08/08/2014

ASX Announcement

By Electronic Lodgement

Re-Release of Significant JORC Increase of 200% for MRV's Asset KINGAROY MDL385

Moreton Resources Limited (MRV) is pleased to re-release the attached JORC report to ensure compliance with listing rules 5.8, and in doing so advises that a review of activities for its Kingaroy asset (MDL385) in conjunction with the decision to advance to a mining concept study has re-affirmed the Company's view upon the prospects of Kingaroy MDL385, as being a suitable Asset to supply coal for the purposes of power generation activities.

This significant upgrade has allowed **our previous resources of 73Mt of Indicated and Inferred to be upgraded by 200%** and more importantly, moving the majority of our resource to Measured and Indicated, as per the following breakdown:

KINGAROY MDL 385	
Measured	122.3Mt
Indicated	82.5Mt
Inferred	16.4Mt
TOTAL	**221.2Mt**

The attached Resource Statement issued by the Company's Competent Person, Mr Tony Shellshear of Geological Data Design, gives the full details. This is a significant outcome as it indicates the tonnage and coal quality could have the potential to sustain a substantial, long-term mining operation. The key drivers for advancing the Kingaroy Project are:

- The potential for the Kingaroy Project to be a relatively low strip ratio operation, as per confirmation via MRV's Mine Concept Study also released today, stating the strip ratio for the life of mine at approximately 7:1. (Refer Mining Concept Study Release 08 August 2014).
- To confirm whether the coal quality results are comparable with current mining operations within the region, and would suit power generation activities, which has also been indicated by the Mine Concept Study (Refer Mine Concept Study Release 08 August 2014).
- Recent media reports suggest that power generators are opting for coal generation over gas, due to the ability to trade gas with better returns.
- 2013 ABC Radio reports stating that mining operations at the Meandu Mine are losing money, due to coal deposits being too deep and operating costs too high.

This is a strategic approach by MRV as, ultimately, the Company believes this asset has the potential to improve the viability of power generation in the region in both the medium and long term, which would in turn have a direct benefit to the State of Queensland. We believe the work currently being carried out will demonstrate that there is a commercial case to consider the MRV Asset as a potential alternative supply, be it with the current operator or future operator, through divestment of power generation assets.

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Accordingly, the Company will now make approaches to potential partners that could benefit from this, including the appropriate levels of Government, the existing owners and potential future owners of the Tarong Power Generation assets.

A key component of any decision to advance the Project will also be community engagement and environmental considerations. The new Board and Management remain committed to the dismantling and removal of the Underground Coal Gasification Plant and fulfilling MRV's environmental responsibilities. The Company reiterates its advancements in the environmental compliance areas and the favourable responses to its updated Environmental Authority issued to the Company in recent months for the Kingaroy Project.

This work does not detract from the exploration program announced in the last two months for our major asset, the Mackenzie PCI Project (EPC1445) in the Bowen Basin, to which we will update the market early next week regarding the advancement of Cultural and Heritage obligations, which the Company sees as critical steps to fostering sustainable and positive relationships for the future of the Mackenzie PCI Project.

Jason Elks
Chief Executive Officer
Moreton Resources Limited

COMPETENT PERSON STATEMENT

The information in this Release that relates to the JORC Compliant Inferred and Measured Coal Resource estimated at the Kingaroy Project (MDL385) is based on information compiled by Mr Tony Shellshear (BSc. App. Geol, MAusIMM). Mr Shellshear is the Principal Resource Geologist, and full time employee of Geological Data Design and has over 40 years in exploration experience, resources and reserve estimation, resource development and mine grade, and production control. Relevant to this project, he has served more than 20 years in the coal sector.

He 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 a Competent Person, as defined in the 2012 Edition of the "'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves''. Mr Shellshear consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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23/07/2014

Mr. Jason Elks - Chief Executive Officer

Moreton Resources Ltd.

Abbotsford Rd.,

Bowen Hills

RE: MDL385 – Kingaroy – Resource Estimate Statement – July 2014

Dear Jason,

The current Coal Resource Estimate is now complete for MDL385 Kingaroy.

This estimate is based on information from 48 additional holes, of which 34 of have been cored and analysed for coal quality. Following validation and auditing of the geological data, 57 holes were considered appropriate for use in the geological model and subsequent resource estimate.

The Resource Statement is presented in Table1 below.

A total resource of 221.2Mt is estimated for the coal seams within the Kingaroy tenement. This total comprises 122.3Mt Measured, 82.5Mt Indicated and 16.4Mt Inferred.

The extensive additional drilling, in addition to a geostatistical evaluation of these, and other Tarong Basin coal seams, provides the confidence levels required to include almost all of the coal within the tenement in the Kunioon and Goodger Seams to be included in the resource.

Coal occurs in other seams within the tenement, in particular the Swain seam, situated stratigraphically between the two above, however, their extents are discontinuous, and for this reason, at this stage, they have not been included in this resource estimate. In places, these are potentially of significance, and are discussed in the Resource Estimate Report.

The information in the coal resource report, to which this statement refers, is based on information compiled by Tony Shellshear (BSc. Applied Geology, Grad. Dip. Comm. Comp., MAusIMM), a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy.

Tony is a geologist with 40 years of experience in exploration, resource and reserve estimation, resource development and mine grade and production control. Tony is the Principal Resource Geologist, and a full time employee of Geological Data Design.

Relevant to this project, he has served more than 20 years in the coal sector.

He 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 a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Tony consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Tony Shellshear

A.G.Shellshear
Principal

Table 1 – Summary of Resource Estimates

MDL385 – Kingaroy - Moreton Resources Ltd.

Coal Resources – 22nd July 2014

Estimation and Classification in Accordance with "The JORC Code – 2012 Edition"

Seam	Measure	Resource Category			Total Tonnes (Mt)
		Inferred	Indicated	Measured	
Kunioon	Volume (Mm^3)	6.8	33.2	47.4	
	Area (Mm^2)	0.6	3.0	4.2	
	Thickness (m)	10.13	10.87	11.29	
	In-Situ Density (t/m^3)	1.59	1.57	1.57	
	Tonnes (Mt)	**10.9**	**52.1**	**74.9**	**137.9**
Goodger	Volume (Mm^3)	3.4	19.3	30.0	
	Area (Mm^2)	0.5	2.9	4.5	
	Thickness (m)	6.71	6.64	6.62	
	In-Situ Density (t/m^3)	1.59	1.58	1.58	
	Tonnes (Mt)	**5.5**	**30.4**	**47.4**	**83.3**
Total Tonnes (Mt)		**16.4**	**82.5**	**122.3**	**221.2**

