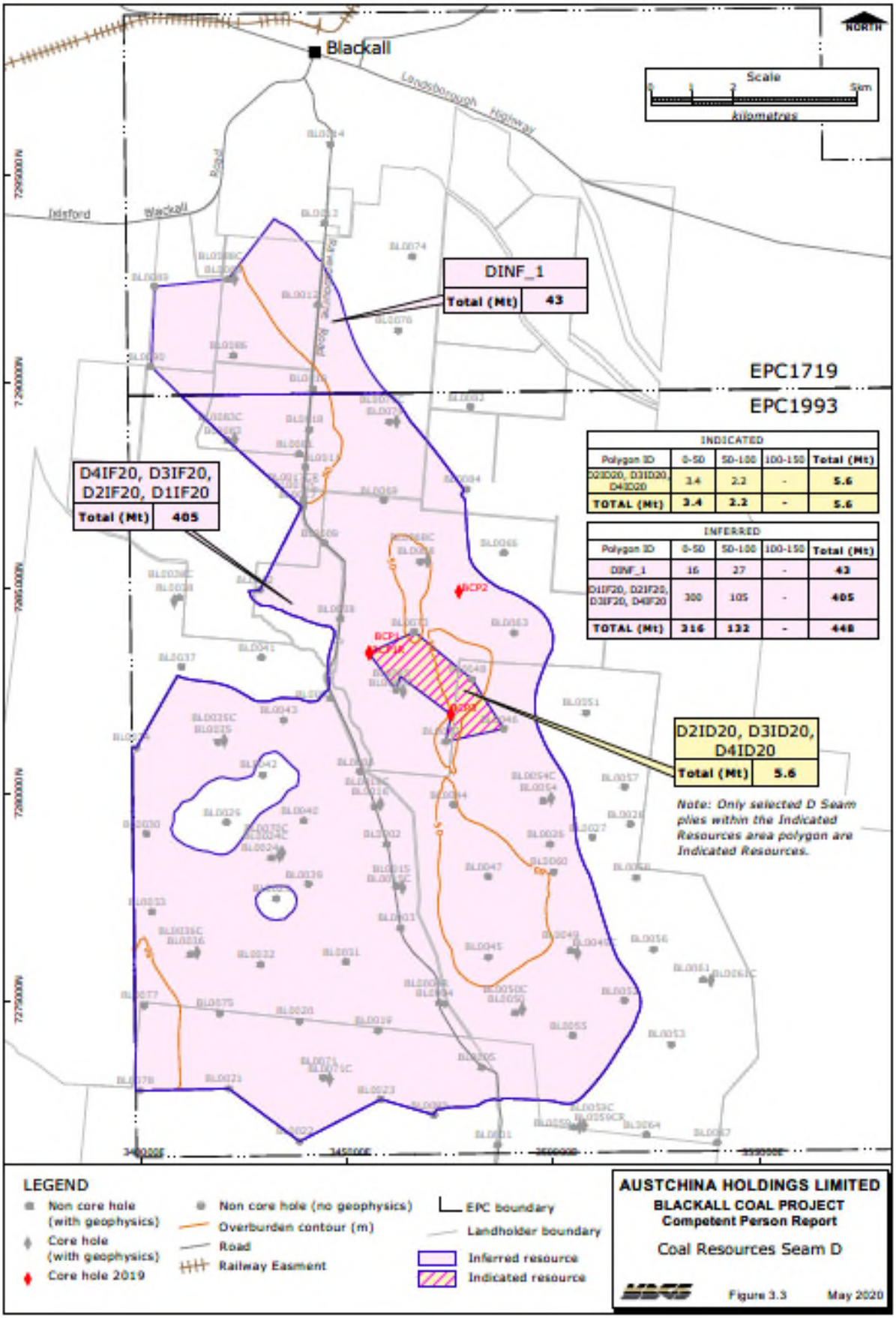

Figure 5 – Coal resources Seam D

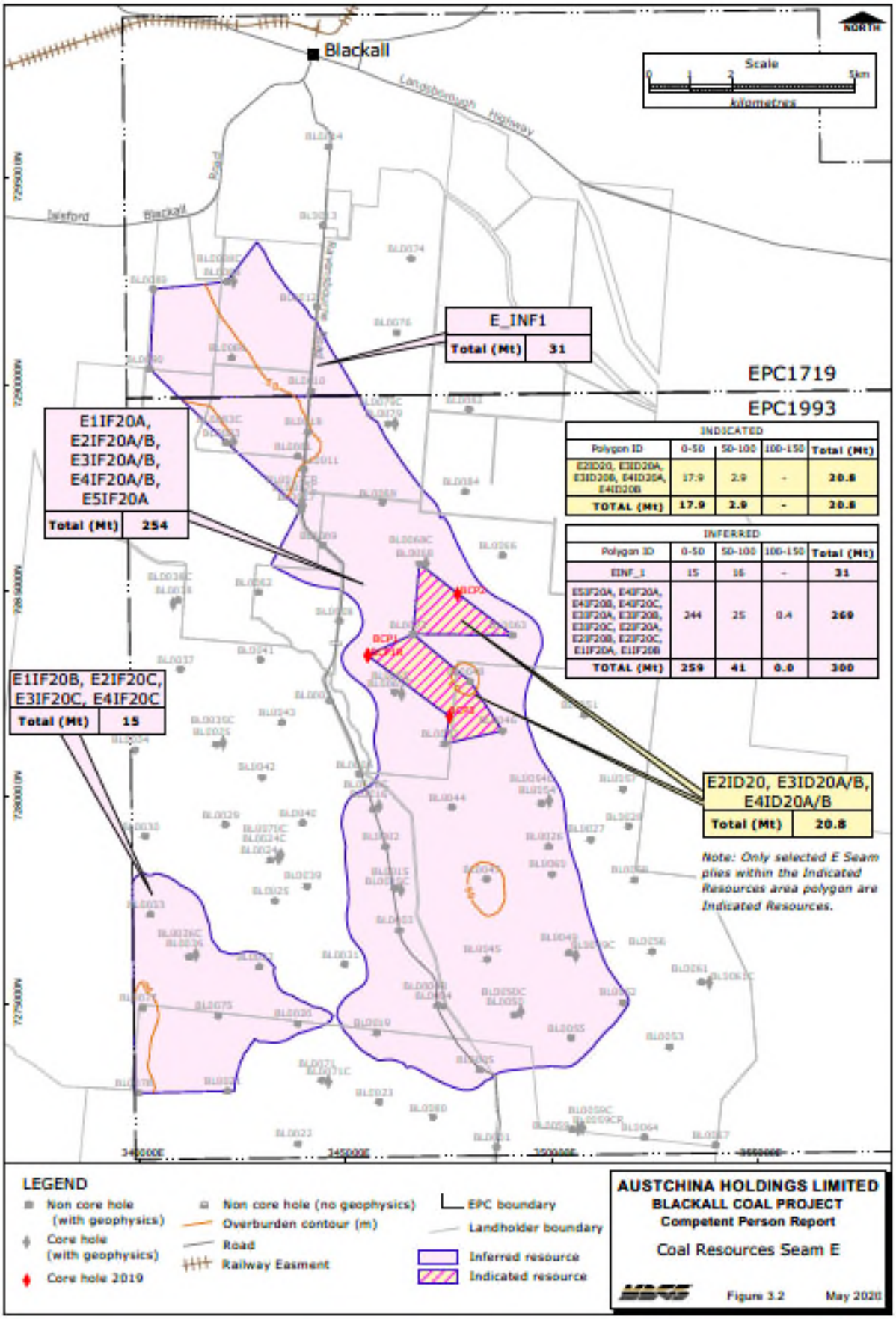

Figure 6 – Coal Resources Seam E

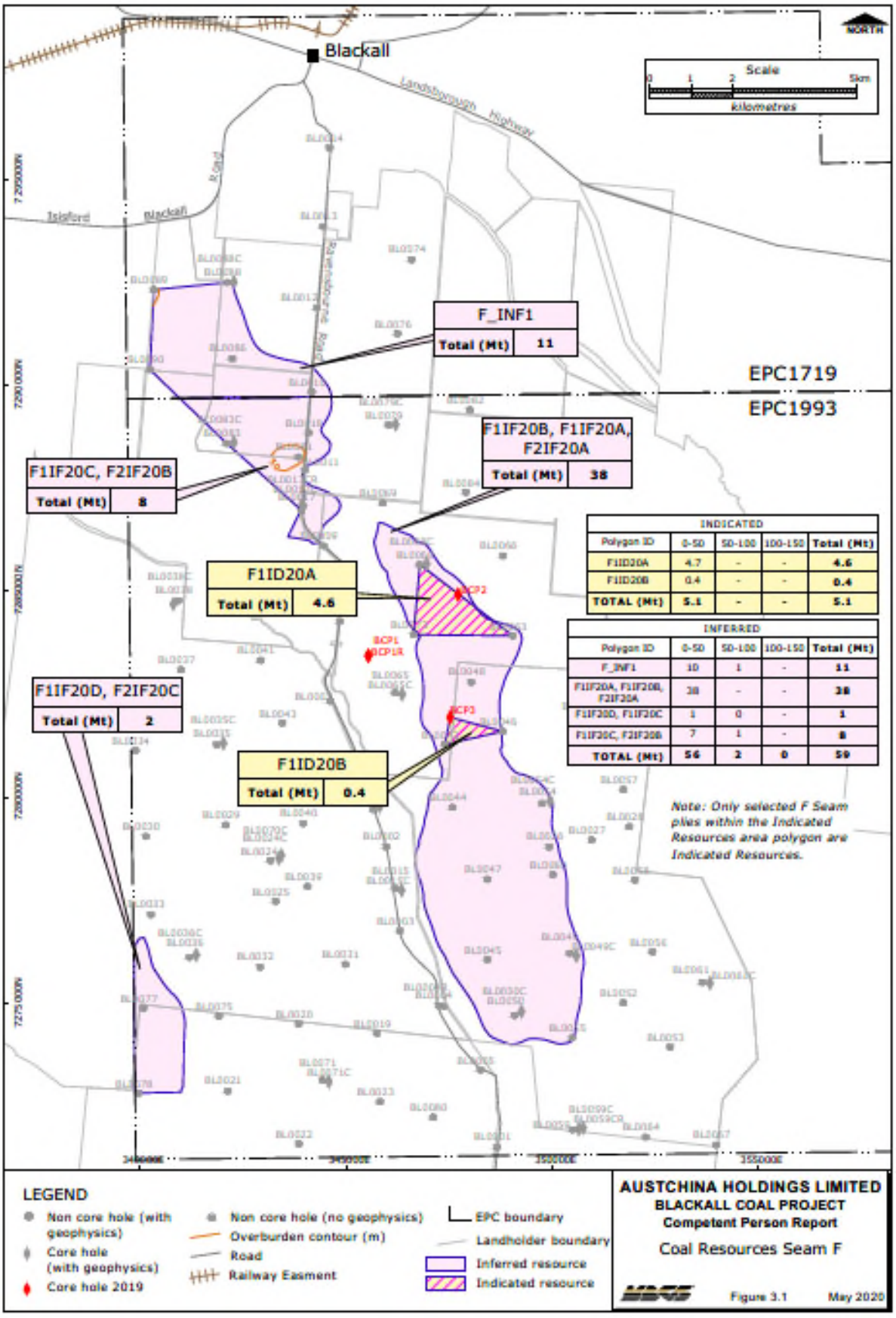

Figure 7 – Coal Resources Seam F

Further information from the Competent Person's Report – JORC Code, 2012 Edition Table 1 is provided in Attachment 1. This table includes information on:

- Sampling Techniques and Data
- Reporting of Exploration Results, and
- Estimation and reporting of Coal Resources

Competent Person's Statement

Rowan Johnson *confirms that he is the Competent Person for the Competent Person Report from which the information to be publicly released has been obtained and also confirms that:*

- *He has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition), the 2014 Edition of the Australian Guidelines for the Estimation and Classification of Coal Resources and the relevant sections of Chapter 5 and Guidance Note 31 from the ASX Listing Rules.*
- *He is a Competent Person as defined by the JORC Code 2012 Edition, having 35 years of experience that is relevant to the coal types, quality and potential mining method(s) of the deposit(s) described in the Report. In addition, he has 25 years of experience in the estimation, assessment and evaluation of Coal Resources, the activity for which he is accepting responsibility.*
- *He is a Member of The Australasian Institute of Mining and Metallurgy.*
- *He has reviewed the Report or Excerpt from the Report to which this Consent Statement applies.*

He is a consultant working for ***McElroy Bryan Geological Services*** *and has been engaged by AustChina Holdings Limited to prepare the documentation for the* ***Blackall Coal Project – Inverness Deposit*** *on which the Report is based.*

In addition:

- *He has disclosed to AustChina Holdings Limited the full nature of the relationship between himself and the company, including any issues that could be perceived by investors as a conflict of interest.*
- *He verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Coal Resources.*

He consents to the release of the Report and this Consent Statement by the directors of ***AustChina Holdings Limited****.*

