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The Manager
Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney 2000
via: www.asxonline.com

Dear Sir/Madam

CMR DEFINES 119MT MAIDEN JORC INFERRED THERMAL COAL RESOURCE AT THE DAWSON WEST PROJECT IN THE BOWEN BASIN OF CENTRAL QUEENSLAND

ASF Group Limited ("**ASF**") is pleased to announce that Civil & Mining Resources Pty Ltd ("**CMR**") has defined an 119Mt maiden JORC Inferred thermal coal resource at its Dawson West Project in the Bowen Basin, central Queensland. The Project is a new coal precinct close to operating coalmines, road and rail infrastructure and the townships of Moura and Theodore.

An update on the Dawson West Project is attached.

Information about CMR

In December 2013, ASF acquired a 68.205% stake in CMR, which is currently held by ASF Resources Limited, a 53.69% owned subsidiary of ASF.

CMR, trading as CMR Coal, is a coal exploration company incorporated in Queensland. The major assets of CMR comprise 25 Exploration Permits for Coal (EPCs), totaling 13,647km^2 of land throughout Queensland's major coal bearing basins and are situated in close proximity to operating mines, infrastructure and proven economic coal resources.

Information about ASF

ASF is unique among ASX-listed public companies in Australia. It is a Sino-Australian investment and trading house which focuses principally on the identification, incubation and realization of opportunities in areas of synergy between China and Australia including oil & gas, resources, property, infrastructure, travel and financial services sectors.

Geoff Baker
Director
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DAWSON WEST PROJECT

HIGHLIGHTS

- **Inferred JORC Code (2012) coal resource of 118.6Mt defined at the Dawson West Project in central Queensland;**
- **Coal resource occurs in the Triassic Moolayember Formation of the Bowen Basin, within M Seam (average seam thickness of 1.98m and maximum seam thickness of 2.8m);**
- **Coal quality indicates an export grade thermal product;**
- **One diamond and 8 open holes completed for a total of 2816m with an average hole depth of 313m;**
- **Dawson West is a new coal precinct that is close to operating coal mines, road and rail infrastructure and the townships of Moura and Theodore;**
- **Cumulative coal thickness to date is 17 metres across 17 seams intersected;**
- **Exploration to date shows little seam displacement by faulting and a very shallow dip 0.4 to 1 degree;**
- **Scope exits to significantly increase tonnages as the resource is open to the west (24km) and to the east (23km), with potential to find coal seams at opencut depths within the tenement;**
- **Additional coal resource potential exists in 3-4 additional seams >1m (up to 3.5m thick) that have been intersected as shallow as 34m in historical drilling;**
- **Phase 2 drilling is underway, followed by a pre-feasibly study depending upon results**

JORC Inferred Resource Estimate

Following completion of the June 2014 initial drilling programme at Dawson West, CMR has delineated a JORC Code (2012) compliant thermal coal resource as outline in Table 1.

Table 1. EPC 2427 JORC Coal Resource Table

Seam	JORC Category	Drillholes Total	Drillhole Spacing Mean (m)	Thickness Range (m)	Depth Range [Mean] (m)	Coal Density (In situ)	Area Resource** (m^2 x 10^6)	Coal Volume** (m^3 x 10^6)	Coal Mass Tonnes (x 10^6)
M	Inferred	9	2415	1.1-2.81	132 - 280 [216]	1.42	62	82	119
	Indicated								
Total	All Categories	9	2415	1.1-2.81	132 - 280 [216]	1.42	62	82	119
**JORC Modifier Factors									
**Resources are defined using a set of modifying factors: 1) JORC Resources area is defined within EPC2427 by an envelope encompassing drillholes and seismic that resolve coal seams of significance; 2) A coal seam of JORC Resource significance is >= 1.1 metres seam thickness; seams less than this thickness are excluded for JORC Resource purposes; 3) Primarily, JORC Resources area is contiguous and within 2500m of a geophysically logged drillhole containing JORC significant coal seam(s). 4) Secondarily, JORC Resources area is contiguous and within 1000m of 2D Seismic lines with significant coal seam reflectors that are verified by drilling. 5) JORC Resource coal seams are not impacted by intrusives.									
Summaries									
Total** JORC Measured								-	-
Total** JORC Indicated								-	-
Total** JORC Inferred								82	119

Project Location and Tenement Details

CMR's Dawson West Project is located 40kms southwest of Moura coal rail infrastructure (**Figure 1**), which links to the coal terminals at Port of Gladstone. An excellent network of road exists within the tenement allowing easy access for further exploration and evaluation of the coal potential within EPC 2427.