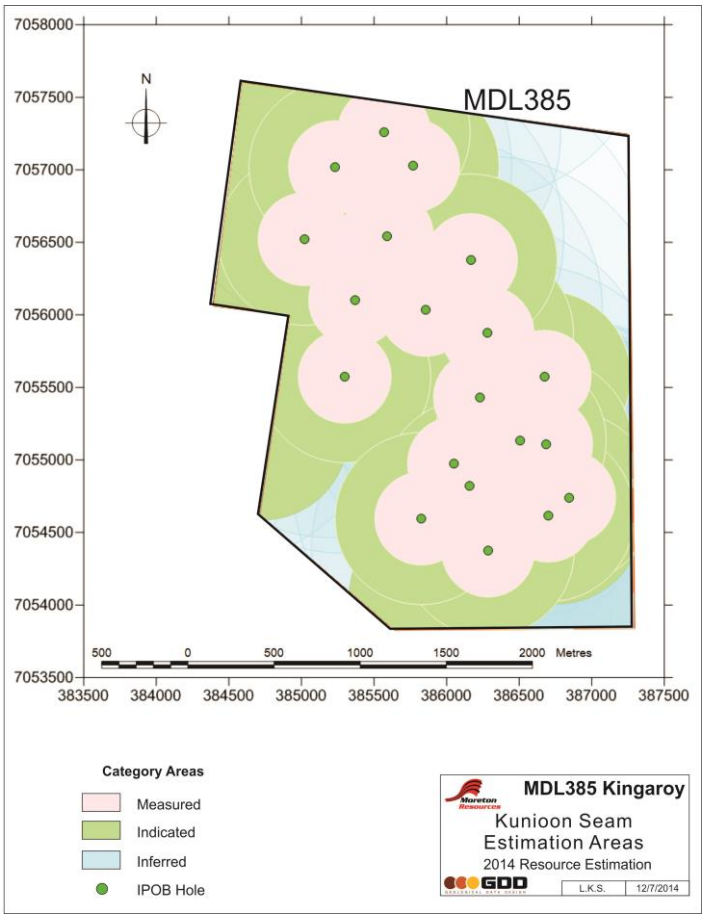
Table and Statement Notes

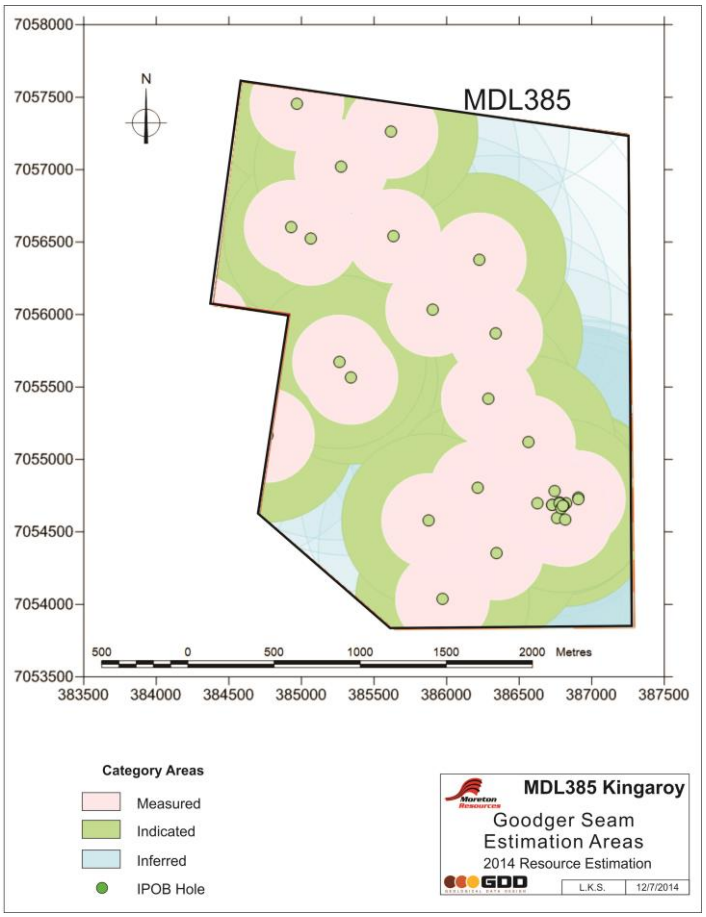
- The coal resources estimated lie entirely within MDL385.
- The coal seams belong to the Triassic age Tarong Beds of the Tarong Basin.
- The coal occurs in four main seams, the Glider, Kunioon, Swain and Goodger. Other localised seams have been identified, however, resources have only been estimated and reported for the Kunioon and Goodger Seams.
- All seams were truncated by either the base of weathering or base of the Tertiary sediments, as appropriate.
- Closely spaced data in the southeastern area of the tenement was de-clustered to avoid biasing of statistical estimates.
- The coal is considered suitable for thermal applications, owing to its moderate energy and low sulphur content.
- All data was assembled using the using the gPick geological data management system. Validation and auditing was performed and managed in this environment also.

- Resource tonnage estimates and classification have been determined using the following geological data and analyses:
  - Drillhole lithology, survey, analysis data, including consideration of the data location, quality and density.
  - Source of original data.
  - Core photography.
  - Logging and sampling standards and procedures.
  - Geological research, understanding and interpretation.
  - Calculation of volume, quality values and spatial distribution.
- These data were assembled into a geological model using the gPick system and associated geostatistical and surface modelling tools.
- All area, volume and tonnage figures have been rounded to one decimal place.
- The estimation, classification and reporting tasks were performed in accordance with the JORC Code 2012 Edition.

Kunioon and Goodger Seam Resource Areas

The following two figures indicate the areas included in the three resource categories, Measured, Indicated and Inferred, for the Kunioon Seam (left) and Goodger Seam (right), respectively.





APPENDIX A JORC CODE, 2012 EDITION TABLE 1

This Appendix details Sections 1, 2 and 3 of the JORC Code 2012 Edition Table 1. Sections 4 ‘Estimation and Reporting of Ore Reserves’ and Section 5 ‘Estimation and Reporting of Diamonds and Other Gemstones’ have been excluded as they are not applicable to this deposit and resource estimation.