Following the completion of the recent drilling programme and the subsequent update of the Competent Person Report on the Coal Resources of its Blackall Project, AustChina is pleased with the advancement through the inclusion for the first time of Indicated category resources. Indicated resources are a pre-requisite for any future application for higher tenure such as a Mineral Development License.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

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Attachment 1 JORC Code, 2012 Edition Table 1

SECTION 1. SAMPLING TECHNIQUES AND DATA		
CRITERIA	**EXPLANATION**	**COMMENTS**
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 1m 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.*	Industry standard drill holes of variable diameter have been drilled to recover non-core cuttings and standard whole cores of coal. In 2011 the diameter of the drill holes varied but most drill holes were nominally 100 mm with HQTT core holes. In 2012 non-core holes were drilled using 120mm diameter blade bits. Core holes used wireline systems and recovered HQTT core (61 mm diameter). Non-core holes in areas with gravel were drilled using 99 mm PCD bits. Coal core was sampled on a ply basis by both Salva in 2011 and MBGS in 2012. In 2019, holes were pre-collared with 143 mm blade bit, cased with 100 mm PVC and then cored to the base of the hole using HQTT (61 mm diameter) wireline methods. Roof and floor dilution samples were also extracted in most cases generally within 0.15 m-0.25 m of the seam. Core holes were re-drilled if a minimum core recovery of 95% for each seam was not achieved. Sampling intervals are corrected to the geophysical logs. Characteristic signature density log responses were used as the basis for the detailed seam correlation. Borehole Wireline (BHW) undertook the geophysical logging in 2011/2012. The triple spaced density probe was run as part of the geophysical logging program. The tool was originally calibrated at the Adelaide Models, Glenside, South Australia. From there, local drill holes in Queensland were used to normalise and verify the primary original calibration. Ongoing probe functionality is performed using aluminium jigs at BHW's Moranbah base and repeat logging of specified calibration drill holes on site. In 2019, Weatherford acquired the geophysical logs using a dual density tool. Weatherford calibrate all their tools in Emerald, prior to mobilising to site and undergo regular calibration testing to ensure tools are recording consistently. Of the 34 geophysically logged 2011 exploration holes; 22 have a triple spaced density, natural gamma, caliper, resistivity, deviation and sonic log while the remaining 12 only have a density, gamma and caliper log. From 2012 all exploration drill holes used in the resource estimation have at a minimum a density, gamma, caliper, resistivity, deviation, and a sonic log. All non-core pilot holes only have density, gamma and caliper logs. The suite of logs acquired by Weatherford in 2019; includes the dual density, natural gamma, caliper and a verticality log.
DRILLING TECHNIQUES	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc.) and details (e.g. 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).*	Both non-core and core holes have been drilled in the exploration area using standard open hole and core hole drilling methods. The two (2) historical petroleum holes were drilled using mud with standard petroleum hole diameters. The recent exploration drillholes 2011/2012 and 2019 drill holes, 90 open holes were drilled with either 4 ¾" (120 mm) blade bits or 99 mm polycrystalline diamond bits (PCD) using air and water injection and/or mud occasionally supplemented with bentonite and other additives where required. The 2011/12 core holes were pre collared with 99 mm PCD and cored with HQTT diamond core bits using mud circulation. A non-core pilot hole was drilled at the site of each core hole. The 2019 holes were pre-collared with 5 5/8" (143 mm) blade bit using air, cased and then cored to the base of the hole using HQTT (61 mm diameter) using mud circulation. Additives were used to counteract circulation losses, which are particularly frequent in the surficial Quaternary sands and gravels.
DRILL SAMPLE RECOVERY	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample*	All core and chip samples were geologically logged and depth intervals recorded. Salva, MBGS and AustChina consultants in 2019 used the geophysical density and gamma logs to correlate and correct the lithological log depths of the recovered chip and core intervals. The coal interval depths were corrected to the detail short spaced density log (1:20 scale). A review of core data was undertaken to determine if any of the seam quality data should be

	recovery and ensure representative nature of the samples. • *Whether a relationship exists between sample recovery and coal quality and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	excluded where general raw coal analyses did not cover at least 95% of the seam thickness. A redrill (BCP1R) of BCP1 was undertaken in 2019 where core recovery of the E seam was unsatisfactory. Core recoveries were all satisfactory (minimum 95% recovery). The Inverness deposit coal is low rank with only rare bright bands. The coal core is compact and relatively hard retaining its cylindrical shape and generally does not produce much fine bright banded material. Often the bright bands typically contain the low ash material with higher calorific value and are the best parts of the coal seam. If recovery of the bright material is poor and it is not sampled or poorly sampled, then coal test results may not be representative of the coal interval and some bias will be introduced. Brushes were used to sweep and recover all coal material, particularly finer bright coal, to ensure that no bias is created in the analytical testing due to poor sampling technique.
LOGGING	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Coal 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 (100%) drill cuttings (sampled at 1m intervals) and HQTT core from all holes supervised by both Salva, MBGS and AustChina were lithologically described and details were recorded on hand-written logging sheets. Driller's depths and seam information were corrected to geophysical logs and the amended information correlated, validated and compiled into a database for computer modelling. Lithological logs from both the 2011 Salva and 2012 MBGS drill holes have been entered into Task Manager (software used by CBQ). The holes in 2019 were recorded by AustChina and have not been entered into Task Manager. The 2019 lithological logs have been directly appended to the geological Minex database. The logging of core samples is qualitative and very detailed and includes a record of the recovery of the total length and the drilled core length, lithology identifier, numerous adjectives to describe the sample in terms of colour, grainsize, bedding and bedding spacing, bedding dip, mechanical state, weathering, bedding relationship, structure, dip of structures, mineral forms and their associations, primary bedding forms, sedimentary contacts, defects and spacing, all of which is entirely sufficient to describe the various lithologies and coal samples to support the coal resource estimation from a geological and coal quality consideration. Chip samples are less well described with only a lithology identifier, numerous adjectives describing the sample in terms of colour, grainsize, bedding, strength and weathering. All Salva, MBGS and AustChina cores were photographed. All MBGS drill cuttings were photographed. Most cuttings and core have been collected and stored.
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.*	Coal industry standard practice is to sample whole cylindrical core sections into correlatable and mappable plies. Whole core sections were sampled individually into bags and labelled. All coal core, roof, floor and parting samples were dispatched for analysis. No chip drill cuttings were sampled for coal analytical testing. All core is drilled with mud circulation to ensure good drilling conditions and to provide the best recovery and therefore all are wet when they are initially recovered. The sampling records do not state whether core was sampled wet or dry, although many cores would have been sampled later after obtaining the geophysical logs to validate the correlations and determine the ply sample intervals. Both Salva, MBGS and AustChina sampled core into coal and non-coal. A formal ply system was introduced in early 2012. No coal core duplicates are taken as analysis methods for coal analytical testing require the whole cylindrical seam section for analysis. Core subsampling is part of the treatment procedure at the laboratory, where a portion of the sample is reserved for the purpose of sample analysis checks and/or additional testing. Where there is ambiguity with an analysis then another whole core sample is recovered from the same site (a redrill). Core from the redrill is crushed to a specified size and divided into several samples for round-robin testing, which is conducted at several laboratories. No round robin or duplicate sample testing has been undertaken on the Inverness Deposit. The HQTT core size of 61mm diameter is commonly used to conduct standard analytical black coal testing suitable for raw coal, washability and clean coal composite analyses. This core diameter size is appropriate for the typical analysis conducted on coal deposit cores for assessment of general run of mine sizes.