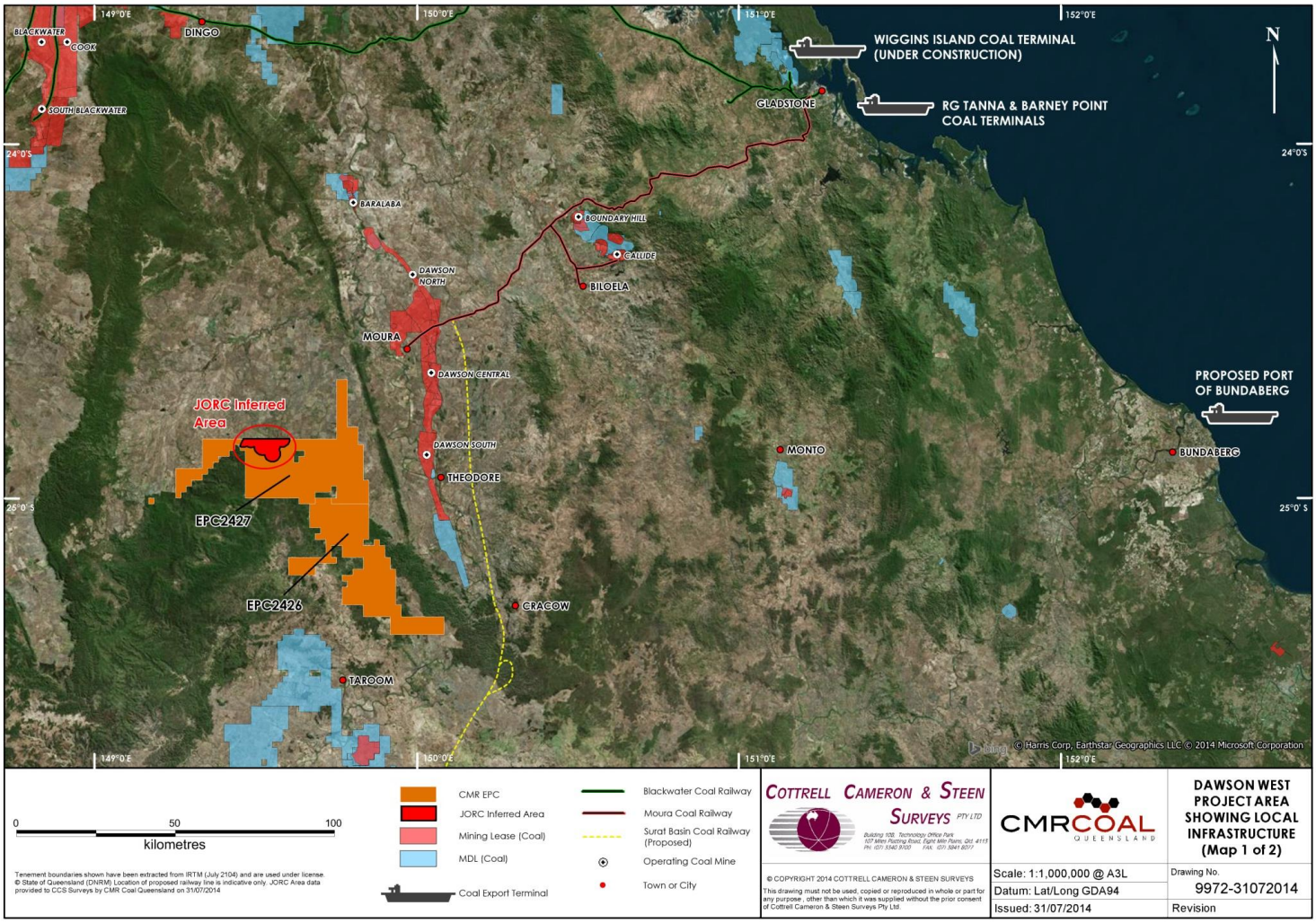

Figure 1. *CMR Dawson West (EPC 2427) Location Map*

Geological Interpretation

EPC 2427 is situated adjacent to the axial plane of the Mimosa Syncline as noted by the curvature in the light blue area of **Figure 2,** which denotes the Moolayember Formation, which is the uppermost geological unit of the Bowen Basin. As can be seen in Figure 2, the coal prospective Moolayember Formation extends 24km to the southwest and 23km to the southeast from the defined 119Mt JORC Code resource.