SECTION 1 SAMPLING TECHNIQUES AND DATA
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	CP Commentary
Sampling Techniques	*Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• The current resource has been derived from two sets of drillhole data; being holes drilled by the current tenement holder (current holes), and historical holes for which data has been retrieved ('historical holes'). • The statistics of the holes examined during the exercise included - ○ Total holes available – 199 ▪ Core holes – 45 ▪ Chip holes – 154 ○ Holes used to construct model - 109 ▪ Core holes – 39 ▪ Chip holes – 70 ○ Holes used as Points of Observation (POB) for quantitative estimates ▪ Core holes – 34 • No records exist to indicate any of the chip holes were sampled. • All core holes used in the estimation were sampled over the full seam interval, in most cases also including roof and floor samples. • The "T" series holes in particular have very detailed sampling of stone bands • In addition, a significant number of geotechnical samples were taken from a variety of lithologies. • Drill cuttings (chips) derived from open hole drilling were collected at 1 m intervals and placed in piles for inspection and description. No records exist to indicate that any of the chip holes were sampled. • For the 2009 and 2010 exploration programmes, all coal seams intersected greater than 0.10m were sampled with a maximum sample length of 0.50m of coal. Coal plies were sampled discretely on the basis of lithological characteristics and quality. All non-coal material and partings less than 0.10m were included in the upper coal ply and noted in the lithological description. Non-coal interburden material greater than 0.10m and up to a maximum of 2.0m was sampled separately. • Drill hole core was placed in core trays and appropriately marked up with the drill hole number, tray number, and drilling depth. A core recovery reconciliation based on the driller's records and the geologist's measurements was developed. • All coal and roof and floor dilution samples were double bagged at site and marked with sample number, hole and project. The samples were then transported to the laboratory via courier. • All coal quality samples were prepared and analysed using Australian testing methodologies at the NATA-accredited laboratory – Bureau Veritas at Brendale, Brisbane, Queensland.

Criteria	JORC Code Explanation	CP Commentary
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• Total holes available = 199 ○ Core holes = 45 ▪ HQ/HQ3 = 40 ▪ NQ2 = 4 ▪ 4” (100mm) = 1 ○ Chip holes = 154 ▪ Rotary (air/mud) = 154 • Total holes used in geological model = 109 ○ Core holes = 39 ▪ HQ/HQ3 = 34 ▪ NQ2 = 4 ▪ 4” (100mm) = 1 ○ Chip holes = 70 ▪ Rotary (air/mud) = 70 • Total holes satisfying criteria as Points of Observation (POB) = 34 ○ Core holes = 34 ▪ HQ/HQ3 = 31 ▪ NQ2 = 2 ▪ 4” (100mm) = 1 • All coal quality holes were cored (partially or fully) using a HQ size core barrel producing a 61mm core diameter. • Non cored holes were used in the model to define structure and stratigraphy but were not used as Points of Observation. • A full list of drill holes used in the model are available at the end of Table 1 in Appendix B – Drill Hole Data.

Criteria	JORC Code Explanation	CP Commentary
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, as well as cross-checking with core splits photos. • All of the cored holes used in the geological model and resource estimation had a core recovery greater than 95%, except for seven holes. Of these: ○ 3 had already been rejected for other reasons (Declustering). ○ 3 had adjacent core holes which could be used instead. ○ 1 (Hole T5050) had a recovery of 92% and was disregarded as a POB. • In part due to geological attributes of the coal measures, core recoveries are very high. These factors include the competent nature of the absence of disruptive structural features such as faulting or significant folding, and the higher ash content of the coal seams.
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.*	• A rigorous protocol was adhered to on site regarding drilling supervision, core recovery measurements, and core logging and sampling. • All core was geologically logged, marked and photographed before sampling. Geological and geotechnical features were identified and logged. Data was entered into LogCheck, and subsequently stored in the gPick Geological Data Management System. • Of the 109 holes used in the geological model and resource estimation, 88 were geophysically logged, of which 58 have digital LAS files, and 51 have only image files. • Of these holes, only those with a minimum of gamma, caliper, density and verticality geophysical logs satisfied the requirement for inclusion as a POB (n=35). • The calibration of the geophysical tools was conducted by the geophysical logging company (Geoscience Associates).

Criteria	JORC Code Explanation	CP Commentary
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 are NATA-certified and comply with Australian Standard AS4264.1-2009 for coal and coke sample preparation. • The raw analysis procedure keeps 3/4 of the original sample as a 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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Raw coal samples from the 2009 - 2010 drilling program were analysed at Bureau Veritas coal laboratory in Brisbane, Queensland. Bureau Veritas is accredited by the National Association of Testing Authorities (NATA) Australia, to be analysed for proximate analysis, relative density, specific energy and total sulphur. Results have been reported at an air dried moisture basis (adb). Bureau Veritas is a NATA-certified coal testing laboratory, who undergo rigorous testing, including external and internal round-robin testing, technical and quality audits. Bureau Veritas follow Australian Standard AS4264.1-2009 for coal and coke sample preparation. This standard provides a guideline for QC processes at each sub-sampling stage. • Geophysical tools were calibrated by the logging company (Geoscience Associates). • The density measurement is calibrated to precise standards and, where possible, validated in a calibration hole on-site.

Criteria	JORC Code Explanation	CP Commentary
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.*	• Geological Data Design personnel validated the sample record intervals using the gPick Data Integrity System prior to analysis at the laboratory. • 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. • Geological Data Design personnel verified the coal quality results before inclusion into the geological model and resource estimate. • All laboratory-supplied test reports have been retained, and the data have been entered into the gPick Geological Data Management System. • 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.*	• All drill holes have been surveyed in the Geocentric Datum of Australia 1994 (GDA94) Map Grid of Australia 1994 (MGA94) (UTM) zone 56 projection. The vertical coordinates were surveyed in the Australian Height Datum (AHD). • The topographic surface used in the geological model is based on a surface supplied with the datasets . • The surface was validated against digitised contours from Queensland Government published cadastral maps, and against digital terrain models (STRM and ASTER). • Drill hole locations were verified against the underlying topographic map, and the holes are within acceptable limits to be used, generally +-0.5 metres.

Criteria	JORC Code Explanation	CP Commentary
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.*	• Measured, Indicated and Inferred resource categories have been reported in this resource estimate based on a drill hole layout covering approximately 85% of the tenement area. • The maximum drill hole spacing required for each resource category established during the resource estimation process is: ○ Measured Resource = 550m between POBs (275m radius extended out from POB) ○ Indicated Resource = 1100m between POBs (550m radius extended out from POB) ○ Inferred Resource = 2000m between POBs (1000m radius extended out from POB) • Holes were drilled on an approximate 500m grid layout, with some deviations occurring near roads, tracks, fence lines etc. • In some instances, there have been more recent re-drills of historical hole sites to confirm both structural and quality validity. • In the south east area of the tenement, a small area has been subjected to very intense and closely-spaced drilling related to an earlier Underground Coal Gasification (UCG) project. In some cases, holes have been drilled 2-3m apart. • All samples submitted were subjected to a proximate analysis, RD, energy and sulphur analysis on an individual basis. Sample compositing has only been applied for subsequent Stage 2 analyses being undertaken at present.
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.*	• The coal deposit is considered to dip 6-8 degrees to the east. • There have been no major faults or structural features identified during historical and recent drilling of the tenement area. However, it is reasonable to assume that some local structures may be encountered as exploration works continue. • All drill holes were drilled vertically so as to provide the best intercept angle to achieve unbiased sampling and seam thicknesses. • The majority of the holes were drilled on a layout grid trending approximately NE-SW, which aligns with the interpreted strike direction of the underlying coal measures.