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).*	Coal testing program designed and conducted by AustChina (previously CBQ) conforms to the typical testing procedures for hard black coal testing and evaluation. All testing is considered as total, as all samples are whole cylindrical cross sections of seam intersections. AustChina (CBQ) has designed a four stage test program, comprising: Stage 1 Raw Coal Testing, Stage 2 Raw Coal Composite Testing, Stage 3 Float/Sink Testing and Stage 4 Floats Composite Testing. All seams from A to F were tested and only stage 1 results were available for modelling. Stage 1. Coal plies combined as instructed and raw coal analysis after crushing to pass 11.2mm. Stage 1 raw coal analytical testing was extensive and included Proximate Analysis (Prox.), Total Moisture (TM), Free Moisture (FM), Moisture Holding Capacity (MHC), Total Sulphur (TS), Chlorine (Cl), Gross Calorific Value (GCV) and Relative Density (RD). Stage 2. Raw coal composites and nominated raw coal plies. The Stage 2 raw coal analytical testing will include Prox., TS, GCV, Hardgrove Grindability Index (HGI), Ultimate Analysis (UA), Ash Analysis (AA), Ash Fusion Testing (AFT) in both reducing and oxidising conditions, Trace Elements (TE) and Crucible Swell Number (CSN). In selected holes the Maceral Analysis (Maceral) and Vitrinite Reflectance ($R_v$max) will be undertaken as instructed. Stage 3. Proposed Float/sink analyses will be undertaken on the raw coal composites and/or working sections for float/sink and clean coal analysis. Float/sink studies will be undertaken at float densities from FL1.30 to 1.60 at 0.05 increments, and at FL1.70, 1.80 and 2.00. On floats mass %, ash % and IM % will be determined. Stage 4. Floats Composite testing will include Prox., TS, GCV, HGI, UA, AA, AFT (both reducing and oxidizing conditions), TE, CSN, Maceral and $R_v$max. In 2019, only the Stage 1 testing was conducted on the sampled coal and stone plies at the time of thye resources reporting. This is sufficient to conduct resource estimation. All laboratory procedures are in accordance with the testing established by the standards at the time of analysis. The standard laboratory procedures ensure that reserve samples are kept checking test result anomalies and undertaken additional testing as required. The nature of coal being essentially a heterogeneous mineral form, which has been deposited over large areas in stable consistent conditions ensures that if the samples are representative then sampling bias is unlikely to affect the result. All AustChina (CBQ) testing was undertaken by NATA approved laboratories. NATA approved laboratories undergo regular comparison checks of reliability and accuracy to retain the NATA certification.
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 verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	In early 2012, a ply nomenclature system was established and all current drill holes in EPC1993 and EPC1719 (BL0001-BL0030) were correlated accordingly. The ply nomenclature was revised on completion of BL0090. The plies in all holes were then recorrelated and renamed to the revised nomenclature system. The field geology was loaded into Task Manager and the field-based group of MBGS geologists checked, validated and edited seam correlations prior to loading into geological modelling software Minex. Further checks were conducted on the seam intersections by office-based MBGS geologists during construction and validation of the geological Minex model. All core holes were twinned with pilot open holes to determine the coring and sampling intervals. Graphic sections combining the geophysical logs and lithological section were used to check the veracity of sampling intervals relative to seam correlations. The CBQ pilot holes were used to control seam sampling. The 2019 AustChina drill holes (BCP1/R, BCP2 and BCP3) were correlated using the revised nomenclature to be consistent with the 2012 geological model. No checks or audits have been conducted on the geological or coal quality database by independent consulting geologists or coal technology specialists to check the veracity of the geological and analysed data respectively before modelling was undertaken by MBGS in 2012 and again in 2020.

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 Coal Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Hoffman Surveyors (HS) were contracted to survey the hole collars. HS also acquired topographic surface information using Differential Global Positioning System (DGPS) along tracks and access throughout the exploration area. Accuracy of the easting and northing survey data is +/-16 mm while the RL (elevation) is +/-29 mm. Survey control was established from two existing permanent marks (PM49697 Ravensbourne) and (PM62168 Pentwyn). Further permanent marks were established to the south of the area to obtain better geometry. In 2019, HS used PMs 49697, 33815 and 208165 to provide control for the survey of holes BCP1 to BCP3. Ten drill holes (2011/2012) were not surveyed by HS. They were surveyed using a hand-held GPS and their collar RL's were adjusted to match available topographic data to achieve a more realistic structural interpretation. The easting and northings were taken from handheld GPS unit. EPC1993 and EPC1719 are covered by a merged topographic surface derived from surface pickups and drill hole collar information with the adjacent topographic surface mapping outside the EPCs. A check of drill hole collar heights against topography indicated surveyed drill holes were within +/-1 m of the topographic surface. The ten holes not accurately surveyed were registered on the topographic surface and collar heights adjusted in the database. Accuracy of the current topographic surface is sufficient for the level of geological assessment and categories of resources estimated.
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 coal quality continuity appropriate for the Coal Resource and Coal Reserve estimation procedure(s) and classification applied.* • *Whether sample compositing has been applied.*	Non-core drill holes are nominally 2 km apart, although in some areas particularly along Ravensbourne Road, the drill hole spacing has been reduced to 1 km. Cored holes are generally spaced 2 km to 4 km apart throughout the area. The broad spacing nominally 2 km and distribution of non-core and core holes across the Inverness Deposit is only sufficient to provide a low level of confidence in the geology in terms of continuity, consistency and coal quality and therefore the coal has been categorised mostly as Inferred Resources in this area within the limits of the drilling. In 2019, a small area in the central part of the Inverness Deposit was infilled with 4 partially cored holes drilled at three sites, reducing lithology and coal quality spacing to 1 to 2 km increasing confidence in the continuity, consistency and coal quality to enable a Indicated Resources to be reported. Coal samples within an individual core hole have been sampled and composited to form seam "working sections" or potential mining seam sections. No compositing and testing of the coal from several holes have been undertaken. Each core hole is an individual coal analytical data point.
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 introduced a sampling bias, this should be assessed and reported if material.*	All structure and stratigraphic drilling and coring has been undertaken using vertical holes. This method of sample acquisition and evaluation is the standard practice in the coal industry and is suited to the relatively flat lying stratiform conformable nature of the Inverness Deposit. The core is therefore a representative cross section of each of the seams. This drilling method will not bias the sampling as all drilling and coring is almost perpendicular to the bedding creating a cylindrical cross section of coal intervals in the drill hole. No sampling bias will be generated by this exploration method.
SAMPLE/DATA SECURITY	• *The measures taken to ensure sample security*	All core and cuttings were geologically described and sampled by qualified project geologists. MBGS and AustChina used a sample identification system which provides some level of anonymity for the samples, where an isomorphic sample tag is included in the sample with the coal for reference. The reference tag is recorded by the sampling geologist and the tag numbers used to track the 'chain of custody' of the sample. The tag is also used to identify the analytical testing requirements of the individual sample.
AUDITS OR REVIEWS	• *The results of any audits or reviews of sampling techniques and data.*	No reviews of sampling have been conducted. No audits of the coal quality database have been undertaken by a third party.