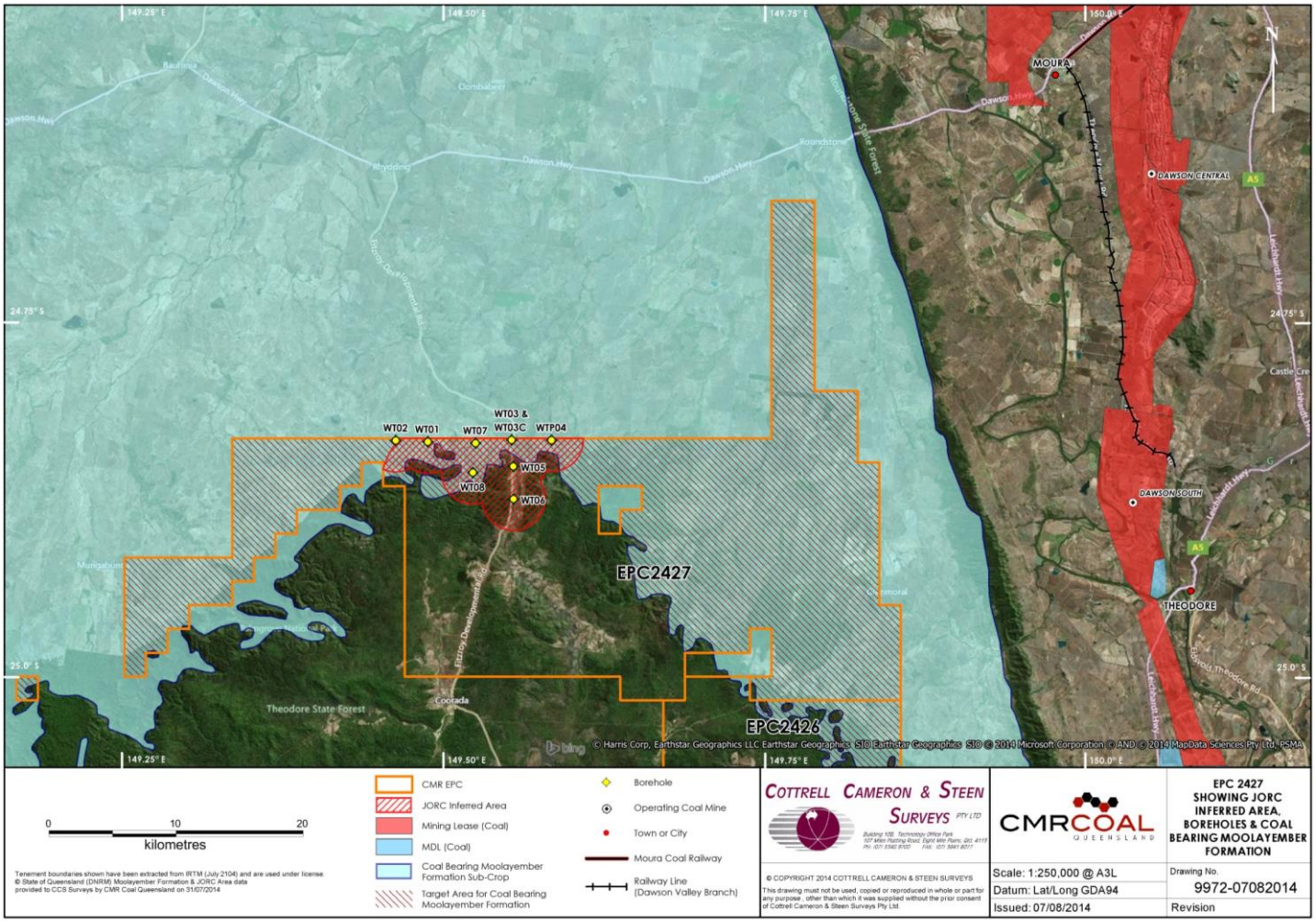

Figure 2. *CMR Dawson West (EPC 2427) with Coal Bearing Moolayember Formation Sub-Crop*

Drilling

A 9 hole drilling program has been completed at Dawson West (**Table 2**) during June 2014 which has defined a JORC Code (2012) compliant resource (**Table 3**). Drill hole WT03C was completed as a diamond core hole, the other 8 were completed as open hole chip holes. An example of the vitrinite rich coal mineralisation is shown in Figure 3 while Figure 4 shows a coal intersection from the M seam being geologically logged.