Criteria	JORC Code Explanation	CP Commentary
Sample security	*The measures taken to ensure sample security.*	• Each core sample was placed into a plastic geological sample bag with the date, location depth of interval, and seam name written on the bag. This bag was placed within another plastic geological sample bag together with a sample number ticket. The bags were tied to preserve the coal and eliminate moisture loss, and placed into 220L sample drums. The bags were allocated an identification number, and a sample register was compiled with samples contained in each bag prior to dispatching to Bureau Veritas coal laboratory in Brendale, Brisbane, for analysis. • Sample security was ensured under a chain of custody between the geological contractors on-site, Cougar Energy Limited/Moreton Resources Limited personnel in Brisbane, and Bureau Veritas laboratory in Brisbane.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• The sample analysis data have been extensively QA/QC reviewed by Geological Data Design using a suite of geological software, e.g. gPick Geological Data Management System and Data Integrity System.

SECTION 2 REPORTING OF EXPLORATION RESULTS

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

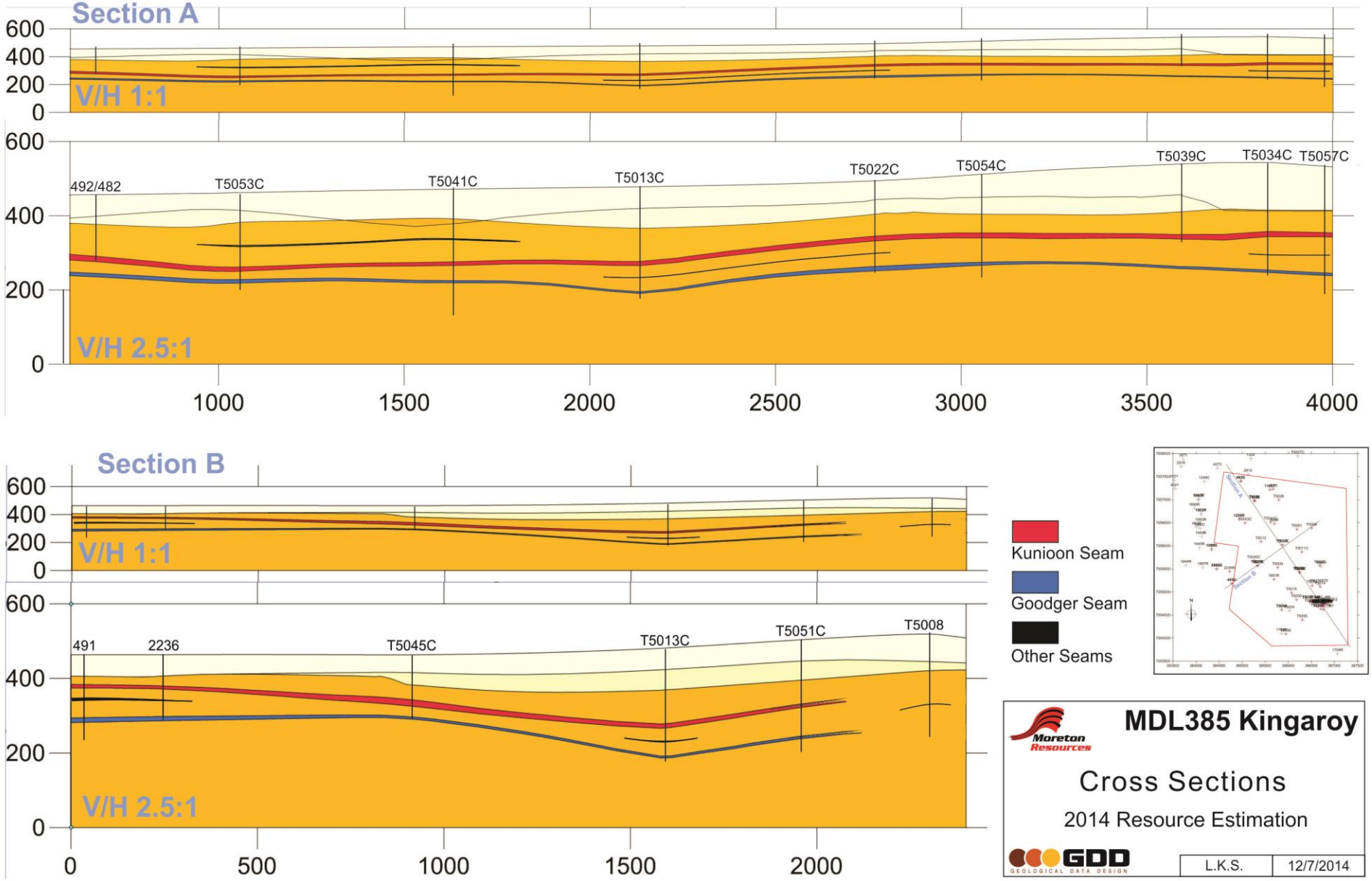
Criteria	JORC Code Explanation	CP Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, 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.*	• Resources are confined within the MDL 385 boundary • MDL 385 is wholly owned by Moreton Resources Ltd • There are currently no native titles claims over the tenement • There are currently no Environmentally Sensitive Areas within the tenement area • There are no known impediments to obtaining a mining licence to operate in the Kingaroy Project area
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration within, and surrounding, the tenement area has taken place in the area since 1961. • All open source company data has been sourced from QDEX and has been entered and validated into the geological database. • A number of historic holes have been identified and evaluated with respect to their inclusion in the geological model and resource estimation (see Drill Hole Data in Appendix A)
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kingaroy Project area lies within the northern portion of the Tarong Basin • The Tarong Basin is a narrow, north-south oriented coal-bearing basin of Triassic age. • Coal seams occur in the Tarong Beds, which comprise five main coal seams, and a broad range of fine- to coarse-grained clastic sedimentary rocks, which dip approximately 6-8 degrees to the east. • Of these coal seams, only two have sufficient geological and analytical data to confidently support a resource estimate – the Kunioon and Goodger Seams: ○ Kunioon Seam = approximately 8-17m thick (average 12.4m thick) ○ Goodger Seam = approximately 5-13m thick (average 7.3m thick). • In general, the major seams consist overall of alternating coal and stone bands which have resulted in a high ash content in the range of 30-35% in the insitu coal. Plys within the seams have a significantly lower ash content. • Towards the north east, both major seams split, and include a more consistent parting of 30-70cm. The seams also thin quickly and disappear in this area. (See cross section below) • The average depth to the base of Tertiary = 101m. • The average depth to the base of weathering = 81m.