SECTION 2. REPORTING OF EXPLORATION RESULTS		
CRITERIA	**JORC CODE 2012 EXPLANATION**	**COMMENTS**
MINERAL TENEMENT AND LAND TENURE STATUS	• *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.*	EPC1993, originally consisting of 175 sub-blocks, was granted jointly to Lodestone Energy Limited (LOD) and Tambo Coal & Gas Pty Ltd (TC&G) on the 17 March 2010 for a term of 4 years. LOD formally changed its name to CoalBank Limited (CBQ) in June 2011. In August 2017, CoalBank Limited was renamed AustChina Holdings Limited. TC&G is now a 100% owned subsidiary of CBQ. EPC1993 was renewed in 2014 for a further 5 years expiring on the 16 March 2019 with the surrender of 45 sub-blocks reducing the tenement to its current size of 130 sub-blocks. The tenement was renewed for a further 2 years in 2019, expiring on 16 expiring 2021. EPC1719, originally consisting of 300 sub-blocks was granted jointly to TC&G and LOD (now held under AustChina), on the 28 July 2010 for a term of 5 years. The tenement was renewed in 2015 and again 2020, each for 5 years with the tenement expiring on the 27 July 2025. A further 15 sub-blocks were relinquished in 2016. Currently the tenement consists of 139 sub-blocks. Land tenures in the Inverness Deposit area are all leasehold. Both tenements are declared “native title excluded”. However small portions of the eastern part of EPC1993 and the northwestern parts of EPC1719 have areas which are subject to native title claims by the Bidjara People. These areas lie outside the current resources defined within these tenements. No Endangered Regional Ecosystems (ERE’s), strategic cropping trigger areas or restricted land areas are present within the tenement. Selected areas of forest management areas cover parts of both EPC1993 and EPC1719. Currently no impediments to operate a mine have been imposed.
EXPLORATION DONE BY OTHER PARTIES	• *Acknowledgement and appraisal of exploration by other parties.*	The regional geology of the Surat Basin has been described by Exon (1976, 1980) and Goscombe & Coxhead (1995). Historical drill hole data relevant to EPC1993 and EPC1719 consists of 2 petroleum bores, Swaylands #1 and Brynderwin #1. Swaylands #1 intersected the Winton Formation in the northeast of EPC1993 within the Inverness Deposit. Numerous water bores recorded coal intersections within the EPCs.
GEOLOGY	• *Deposit type, geological setting and style of mineralisation.*	The Blackall Coal Project is located within the southeastern Eromanga Basin a component of the Great Artesian Basin which is a Jurassic-Cretaceous intra-cratonic sag basin that covers 1.7 million km^2 of eastern Australia. The project area lies within a structurally benign area between the Fairlea Anticline to the west and the Enniskillen Anticline to the east. A broad synclinal structure trending north-northwest is present throughout the length of the deposit. Coal seams are relatively flat-lying dipping to the southwest so minor variations in base of weathering, seam dip and topography cause seams to subcrop locally. This creates pockets or ‘bowls” of seams within the deposit. The Eromanga Basin although separated from the Surat Basin to the east by the Nebine Ridge contains age-equivalent and lithologically very similar rock sequences (stratigraphically equivalent); products of fluvial and fluvial-lacustrine origin deposited during the Late Triassic to the Early Cretaceous, followed by fluvial sedimentation in the early-middle Cretaceous. Several sedimentation cycles have been recognised in both basins which are thought to be a product of tectonic activity and eustatic sea level cycles. Coal has also been recorded in the Westbourne, Orallo and Bungil Formations, as well as at the top of the Hooray Sandstone and in the Winton Formation. Of these, the most significant are probably in the early Cretaceous Winton Formation of the Eromanga Basin where lenticular coal seams, up to 5m thick, occurring within a broader (24 m) package of coal, carbonaceous shale, siltstone and minor sandstone, have been reported at shallow depths. Within the area explored no evidence of igneous activity has been detected at the current drill hole spacing. The depth of weathering in drill holes ranges from 10 m to 36 m, averaging 20 m. A thin veneer of soil generally 0.5 m to 1.5 m and occasionally up to 3 m thick blankets the deposit. There is no evidence of Tertiary cover. The only strong