Figure 3 *Vitrinite-rich coal core from the M Seam in Drillhole WT03C*

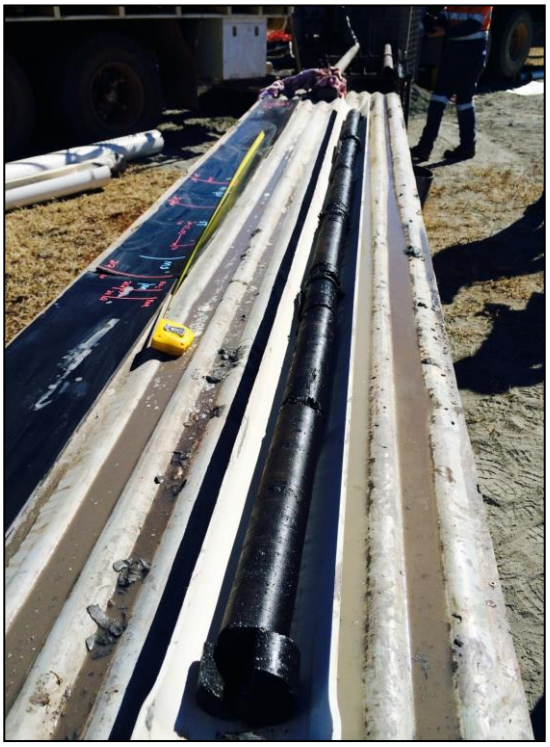

Figure 4 *Core intersection from M Seam in WT03C*

Table 2 Drillhole Data Summary for the Dawson West Project

Hole Name	Hole Type	EASTING MGA55_E	NORTHING MGA55_S	COLLAR RL_AHD	Total Depth (m)	LITHOLOGY	GAMMA	DENSITY	CALIPER	SONIC	NEUTRON	DIPMETER	VERTICALITY	Lease-EPC
WT01	Chip	*751212.20*	*7251164.85*	*288*	402	Y	Y	Y	Y	Y	Y	Y	Y	2427
WT02	Chip	*748714.61*	*7251324.52*	*286*	326.5	Y	Y	Y	Y	Y	Y	Y	Y	2427
WT03	Chip	*757775.66*	*7251189.58*	*304*	360	Y	Y	Y	Y	Y	Y	Y	Y	2427
WT03C	Core	*757775.00*	*7251189.00*	*304*	224.45	Y	Y	Y	Y	Y	N	N	Y	2427
WT04	Chip	*760887.23*	*7251122.61*	*263*	312	Y	Y	Y	Y	Y	Y	Y	Y	2427
WT05	Chip	*757856.30*	*7249132.06*	*309*	408	Y	Y	Y	Y	Y	Y	Y	Y	2427
WT06	Chip	*757824.35*	*7246612.22*	*319*	315	Y	Y	Y	Y	Y	N	N	Y	2427
WT07	Chip	*754943.69*	*7250998.11*	*274*	228	Y	Y	Y	Y	Y	N	N	Y	2427
WT08	Chip	*754694.66*	*7248727.51*	*276*	240	Y	Y	Y	Y	Y	N	N	Y	2427

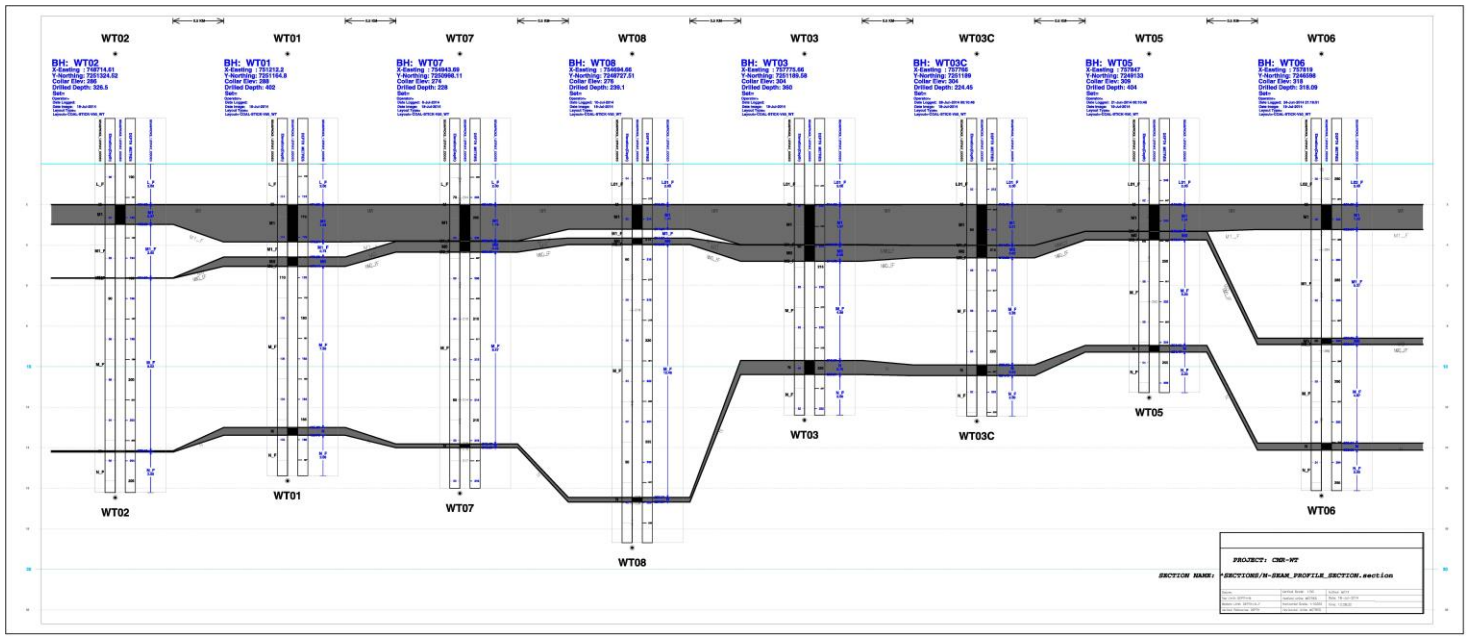

Figure 5 Geological cross section showing M seam and underlying N seam

Figure 5 above highlights the lateral continuity and thickness of the M seam in relation to the thinner underlying N seam. It is anticipated the M and N seam coal mineralisation will continue to the southwest and south east of the current JORC Code (2012) compliant resource.

The M seam was selectively sampled into plies to highlight thickness and coal parameters (**Figure 6**). In addition downhole geophysical tools such as natural gamma and density probes have been used to define coal continuity.

Future coal exploration will be aided by improved geological and geophysical understanding of the nature of the mineralisation.