Hole Details			Resource Status			Lith.Data		Sample Data		Sample Advice		Analysis Data		Geoph. Logs		Photos	
Hole No.	Depth	Type	In Ten.	Str. Mdl.	Qual. Mdl.	Flag	#	Flag	#	Flag	#	Flag	#	LAS	Image	Core	#
1233R	167.00	R	T														
1234R	0.00	R													Y		
1235R	0.00	R													Y		
1248C	175.44	D	T	M	Y	Y	222	Y	160	Y	59	Y	59				
1249C	129.00	D	T														
1250C	171.73	D	T	M	Y	Y	217	Y	134	Y	38	Y	36				
1296	0.00	R															
1300	0.00	R															
1304	30.00	R															
1681R	230.00	R	T	M		Y	44								Y		
1690R	164.50	R	T														
1696R	154.00	R	T			Y	28								Y		
1702R	216.00	R		T		Y	23								Y		
1704R	85.00	R	T			Y	20										
1721	91.44	R															
1725	0.00	R															
1871	100.05	R															
1872	0.00	R															
1944R	156.00	R	T														
1945R	161.00	R	T														
1947R	67.00	R	T														
1948R	155.50	R	T														
1949R	97.00	R	T														
1950R	101.00	R	T														
1951R	0.00	R															
1952R	88.00	R															
1980C	62.90	D	T														
1988R	0.00	R													Y		
1997R	113.00	R	T														
2057	0.00	R															
2200C	82.05	D	T	M	Y	Y	164	Y	140	Y	5				Y		

Hole Details			Resource Status			Lith.Data		Sample Data		Sample Advice		Analysis Data		Geoph. Logs		Photos	
Hole No.	Depth	Type	In Ten.	Str. Mdl.	Qual. Mdl.	Flag	#	Flag	#	Flag	#	Flag	#	LAS	Image	Core	#
2236R	153.00	R	T	M		Y	24								Y		
2383R	0.00	R															
2805	0.00	R															
2810	58.00	R	T			Y	6										
2811	0.00	R															
2812	0.00	R															
2817	0.00	R															
2818	0.00	R															
4019	0.00	R															
4020	0.00	R															
4021	0.00	R															
4065	0.00	R															
4072	0.00	R															
4073	0.00	R															
4074	0.00	R															
4078	0.00	R															
481R	172.00	R	T														
482R	179.74	R	T	M		Y	37										
483R	200.00	R	T														
487R	193.45	R	T	M		Y	29										
488R	234.00	R	T	M		Y	45										
491C	179.00	D	T	M	Y	Y	278	Y	230	Y	32	Y	32				
492C	167.75	D	T	M	Y	Y	197	Y	129	Y	28	Y	28				
T5006	233.50	R	T	M		Y	86							Y			
T5007	293.00	R	T	M		Y	136							Y			
T5008	271.00	R	T	M		Y	53							Y			
T5009	193.00	R	T	M		Y	80							Y			
T5010	187.00	R	T	M		Y	82							Y			
T5011C	261.20	D	T	M	Y	Y	481	Y	228	Y	26	Y	25	Y		Y	10
T5012	227.00	R	T	M		Y	100							Y			
T5013C	309.30	D	T	M	Y	Y	460	Y	216	Y	25	Y	25	Y		Y	40

Hole Details			Resource Status			Lith.Data		Sample Data		Sample Advice		Analysis Data		Geoph. Logs		Photos	
Hole No.	Depth	Type	In Ten.	Str. Mdl.	Qual. Mdl.	Flag	#	Flag	#	Flag	#	Flag	#	LAS	Image	Core	#
T5014	317.00	R	T	M		Y	139							Y			
T5015	256.00	R	T	M		Y	100							Y			
T5016	166.80	R	T	M		Y	42							Y			
T5017	216.00	R	T	M		Y	58							Y			
T5018	150.00	R	T			Y	144										
T5019	198.00	R	T	M		Y	58							Y			
T5020	94.00	R	T			Y	22										
T5021	93.00	R	T			Y	22										
T5022C	252.20	D	T	M	Y	Y	946	Y	552	Y	60	Y	60	Y		Y	14
T5023C_V1	234.46	D	T	M	Y	Y	577	Y	279	Y	18	Y	18	Y		Y	110
T5024	148.00	R	T			Y	36										
T5025	235.38	R	T	M		Y	118							Y			
T5026	328.50	R	T	M		Y	91							Y			
T5027C	177.19	D	T	M	Y	Y	342	Y	108	Y	7	Y	7	Y			
T5028	234.00	R	T	M		Y	1							Y			
T5030C	84.52	D	T											Y		Y	6
T5031C_V2	372.35	D	T	M	Y	Y	1355	Y	87	Y	80	Y	38	Y		Y	53
T5032C	201.53	D	T	T	Y	Y	315	Y	91	Y	30	Y	15	Y		Y	18
T5033C_V3	302.85	D	T	T	Y	Y	873	Y	325	Y	78	Y	35	Y		Y	35
T5034C_V4	300.30	D	T	M	Y	Y	903	Y	63	Y	52	Y	25	Y		Y	28
T5035C_V5	241.23	D	T	M	Y	Y	474	Y	29	Y	13			Y		Y	14
T5036C_V6	199.57	D	T	T		Y	320							Y		Y	7
T5037_M4	54.00	T	T	M		Y	4										
T5038_M5	84.00	T	T	M		Y	21										
T5039C_M6	213.50	D	T	M	Y	Y	525	Y	225	Y	34	Y	33	Y		Y	18
T5040C_M7	213.30	D	T	M	Y	Y	492	Y	269	Y	30	Y	29	Y		Y	18
T5041C	345.30	D	T	M	Y	Y	1161	Y	287	Y	34	Y	34	Y		Y	46
T5042C_P1	221.98	D	T	M	Y	Y	414	Y	36	Y	36	Y	36	Y			
T5043C	225.30	D	T	M	Y	Y	342	Y	180	Y	33	Y	33	Y		Y	13
T5044C_P2	219.00	D	T	M	Y	Y	391	Y	237	Y	39	Y	38	Y		Y	9

Hole Details			Resource Status			Lith.Data		Sample Data		Sample Advice		Analysis Data		Geoph. Logs		Photos	
Hole No.	Depth	Type	In Ten.	Str. Mdl.	Qual. Mdl.	Flag	#	Flag	#	Flag	#	Flag	#	LAS	Image	Core	#
T5045C	153.30	D	T	M	Y	Y	306	Y	179	Y	23	Y	3	Y		Y	14
T5046C_P3	213.45	D	T	M	Y	Y	339	Y	230	Y	43	Y	43	Y		Y	7
T5047C	251.50	D	T											Y		Y	1
T5048C_P4	224.00	D	T	M		Y	81							Y			
T5049_M8	210.60	R	T	M		Y	121							Y			
T5050	249.67	D	S	M	Y	Y	574	Y	167	Y	53	Y	32	Y		Y	47
T5051	288.23	D	T	M	Y	Y	786	Y	174	Y	29	Y	29	Y		Y	37
T5052	283.22	D	T	M	Y	Y	484	Y	56	Y	10	Y	10	Y		Y	37
T5053	258.29	D	T	M	Y	Y	678	Y	393	Y	67	Y	67	Y		Y	39
T5054	279.28	D	T	M	Y	Y	775	Y	353	Y	59	Y	59	Y		Y	35
T5055	318.34	D	T	M	Y	Y	601	Y	175	Y	39	Y	39	Y		Y	39
T5056	231.27	D	T	M	Y	Y	466	Y	227	Y	55	Y	55	Y		Y	26
T5057	351.24	D	T	M	Y	Y	808	Y	282	Y	60	Y	60	Y		Y	44
T5058_M9	206.95	D	T	T		Y	124							Y			
T5059_P5	197.68	R	T											Y			
T5060_P6	204.41	R	T											Y			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V/H 2.5:1
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T5034C
T5057C
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1500
2000
Kunioon Seam
Goodger Seam
Other Seams
Section A
Section B
N
Moreton Resources
MDL385 Kingaroy
Cross Sections
2014 Resource Estimation
GDD
GEOLOGICAL DATA DESIGN
L.K.S.
12/7/2014