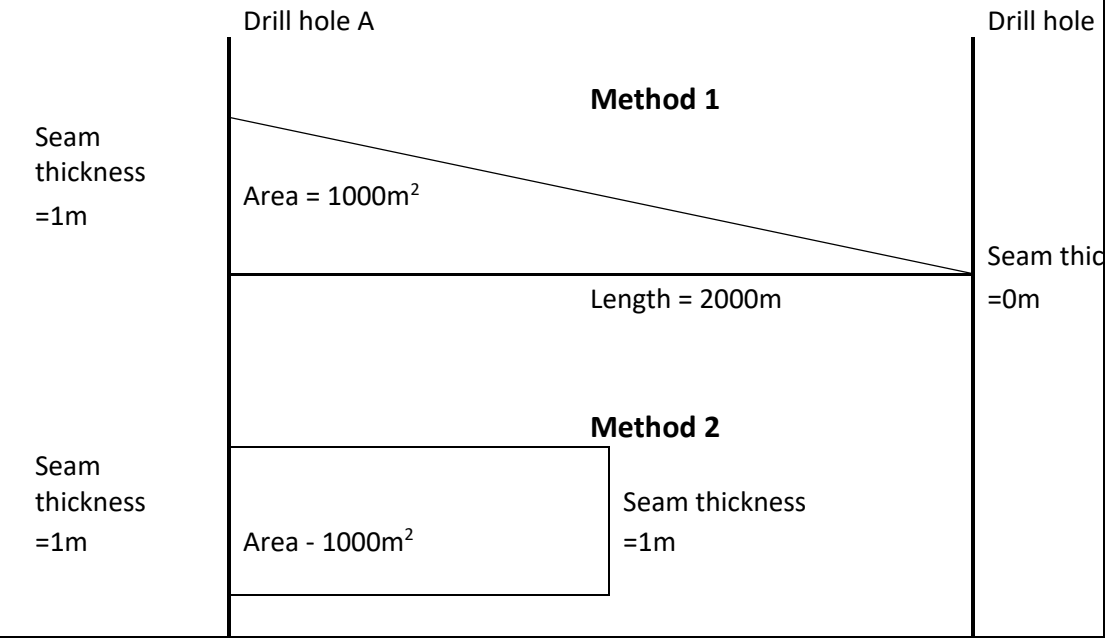
		rocks in overburden material consist of thin ironstone and lensoidal calcified sandstone bands, both generally less than one metre thick and laterally discontinuous. Overburden and interburden strata between the main seams are typically moderately weak. A total of six (6) coal seam groups in ascending stratigraphic order; A, B, C, D, E and F are present. Each of the correlated seam groups has been subdivided further into mappable coal plies.

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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level- elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *downhole length and interception depth*
	  ○ *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.*
		The inclusion of co-ordinates and elevations, drill hole depths, hole orientations as dip/azimuths and seam intervals is not material to this report. There are 115 holes (90 non-core and 25 core) drilled within the Inverness deposit by AustChina (CBQ) with a further 2 petroleum holes drilled, which have been used to assess the area. A total of 113 holes have been used to construct the revised geological model.
		
		The historical petroleum holes are open file; however, data acquired by AustChina (CBQ) are proprietary and with many other companies competing in the area for market share in this new coal province, to publish the data would reduce the competitive advantage. Providing a listing of data will not help the reader ascertain the veracity of the resource estimate. The exclusion of this data set will not detract from the understanding of the deposit as the report includes considerable detailed figures with types of drill holes presenting the geology of the individual seam groups and cross sections which provide sufficient information to derive a good understanding of the geology of the area. The resource figures present the audited and modelled drill hole data. The broad hole spacing of non-core and core holes over most of the area supports conclusions by the Competent Person that much of the area is low confidence in the geology and has defined most of the coal as Inferred Resources. Recent drilling at three sites in the central part of the deposit has infilled a small area where the continuity, consistency and coal quality are considered reasonably understood and this area has been categorised as Indicated Resources.

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.*	Seam intervals have not been aggregated/composited during the modelling, for either seam thickness or coal quality modelling. The seams have been modelled as individual plies throughout the deposit to avoid where possible the inclusion of stone partings as coal. There is a minimum thickness cut-off of 0.1 m used during the modelling. Compositing of seam plies has been undertaken for the working sections using a thickness weighting method. These composites have been modelled but have not been used for the resource estimation. There are no metal equivalents used to report the coal resources. This is not a standard reporting requirement for coal.

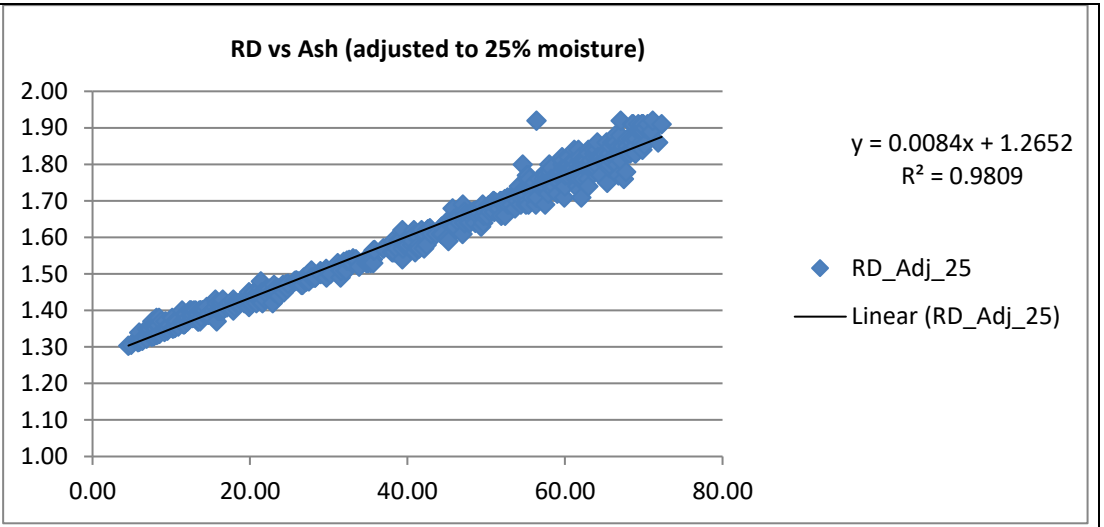
RELATIONSHIP BETWEEN MINERALISATION WIDTHS AND INTERCEPT LENGTHS	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and 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).*	No seam thickness adjustments have been undertaken in any non-core or core holes in the Inverness Deposit database. All thicknesses are apparent thicknesses and therefore the true thickness is not defined. The shallow to nearly flat-lying dip of the strata (nominally 1-2^0 ranging up to 3-5^0 locally in the central portion of the deposit) combined with the slight up-dip deviation of the drill-string from drilling ensures that most coal intersections are nearly perpendicular. It is therefore assumed that the downhole lengths (apparent thicknesses) of the core are very close to the true vertical thickness of the coal seam and any adjustment will not make a considerable difference to the resource estimates. Only down-hole geophysical depths have been used to model the deposit.
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 limited to a plan view of drill hole collar locations and appropriate sectional views.*	Figures 2.1 to 2.6 presents the tenements, property ownership, regional geology, stratigraphy, coal seam nomenclature and seam subcrops. Cumulative seam thickness isopach plans for the F, E, D, C, B and A Seams respectively are presented in Figures 2.7 to 2.12. Figure 2.14 presents the base of weathering, while figures 2.15 and 2.16 present the structure floor of the D seam and the overburden contours to the top of the B seam. Representative structural cross sections across the deposit are presented in figures 2.17 and 2.18. The Coal Resources for F, E, D, C, B and A seams are presented in Figures 3.1 to 3.6 respectively of this report.
BALANCED REPORTING	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high coal quality and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Tables 3.1 and 3.2 summarise the basic pertinent raw coal information for each of the seams, while Table 3.3 summarises the detailed seam ply resources and coal qualities within the deposit area. The reported parameters include seam thickness, raw ash, RD, SE and TS. In some seam plies, there was insufficient density data to construct a quality model and in these cases a default density and ash was used to estimate the coal resources.
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.*	A photogeological study was completed in 2009 and provided preliminary seam subcrop locations which were subsequently redefined by drilling. This information was not used to construct the model.
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.*	The broad limits of the deposit within the tenements have been defined. Further work will require more broader infill drilling to reduce the drill hole spacing over a larger area which will increase the confidence in the continuity, consistency and quality of the coal seams and will markedly increase larger areas to a higher status of resources. This work will be conducted at a suitable time and in accordance with the strategic development of the project and in compliance with the tenement milestones. The provision of exploration drilling plans is considered proprietary and will not be included in this statement.