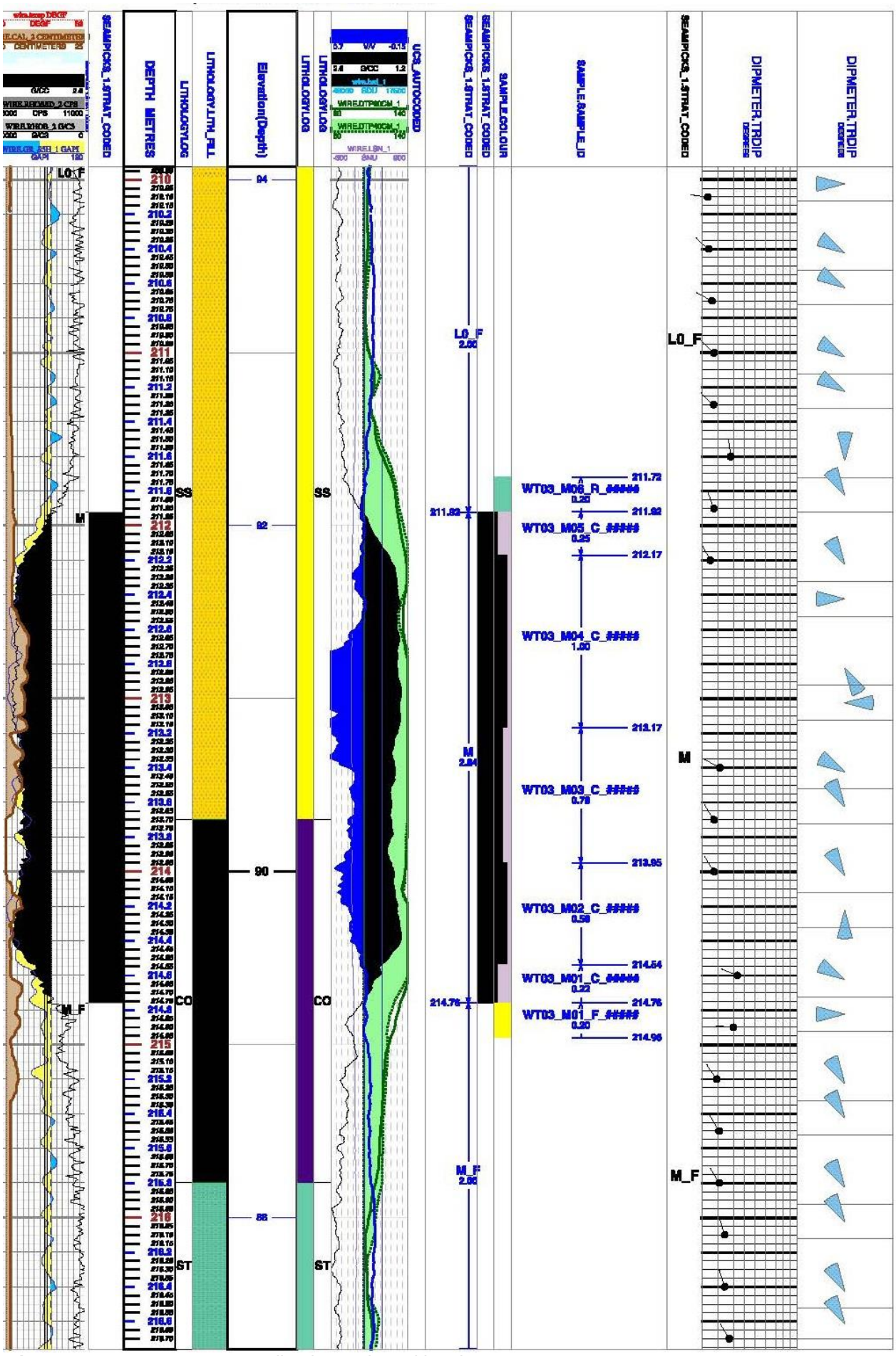

Figure 6 WT03C M seam sampling intervals and logging

Coal Quality

Initial analyses of the vitrinite rich coal highlight the high energy, low ash and low sulphur nature of the mineralisation as well as good swelling characteristics. It is anticipated that a final coal product specification will deliver potentially high yield over 50% while producing a 7.0% ash product, energy content of 6,879 k/cal adb and low sulfur levels of .052% (**Table 3**).

A&B Mylec is a consulting team of experienced professionals that has been providing metallurgical, process engineering and coal technology expertise and solutions to the Australian and International coal mining industry for nearly 20 years and has managed the coal quality process with ALS laboratories and has provided the following commentary:

"Exploration drilling for CMR's Dawson West Coal Project has commenced with the first HQ borecore presently being analysed at the ALS Coal Richlands laboratory. Initial analysis results indicate that the Dawson West deposit is a high volatile bituminous coal which would make a thermal coal suitable for the export market. Two coal seams have been intersected, with the 2.63m thick 'M' seam showing potential for exploitation. The thinner (0.53m) 'N' seam lies 5m below the 'M' seam, and has a raw ash of 27.9 %db.

The 'M' seam was sampled as four plies, with ply ashes ranging from 7.9% to 27.1 %ad, with the entire seam raw ash being 17.6 %ad. Full washability testing is currently in progress; however a cut-point product sample generated by Float/Sink at a low specific gravity of 1.35 suggests that a product representative of typical Hunter Valley and Gunnedah Basin thermal coals can be achieved at a yield over 50%. The limited data to date indicates that the Dawson West product would meet typical Newcastle export thermal coal Calorific Value GAR and GAD benchmark specifications. All coal quality parameters including total sulfur, chlorine and HGI lie within desired quality ranges. Coal classification, product options and coal utilisation potential will be further assessed as more data from the drilling programme becomes available."