Criteria	JORC Code Explanation	CP Commentary
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* ○ *down hole 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.*	• A detailed list of the drill holes used to define the resource in the Kingaroy Project can be found in the table presented earlier in the document. • All drill holes have been modelled from vertical, and hole deviation (from vertical) has been recorded and used in the geological model.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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 coal samples sent to the laboratory for analysis were subjected to proximate analysis, moisture, ash, volatile matter (VM), and fixed carbon (FC). • Subsequent analyses, which are still currently being undertaken, are based on composites of these, as determined by the first phase of analyses, and sample thickness. • All reported coal quality average values have been calculated as weighted averages using thickness and density. • Composite roof and floor sample analyses facilitated an ash cut-off parameter to be applied to the respective seams (approximately 40% ash).
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 (eg 'down hole length, true width not known').*	• All holes were drilled vertically, with geophysical verticality tools used to confirm this. • All coal intersections and down hole geophysical surveys are considered to be vertical (true) thicknesses, as the seam dips are generally 6-8 degrees. • Lateral coal seam continuity is demonstrated by the drill hole spacing (approximate 500m grid layout).
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.*	• Detailed geological maps and cross-sections of the resource are contained in the full resource report. The diagrams provided in this report provide an appropriate overview of the project geology and resources.

Criteria	JORC Code Explanation	CP Commentary
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 tenement has been collated and reported. Summary collar and seam intersection data can be found in the table below
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 other substantive exploration data is available at this time.
Further work	• *The nature and scale of planned further work (eg 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.*	• Future work in the project area is anticipated to include infill drilling to further increase the Measured and Indicated Resource categories from Inferred.

Table of Seam Intersections

Hole No.	seam	RL_top	RL_Floor	depth_from	depth_to	thickness
1248C	Kunioon	390.53	373.31	62.95	80.17	17.22
1248C	Goodger	293.5	279.86	159.98	173.62	13.64
1250C	Kunioon	297.88	283.65	150.21	164.44	14.23
1681R	Kunioon	322.63	309.93	157.3	170	12.7
2200C	Kunioon	400.54	386.84	57.65	71.35	13.7
2236R	Kunioon	390.75	381.85	71	79.9	8.9
482R	Kunioon	305.09	288.99	151.4	167.5	16.1
487R	Kunioon	354.95	347.95	144	151	7
488R	Kunioon	272.9	262.3	206.8	217.4	10.6
491C	Kunioon	381.05	373.26	82.11	89.9	7.79
491C	Goodger	297.54	285.81	165.62	177.35	11.73
492C	Kunioon	305.17	289.13	151.43	167.47	16.04
T5006	Kunioon	339.96	320.09	205.77	225.64	19.87
T5007	Kunioon	408.38	397.77	106.39	117	10.61
T5007	Goodger	242.98	240.39	271.79	274.38	2.59
T5009	Kunioon	307.35	294.37	165.33	178.31	12.98
T5010	Kunioon	336.57	324.71	158.38	170.24	11.86
T5011C	Kunioon	348.76	336.73	148.2	160.23	12.03
T5011C	Goodger	253.39	245.56	243.57	251.4	7.83
T5012	Kunioon	314.53	304.92	145.99	155.6	9.61
T5012	Goodger	273.03	267.26	187.49	193.26	5.77
T5013C	Kunioon	270.7	259.56	209.3	220.44	11.14
T5013C	Goodger	181.77	177.56	298.23	302.44	4.21
T5014	Kunioon	364.25	353.52	166.1	176.83	10.73
T5014	Goodger	267.35	263.26	263	267.09	4.09
T5015	Goodger	305.55	295.76	202.91	212.7	9.79
T5017	Kunioon	353.35	334.23	109.39	128.51	19.12
T5019	Kunioon	351.43	337.66	145.1	158.87	13.77
T5022C	Kunioon	348.33	336.8	148.18	159.71	11.53
T5022C	Goodger	265.85	252.4	230.66	244.11	13.45
T5023C_V1	Kunioon	342.05	327.48	203.03	217.6	14.57

Hole No.	seam	RL_top	RL_Floor	depth_from	depth_to	thickness
T5025	Kunioon	255.71	243.93	208.48	220.26	11.78
T5026	Kunioon	328.37	325.87	167	169.5	2.5
T5026	Goodger	304.09	302.05	191.28	193.32	2.04
T5027C	Kunioon	352.45	332.49	110.25	130.21	19.96
T5027C	Goodger	302.29	296.65	160.41	166.05	5.64
T5031C_V2	Kunioon	345.54	339.43	202.38	208.49	6.11
T5031C_V2	Goodger	241.14	235.22	306.78	312.7	5.92
T5034C_V4	Kunioon	360.42	345.44	182.1	197.08	14.98
T5034C_V4	Goodger	265.1	258.48	277.42	284.04	6.62
T5035C_V5	Kunioon	346.58	330.25	193.97	210.3	16.33
T5039C_M6	Kunioon	348.7	337.07	192.11	203.74	11.63
T5040C_M7	Kunioon	360.57	345.25	184.7	200.02	15.32
T5041C	Kunioon	272.06	261.75	204.24	214.55	10.31
T5041C	Goodger	218.76	212.58	257.54	263.72	6.18
T5042C_P1	Kunioon	346.82	331.42	197.39	212.79	15.4
T5043C	Kunioon	285.65	279.29	166.12	172.48	6.36
T5043C	Goodger	240.72	232.88	211.05	218.89	7.84
T5044C_P2	Kunioon	349.26	333.74	194.08	209.6	15.52
T5045C	Kunioon	329.72	319.26	132.39	142.85	10.46
T5046C_P3	Kunioon	351.72	336.96	192.48	207.24	14.76
T5048C_P4	Kunioon	345.26	330.55	199.29	214	14.71
T5049_M8	Kunioon	360.15	348.47	178.8	190.48	11.68
T5050	Goodger	299.53	289.66	216.72	226.59	9.87
T5051	Kunioon	337.3	329.52	167.65	175.43	7.78
T5051	Goodger	260.71	253.85	244.24	251.1	6.86
T5052	Goodger	285.49	282.1	200.21	203.6	3.39
T5053	Kunioon	256.21	244.71	207.79	219.29	11.5
T5053	Goodger	225.52	214.95	238.48	249.05	10.57
T5054	Kunioon	355.14	340.39	169.36	184.11	14.75
T5054	Goodger	270.53	266.83	253.97	257.67	3.7
T5055	Kunioon	333.04	323	184.11	194.15	10.04
T5055	Goodger	233.97	222.93	283.18	294.22	11.04