SECTION 3. ESTIMATION AND REPORTING OF COAL RESOURCES		
CRITERIA	**JORC CODE 2012 EXPLANATION**	**COMMENTS**
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 Coal Resource estimation purposes.* • *Data validation procedures used.*	Prior to the entry of the Inverness data into the AustChina (CBQ) Task Manager database all holes from 2011/2012 were manually checked by MBGS project geologists supervised by MBGS senior geologists to ensure that data entry and coal seam intersections matched the detailed short spaced density geophysical logs. The 2019 drill hole lithology data was recorded by an AustChina geologist and the core sampled and despatched to the ALS laboratory. The lithology and sampling intervals were corrected to the geophysical short spaced density log by a third party geological consultant. The data was checked by MBGS and the seams correlated with surrounding holes using the seam nomenclature established in 2012. The data was appended to the databases and revised geological and coal quality models regenerated of the seams and interburdens and isopach plans in Minex in 2020. Anomalous seam and interburden thicknesses were interrogated and errors iteratively corrected within the database. Structural cross sections of the model were generated to check the seam structure and to ensure that the geological correlations were sound. Senior MBGS geologists and the Competent Person checked stratigraphic and structural interpretations to ensure the model was geologically robust.
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 were undertaken by the Competent Person for the specific purpose of this report even though the last exploration work was undertaken as recently as 2019 by AustChina there is nothing to observe in the field. Holes have been rehabilitated and there are no permanent exploration facilities at the project. However, the Competent Person has undertaken exploration to the southeast in the Surat Basin in both petroleum exploration south of Surat/Roma and in coal near Wandoan and is familiar with the geology and the stratigraphy of the area.
GEOLOGICAL INTERPRETATION	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the coal deposit.* • *Nature of the data used and any assumptions made.* • *The effect, if any, of alternative interpretations on Coal Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The geology of the Inverness Deposit is modelled in Minex using geophysically logged drill hole data. Within the Inverness deposit EPC1993 and EPC1719 the confidence in the geology is directly related to the drill hole spacing and the consistency of the seam geophysical log spaced density signature. The seams are mappable across the area although the individual geophysical seam signatures do vary which provides considerable uncertainty in the seam quality across the area. Because of the broad drill hole spacing and this seam character variation the resources most of the resources are Inferred status in that part of the area where coal quality information is available. In 2019, 4 partially cored holes were drilled at three sites infilling the broad spaced drill pattern and improving the continuity, consistency and coal quality to a reasonable level sufficient to categorise Indicated Resources within an area around these additional drill holes. The stratigraphic sequence consists of six (6) coal seams/groups (A, B, C, D, E and F in ascending stratigraphic order). The seams have been divided into a total of 33 plies ranging in thickness from 0.0 m to 1.18 m, averaging 0.28 m and the plies have been modelled where there are sufficient data points to construct a model. The photogeological studies conducted by AustChina (CBQ) in 2009 have not been used to control the Coal Resource modelling. However, understanding the unconformable geological relationships between the Quaternary and the Cretaceous strata has been used to guide and control the modelling of the seam subcrop limits. The coal seams progressively subcrop in the northeast of EPC1719 and EPC1993 with dips of nominally 1-2^0 towards the southwest. With the broad spacing of drilling, no faulting has been interpreted in the modelled area, though they are inferred to exist from drilling.
DIMENSIONS	• *The extent and variability of the Coal Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Coal Resource.*	The Winton Formation, which contain the coal resources in the Inverness Deposit within EPC1993 and EPC1719, extend along strike for approximately 25 km and are approximately 13 km wide in the south decreasing to 5 km wide in the north and range in depth from 20 m to >150 m.
ESTIMATION AND MODELLING	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of*	Mr. P. Harrison (MBGS) revised the geological resource model and resource estimate using Minex software. The computer structural model was regenerated with the 2019 geological and coal quality data and completed in May 2020. The coal resource estimate was finalised on 31 May 2020. The geological model was constructed using

TECHNIQUES	*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 Coal 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 correlations between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using coal quality 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.*	Minex software (Version 6.5.5) and is an appropriate modelling package to model stratiform sedimentary deposits. All coal plies were modeled for structure and, where data was available, for raw coal quality. Raw coal quality grids were extrapolated to cover the same area as the structural grids. A base of weathering grid was developed from data, based on visual base of weathering observed in drill holes. Dummy points used in the original model of 2012 were retained to improve trending of the seam grids near the base of weathering or below drill holes. The topography, base of weathering and all seam structure models were generated using Minex growth algorithms on a 100 m x 100 m grid mesh. All coal quality grids were modeled using inverse distance with a factor power of 2 as the gridding method on a 500 m x 500 m grid mesh. All seams were clipped to base of weathering Using Minex software, seam thickness grids (limited to below the base of weathering) and In Situ Density grids were used to estimate in situ coal tonnages (i.e. coal resources). Where density data was insufficient to generate grids, default values were determined. Default values for plies were, B12 – 1.43, A2 – 1.38, A12 – 1.38, A11 – 1.38. Resources were estimated within vertical sided resource polygons and terminated where cumulative thickness of coal was less than 0.10 m. The resource estimation did not include coal or ply thicknesses less than 0.10 m. Resource polygons were vertical sided if terminated at a lease boundary or drill hole. Occasionally plies 'pinch out', e.g. reduction in thickness from 1 m to 0 m between two drill holes. See example below showing two methods of estimation. Due to the 'pinch out' nature of the deposit Method 1 was used to calculate resources. A thickness cut-off of 0.10 m was used. 