Table 3. *EPC 2427 Indicative Coal Quality 'M' Seam, comparable to Newcastle Thermal Coal Benchmark Specifications*

CMR West Theodore Indicative 'M' Seam Product Coal Quality							
Analysis		As-Received	Air Dried	Dry Basis	Dry Ash Free	Ash Analysis	% Dry
Total Moisture (estimated)	%	12.0				SiO_2	49.7
Air Dried Moisture	%		6.2			Al_2O_3	25.0
Ash	%	6.6	7.0	7.5		$Fe2O_3$	9.6
Volatile Matter	%	35.4	37.7	40.2	43.4	CaO	5.7
Fixed Carbon	%	46.1	49.1	52.3	56.6	MgO	1.06
Total Sulfur	%	0.49	0.52	0.55	0.60	Na_2O	0.77
Calorific Value (Gross)	MJ/kg	27.02	28.80	30.70	33.18	K_2O	1.0
	kcal/kg	6453	6879	7333	7925	TiO_2	1.22
Phosphorus in coal	%	0.091	0.097	0.103		Mn_3O_4	0.11
HGI			48			SO_3	1.34
CSN			1½			P_2O_5	3.19
Gieseler Maximum Fluidity	ddpm		1			BaO	0.08
Vitrinte Reflectance (RoMax)	%		0.55			SrO	0.22
						ZnO	<0.01

Typical Newcastle Thermal Coal Specification for Comparative Purposes			
Analysis		As-Received	Air Dried
Total Moisture	%	< 15	
Ash	%	< 14	
Volatile Matter	%	27 to 35	
Total Sulfur	%	< 0.75	
Calorific Value (Gross)	MJ/kg	> 26.35	> 28.00
	kcal/kg	> 6300	> 6700
HGI			45 to 70

Exploration Strategy

Exploration is continuing at Dawson West, with a second phase13 hole program underway. Phase 2 drilling aims to convert part of the deposit to JORC Code compliant Indicated Resource status.

Once Phase 2 is completed, CMR will potentially commence a pre feasibility study to look at the viability of mining the Indicated portion of the Resource.

In conjunction CMR will look at extending the current resource to the east where the coal mineralisation has the thickest development, improving coal quality and increasing proximity to existing rail infrastructure.

Compliance Statement

The information in the report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Guy LeBlanc Smith, a Competent Person who is a Member of The Australian Institute of Geoscientists (AIG).

Dr LeBlanc Smith is the sole director of Director Rock Knowledge Services Pty Ltd. Dr LeBlanc Smith is a qualified geologist who has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. Dr LeBlanc Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – APPENDIX 1

This appendix details sections 1, 2 and 3 of the JORC Code 2012 Edition Table 1. Section 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 estimation.

Section 1 - Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple(e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Coal testing undertaken by CMR Coal was on HQ Core (61mm diameter). One historical borehole was tested by Geological Survey of Queensland (Queensland Department of Mines). NMWL Core was utilised. All core sample depths were recorded according to depths maintained by the rig geologist. These depths were determined by a combination of driller depths and the geologists own recorded depths according to core loss and gain and down-hole geophysical logs. • All sampled core was double bagged and labelled on site. Samples were given unique sample numbers and documented in a sample summary sheet. • Coal seams were divided and sampled as plies on the basis of lithological characteristics within the seam, with plies consisting of 0.5 to 0.9m sections of core. 0.1 to 0.3m of seam roof and floor were also sampled directly above and below the coal seam. • Coal quality core samples were prepared and analysed using Australian Standard testing procedures (AS4264.1). • Coal quality analysis was undertaken by Australian Laboratory Services Pty Ltd (ALS) at Richlands QLD and project managed by A&B Mylec Pty Ltd.
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)	• All quality holes were partially cored using a HQ core barrel (61 mm diameter). • All structural holes were fully chipped open holes using blade, hammer or PCD bits. • Chips from all holes have also been photographed. • A complete list of drill holes and drilling methods is contained in Appendix 2.
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.	• Each core hole was reviewed for core recovery based on measured recovered thicknesses and geophysical log thicknesses. The cored coal recovery was greater than 95%. • Linear core recoveries were verified by volumetric core recoveries derived from the Apparent Relative Density determinations on each ply upon receival at the laboratory.
Logging	• Whether core and chip samples have been geologically and	• All drillholes were geophysical logged with a combination of tools that include;