Hole No.	seam	RL_top	RL_Floor	depth_from	depth_to	thickness
T5056	Kunioon	291.99	280.95	200.96	212	11.04
T5057	Kunioon	336.56	325.62	158.54	169.48	10.94
T5057	Goodger	247.24	238.76	247.86	256.34	8.48

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

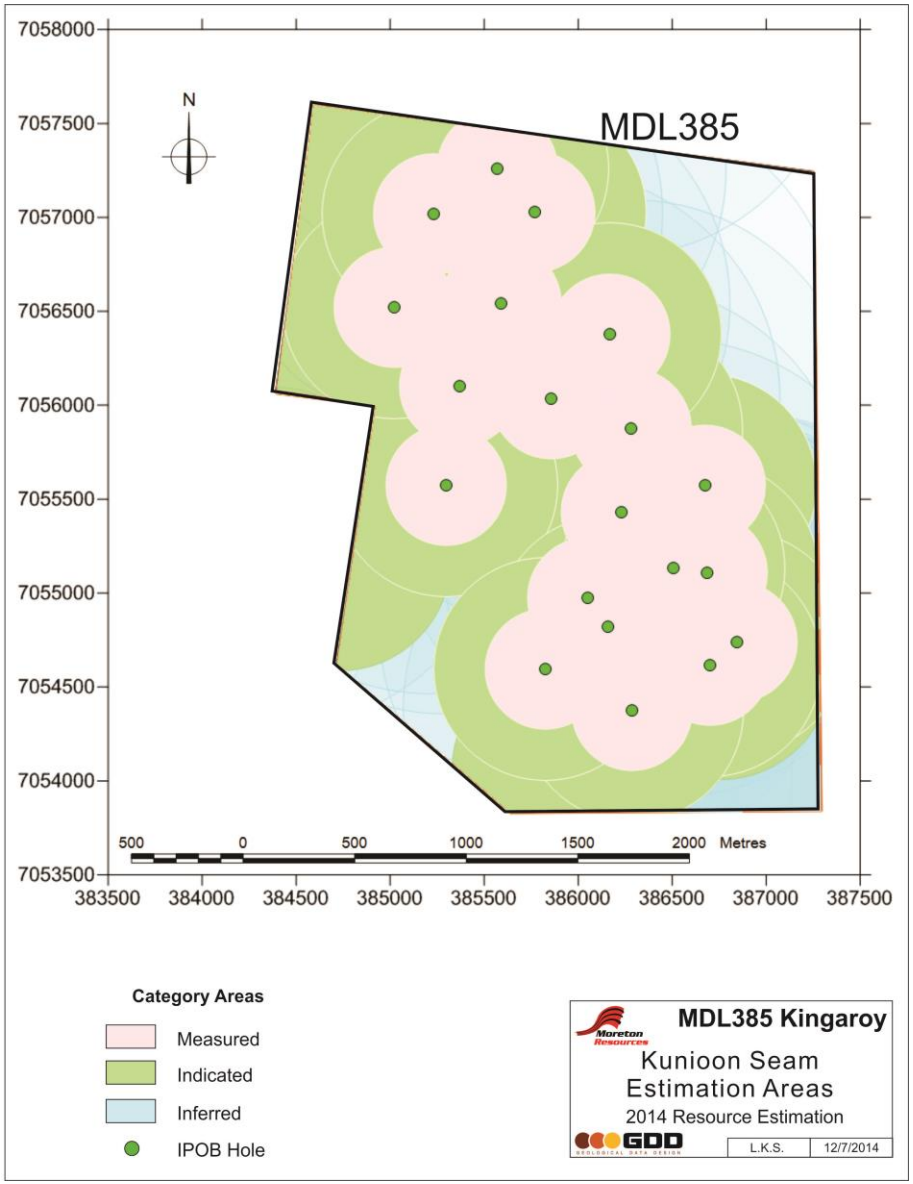
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

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.*	• Sampling and logging data from the field was directly entered into the LogCheck software package by the exploration geologists (Coal Search Consultants). • All original geologists' logging sheets, and laboratory test reports have been retained as hard and soft copies. • Geological Data Designs used the gPick Geological Data Management System to assemble, interrogate and manage all of the geological, geophysical, analytical and geotechnical data for the project. • As a measure to ensure auditability, the gPick database a separate set of columns to store adjusted and corrected depth data, so as maintain data integrity and provide a complete data audit trail for the data.
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.*	• Geological Data Designs geologists conducted two site visits: ○ 27 May 2014 – Examination of tenement, drill hole locations, drill core stored on site. ○ 27 June 2014 – Further examination of selected drill core to confirm geological logging. Samples were collected for additional coal quality test work, and verification of existing sample advice numbers was carried out.
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.*	• A high degree of confidence is held regarding seam continuity for the Kunioon and Goodger Seams, based on the geological model and resource estimation. • There is currently no evidence for any major faulting in the tenement area, however, this does not rule out the presence of localised faulting which may be encountered as exploration works continue. • The geological model suggests the presence of a shallow synclinal fold structure oriented approximately NW-SE, with thinning and pinching-out of the seams in the NE corner of the tenement.

Criteria	JORC Code explanation	Commentary
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.*	• The Kunioon and Goodger Seams extend approximately 3500m along strike in a N-NW direction from near the SE boundary to the NW boundary of the tenement. • Both seams are considered to be laterally continuous along strike and down-dip, as determined by adequately spaced drilling throughout the tenement. • The depths of the seams included in the resource estimate are: ○ Kunioon Seam ranges from 71-209m deep (average approx. 160m deep) ○ Goodger Seam ranges from 159-306m deep (average approx. 230m deep) • The approximate thicknesses of the seams included in the resource estimate are: ○ Kunioon Seam average thickness = 12.4m ○ Goodger Seam average thickness = 7.3m • Of possible significant material change to the resource estimate is the re-interpretation of earlier work resulting in the extension of the Kunioon Seam resource to the south west. In the previous resource estimate, the Kunioon Seam was interpreted to have been eroded out and overlain by younger sediments, based seemingly on the misidentification of seams in two drill holes. These holes were subsequently reviewed and interpreted to contain the Kunioon Seam, as opposed to its earlier identification as the Goodger Seam.
Estimation and modelling 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 (eg 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.* • *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.*	• Resource estimations are based on the following techniques and parameters: ○ Seams modelled - Kunioon and Goodger ○ Geological modelling and geostatistical analysis software = gsLib, SQL Server DAX, OP System, and Golden Software Surfer (version 12) ○ Geological boundary surfaces modelling and volume tonnage estimation using the Finite Element Model (FEM), Splining Model, and traditional polygon model estimation methods. • Total sulphur is the only such material tested to date; the average throughout the deposit rests well below established thresholds for the anticipated thermal coal product. • The assumption was made, based on the flat lying structure and the reasonable overburden ratios, that the deposit will be amenable to open-cut mining.