		No assumptions have been made to recover by-products. Exploration is at an early stage with insufficient data to assess whether deleterious coal quality parameters extend across the area that would restrict sale of the product. No overburden characterisation geochemical testing has been conducted. Only grid models were constructed using the Minex specific growth algorithms. No block model was constructed. No modelling of selected mining units has been undertaken for this resource estimation. There is a strong relationship between the raw ash content and the density of the coal. MBGS developed relationships to derive ash from the density. MBGS have used these relationships to derive average default density and ash values where there is insufficient coal quality information to construct coal quality models for each seam.
MOISTURE	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Raw coal quality data (air dried moisture basis) for 2011, 2012 and 2019 drill holes located in EPC1993 and EPC1719 were converted to a constant moisture basis of 25% to represent In Situ Moisture, based on current Moisture Holding Capacity analysis. Derived regressed In Situ Density grids (based on In Situ Moisture of 25%) were used for the resource estimate in EPCs 1993 and 1719. The analytical results for Ash and RD for the Winton Formation seams have been adjusted to a moisture basis of 25%, representing a nominal in situ moisture. The equations used for these adjustments for each coal measure sequence are given below. *Equation to Adjust Ash: -* ((100-Mad))/(100-Mest))*Ashlab Mad – air dried moisture Mest – estimated In Situ Moisture (25%) Ashlab – laboratory ash *Preston Sanders Equation to Adjust RD: -* (RDlab*(100-Mest))/(100+RDlab*(Mad-Mest)- Mad) RDlab – laboratory Relative Density Mest – estimated In Situ Moisture (25%) Mad – air dried moisture
CUT-OFF PARAMETERS	• *The basis of the adopted cut-off or quality parameters applied.*	Resources estimated using a 40% ash 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*	A minimum coal thickness of 0.10m was used for all plies in the resource estimation. No mining assumptions are applied to the computer model. All seams are within typical open cut depths (<150m from the topographic surface). All resource estimates are reported in 50m depth of cover increments, i.e. 0 – 50m, 50 – 100m and 100m to 150m depth of cover. The Inverness Deposit in EPC1993 and EPC1719 forms the Blackall Coal Project and is centred some 20km to the southeast of the town of Blackall (Figure 2.1). Scheduled commercial flights between Brisbane and Blackall and nearby towns are regular. The sealed Landsborough Highway connects

	eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Coal 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.	Blackall to Tambo and traverses close to the northern and eastern boundaries of the EPC and provides excellent all-weather access to these areas. A railway connects Blackall with Jericho to the northeast which connects to the coast. This railway is not heavy gauge but could be upgraded to accommodate heavy axle rail cars for coal haulage to Emerald thence connecting to the coal haulage system to the coast. With the available infrastructure, power, road and rail and proximity to a local workforce in the townships of Blackall and Tambo the Inverness Deposit may have reasonable prospects for eventual economic extraction within the next 50+years.
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 Coal 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.*	Detailed coal quality analysis has been completed on a limited number of seams from the Winton Formation in the Inverness Deposit. All seams are banded with the C, D and E seams most prospective with the lowest average ashes and generally thicker seams all low in sulphur. The B seam is also encouraging although it has a high sulphur content consistently more than 1.2%. The A seam although low in ash is relatively thin while the uppermost seam the F seam has the highest raw ash generally greater than 25%. All seams had relatively low CV's because of the high inherent moisture typical of low rank sub-bituminous coals. It may be possible to selectively mine portions of the seams and bypass, but most seams will require beneficiating to produce an export quality thermal coal or alternatively produce a higher ash thermal coal for a feedstock for a domestic power station. Run of Mine (ROM) coal will need to be crushed, sized and washed to liberate the coal from the stone plies.
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.*	Potential environmental impacts are not well understood given the understanding of the area at this stage. No studies of overburden characterisation have been undertaken in the Inverness Deposit area.
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*	Derived regressed In Situ Density grids (based on In Situ Moisture of 25%) were used for the resource estimate in EPCs 1993 and 1719. Ash and RD values were adjusted to 25% In Situ Moisture using a linear regression analysis. The regression analysis is summarised in the following chart.

	between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	 **Figure C1 – Winton Formation RD v Ash Regression (adjusted 25% Moisture)** The results were then used to calculate a regressed RD value based on ash for the 25% moisture basis. This was done using the following equation. **Equation to calculate regressed RD from Ash (25% Moisture basis)** 7-5*Ashlab2+(0.0058*Ashlab) +1.2368 Ashlab – laboratory ash Inherent Moisture, Raw Ash, Volatile Matter, Fixed Carbon, Calorific Value, Total Sulphur and In Situ Density were loaded into the Minex Borehole database (at 25% moisture). Calorific Value on an air-dried basis was also modelled and presented in Tables 3.1 and 3.2. A revision of the regression was not conducted in 2020 as there was limited additional coal analytical data.
CLASSIFICATION	• *The basis for the classification of the Coal Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/coal quality estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	Coal Resources for the Inverness Deposit are classified into confidence categories based on data spacing and variability of coal seam consistency, continuity and character and quality. Most of the resources were classified as Inferred Resources based on the broad drill hole spacing and the limited analytical testing within each seam. The categorisation of most of the resources as Inferred Resources indicates that the Competent Person has a low level of confidence in the current level of understanding of the geology and the coal quality across most of the deposit for all the seams, although there is sufficient confidence that the coal can be correlated and has broadly similar coal qualities across the area based on interrogation of the geophysical logs. In 2019, four partially cored holes were drilled at three sites in the central part of the deposit which reduced the drillhole spacing locally, improving the continuity, consistency and coal quality of several seams to a reasonable level

	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	which has been categorised as Indicated Resources in a small area around these drill holes. The current resource estimate, of 30 Mt Indicated Resources and 1300 Mt of Inferred Resources, is a fair and reasonable estimate of the coal resources within the area drilled, geophysically logged and tested and reflects the Competent Person's view of the deposit.
AUDITS OR REVIEWS	• *The results of any audits or reviews of Coal Resource estimates.*	No audit has been conducted.
DISCUSSION OF RELATIVE ACCURACY/ CONFIDENCE	• *Where appropriate a statement of the relative accuracy and confidence level in the Coal 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.*	A manual quantitative check of the resources undertaken by the Competent Person was within the relative accuracy of the resource status. Cross checks of the computer-generated estimates using averaged model outputs of area, thickness and density confirmed the computer estimates. A manual check using the polygon areas and average thickness and density was conducted on the Indicated Resources with 30.8 Mt estimated compared with 31.8 Mt estimated from the geological model, an difference of approximately 3%, which is well within the tolerance of the method. A check of the Inferred Resources was not conducted as only a small portion of the area was changed by drilling at three sites in the central part of the Inverness Deposit. The revision of the estimation has confirmed the earlier estimation with only a minor change to the overall Coal Resources. The resource estimate is considered a global estimate of resources as it includes all the resources within the Inverness deposit.