	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.	caliper, density gamma, sonic, neutron, verticality and dipmeter. A complete list of the geophysical tools run in each hole can be found in Appendix 2. • All cored drillholes were geologically logged, marked up and photographed before sampling. • Geological/geotechnical features identified were reported. • All geological and geotechnical observations were documented. • All open drillholes were geologically logged and chip intervals photographed. • Historical holes drilled by Geological Survey of Queensland were cored but not photographed or geophysically logged. • The geophysical logging company (Mitchell Wireline Services Pty Ltd and Geolog Pty Ltd) provided geophysical logging services using maintained and calibrated tools.
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 taken as whole core samples (not halfed). • Core samples were sampled dry, double bagged on site and transported to the laboratory for testing. • Australian Laboratory Services Pty Ltd (ALS) used for coal quality analysis complied with Australian Standards for sample preparation and sub-sampling AS4264.1). • Sample preparation procedures and analytical testing requirements were devised by A&B Mylec, specialists in managing coal analytical testing and interpretation of the results, and the testing programme was conducted by ALS in accordance with the supplied sample preparation flow sheets. • Prior to subdivision and testing, all core samples were either crushed to a top size of 11.2 mm as per industry practice (AS4264.1), or subjected to industry standard drop shatter and hand knap to pass 31.5mm where pre-treatment wash ability testing was required. All subsequent sample subdivisions were also proceeded by topsize reduction steps to ensure sample representivity. • No duplicate or second half samples were taken, however reserve samples were retained where possible at subdivision stages.
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.	• Australian Laboratory Services Pty Ltd (ALS) is certified by the National Association of Testing Authorities, Australia (NATA), and conducted all coal quality testing and analysis in compliance with Australian (AS) and International (ISO) standard test methods. • Australian Laboratory Services Pty Ltd (ALS) undertakes internal audits and round robins testing to ensure analytical results are reporting precisely and accurately. • The geophysical logging company (Mitchell Wireline Services Pty Ltd and Geolog Pty Ltd) calibrated all geophysical tools using their standard internal calibration procedures.

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.	• Coal quality verification is also undertaken by the laboratory prior to providing the final results – standard industry checks are performed on the results to ensure they comply with known correlations and minimum and maximum values. • The coal quality results were also verified in the coal quality database by independent coal quality consultants A&B Mylec using minimum and maximum limits and standard coal quality validation techniques. Anomalous values were reviewed and queried to the laboratory and either corrected or excluded from quality results. • No adjustments have been made to the laboratory analytical data. • Microsoft Excel file holds the GDB database which undertakes a set of validation checks (minimum and maximum values, proximate and ultimate analysis total checks) prior to allowing the data to be loaded. • CMR Coal have also reviewed and verified coal quality results internally using their own checking procedures. • Twinned holes have been used to date for the purpose of coal quality verification.
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.	• Drillhole location survey was undertaken on all drill holes included in the geological model and resource estimate using GPS device. The grid datum used is GDA 94 and projection MGA 94 Zone 55. • The topographic data set used for the geological model was sourced from SRTM (Shuttle Radar Topography Mission) survey. The DEM data is sampled at 3 arc-seconds, which is 1/1200th of a degree of latitude and longitude, or about 84 metres (275 feet) intervals.
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.	• Drill hole spacing was largely determined by the characteristics and consistency of seams (M Seam). The maximum drillhole spacing within the Inferred resource area is up to 2500 metres.
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 orientation and spacing of the drilling grid is deemed to be suitable to detect geological structures and coal seam continuity within the resource area.
Sample Security	• The measures taken to ensure sample security.	• The sample security was ensured under a chain of custody between CMR Coal personnel, A&B Mylec and the coal laboratory (Australian Laboratory Services Pty Ltd (ALS)), with all parties maintaining records pertaining to each sample batch dispatched. All samples transferred from the drilling site to the laboratory

		were logged in laboratory sample advices, and receipt of all dispatched samples was confirmed on arrival at ALS. • Core samples were transferred from the drill site to the ALS laboratory by CMR Coal personnel.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• CMR Coal and A&B Mylec were responsible for implementing and maintaining the sampling techniques and data, with peer review by Rock Knowledge Services Pty Ltd. • Australian Laboratory Services Pty Ltd (ALS) undertakes internal audits and round robin testing to ensure analytical results are reporting precisely and accurately.

Section 2 - Reporting of Exploration Results

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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>• CMR hold two Exploration Permits for Coal (EPC) that covers the Dawson West Project area.
<table>
<tr><th>Tenure Type</th><th>Tenure No.</th><th>Data Lodged</th><th>Area</th><th>No. Subblocks</th><th>Holder Name</th></tr>
<tr><td>EPC</td><td>2427</td><td>17-Mar-11</td><td>815 Km2</td><td>291</td><td>CMR</td></tr>
<tr><td>EPC</td><td>2426</td><td>16-Mar-11</td><td>622 Km2</td><td>222</td><td>CMR</td></tr>
</table>
• There are no other known impediments to mining in the area.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• There are 8 petroleum wells, 7 coal seam gas wells, 8 Geological Survey of Queensland (GSQ) stratigraphic boreholes, 121 water bores with coal intersections and 935 seismic lines within the Project region. Data from Geophysical Survey of Queensland (GSQ) and open file private company geophysical survey data covering the Project area have been compiled.
• The only cored borehole throughout the Dawson West Project exists in stratigraphic wells, namely DRD 7. Six seams of undifferentiated coal were logged in DRD 7. DRD 7 was continuously cored from 38 feet (11.58m) to 697 feet (212.45m) (Gray, 1968) and intersected six (6) coal seams within the Moolayember Formation.
• All exploration programs have greatly aided the exploration activities of CMR Coal providing solid background data to base their exploration planning upon.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• The project area contains two distinct sedimentary basins - the Surat and Bowen Basins. The basins are separated by a major unconformity. Both basins contain</td></tr>
</table>