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages have been estimated on an in situ moisture basis derived from the relationship between in situ moisture and average air dried moisture. The method used is that documented in the ACARP C10041 Report "Estimation of In-Situ Moisture and Product Total Moisture". • Based on this methodology, and moisture results obtained from coal quality analyses, the in situ moisture has been estimated at 10%.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A maximum raw ash percentage of 40%, air dried basis, has been selectively applied during the resource estimate as documented above.
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 Moreton Resources Limited's opinion that, at this stage of the project, there are no limiting mining factors. • The deposit is deemed to be minable by open-cut • A maximum depth of resource of 306m from topography has been applied. • A minimum thickness of 1m was used across the resource.
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 Moreton Resources Limited's opinion that, at this stage of the project, there are no limiting metallurgical factors.
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 Moreton Resources Limited's opinion that, at this stage of the project, there are no limiting environmental or cultural heritage factors.

Criteria	JORC Code explanation	Commentary
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 evaluation process of the different materials.*	• The Preston & Saunders in situ relative density estimation has been applied to the Kunioon and Goodger Seam resource estimations. • This estimate uses the in-situ moisture calculated as per the methods described under 'Moisture' above.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie 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.*	• Three resource categories have been identified at the Kingaroy Project area, dependent on the level of confidence in the seam structure and continuity, as well as the level of variability in the coal quality data. • The maximum distance between valid Points of Observation for each resource category are: ○ Measured Resource = 550m between POBs (275m radius extended out from POB) ○ Indicated Resource = 1100m between POBs (550m radius extended out from POB) ○ Inferred Resource = 2000m between POBs (1000m radius extended out from POB)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Estimation Areas
2014 Resource Estimation
L.K.S.
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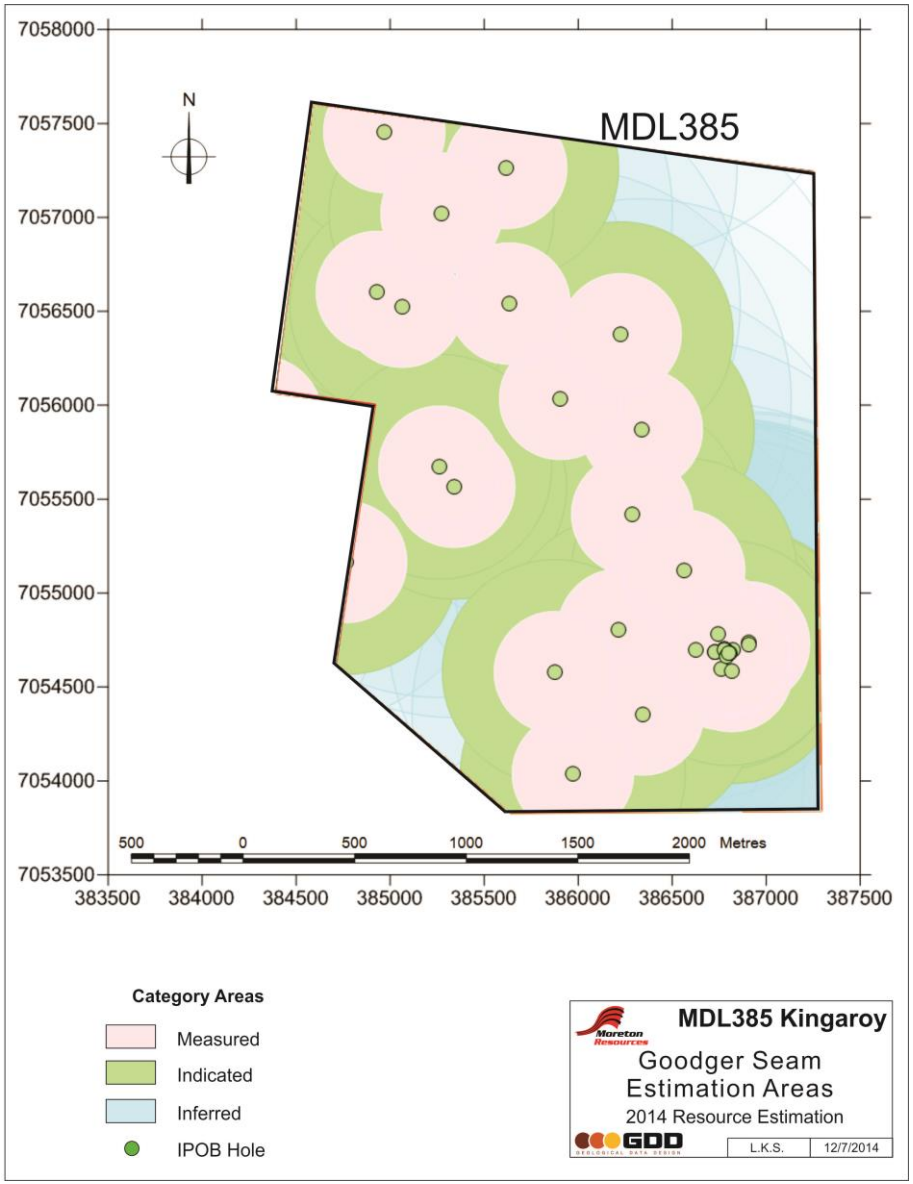
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Category Areas
Measured
Indicated
Inferred
IPOB Hole
MDL385 Kingaroy
Goodger Seam
Estimation Areas
2014 Resource Estimation
L.K.S.
12/7/2014

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The project data have been extensively QA/QC reviewed by Geological Data Design personnel.
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.*	• Geological Data Design have assigned three resource categories to the Kingaroy Project coal resource – Measured, Indicated and Inferred, as described in the section 'Resource Estimation' of this report. • Structural, statistical, geostatistical modelling were used to derive the distance limits used for the resource estimate. • Volume / tonnage estimation was performed using volume differences between modelled surfaces. It was checked with a polygonal thickness method. • Quality estimates were derived using linear kriging and checked with inverse distance methods. • Factors that could potentially affect accuracy include unknown structures between existing boreholes, seam washouts in roof, or in-seam stone bands developing. No evidence of this currently exists in the data available.