		coal-bearing sedimentary sequences applicable to the project area. • The regional stratigraphy is broadly flat laying siliciclastic sedimentary rock sequences in a flat to undulating terrain. Local geologically young volcanic basalt lava extrusive has filled valleys in the topographic surface of Tertiary age landscape. These basalt rocks are very weathered in part and occur at surface over a small area of the exploration tenement. Low hills are capped with older Precipice Sandstone of Jurassic age. The older coal-bearing Triassic Moolayember Formation underlies the Precipice Sandstone, at a shallow dipping contact angle, and forms the target sequence and focus of exploration. • The Moolayember Formation was identified as a target stratigraphic unit hosting coals and described by the Geological Survey of Queensland in Report 22 (Gray, 1968). There has been little to no exploration subsequently and is thus forms a new coal exploration prospect.
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 listing of all drill holes used in the Resource Estimate is detailed in Appendix 2. • All drillholes are vertical holes and have been modelled with verticality data where available. Those drill holes with no available verticality data have been modelled as vertical. • Down hole geophysical logs (LAS files) were loaded to Paradigm Geophysical Geolog6 Software and log and section profiles were generated from which seam correlations, contact depth and elevation attributes were determined and extracted to data files for resource processing.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually • Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All coal quality information (raw and potential product) has been composited into a single quality value where originally multiple samples existed. The compositing was performed using Microsoft Excel software where each coal quality value was weighted by both in situ relative density and thickness. • No minimum sample thickness cut-offs were applied as all seams contained samples of greater than 95% recovery.
Relationship between mineralisation	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill	• The current data within the Dawson West area demonstrates, with sufficient confidence, that the deposit has lateral continuity. As such, data has been extrapolated to a maximum of 2,500 m past the last drill hole.

widths and intercept lengths	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').	• The major seam used in the resource estimate contained consistent geophysical signatures and seam thickness of acceptable consistency within the resource area.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• All relevant diagrams are contained within the body of the Dawson West Project – Geology & Resource Report – July 2014.
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 exploration results within the Dawson West Project area have been fully collated and reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• This is a new coal sequence exploration in Triassic age strata. This area has not been explored significantly since the early regional stratigraphic exploration by the Geological Survey of Queensland in 1968. The Moolayember Formation was identified as a target stratigraphic unit hosting coals and described by the Geological Survey of Queensland in Report 22 (Gray, 1968).
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.	• CMR Coal plan on further delineating the Dawson West Project resource in 2014. A detailed infill drilling program is planned to increase the geological knowledge and confidence both structure and coal quality. • A 2D seismic survey is also planned to assist in the accurate determination of the basin structure, especially the western and eastern margin limits. A Feasibility Study is planned to commence late 2014.

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.	• CMR Coal uses LogCheck version 6.072 in the field for data storage. • Drill hole data is also validated by Rock Knowledge Services Pty Ltd during and after loading data into Golden Software Surfer software, version 12.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• No site visits have been undertaken by Rock Knowledge Services Pty Ltd. • Rock Knowledge Services Pty Ltd has regular meetings with CMR Coal to discuss and review sampling results and field procedures to enhance data collection quality. • A site visit is planned later this year to review field procedures and sampling practices.
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.	• Down hole geophysical logs (LAS files) were loaded to Paradigm Geophysical Geolog6 Software and log and section profiles were generated from which seam correlations, contact depth and elevation attributes were determined and extracted to data files for resource processing. • The drill hole density in the Dawson West Project area allows a moderate to high level of confidence in the nature of the seam thickness and quality consistency and interpreted location of faults. • It is recommended that future exploration involve 2D seismic to assist in delineating the precise location and nature of the faults identified.
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 main target M Seam extends approximately 14.48 kilometres along strike and approximately 6.62 km perpendicular to strike with an approximate average thickness of 1.98m. . • The depth of cover to the M seam ranges from 174.5 metres in the west and east to 281.30 metres in the centre of the mimosa syncline. • The current resource extent covers 62 km2 in the Inferred resource area.
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.	• Down hole geophysical logs (LAS files) were loaded to Paradigm Geophysical Geolog6 Software and log and section profiles were generated from which seam correlations, contact depth and elevation attributes were determined and extracted to data files for resource processing. • The geological model and resource estimate were constructed using Golden Software (version 12) using the Kriging interpolator and 84m cell size for gridding and determination of the thickness, elevation, volume and tonnage, respectively. • Limits were placed on coal seams reporting to the JORC Resource Estimate: Coal thickness >= 1.1 m seam thickness Stone partings < 0.5 m thickness

	• Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • 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.	Coal splits < 0.3 m thickness excluded Distance between contiguous points of coal intersection (drillholes) <= 2500 metres within the tenement area. • Areas and seam components outside these constraints were blanked and did not report to the resources estimate. • A coal density of 1.42 was used for resource tonnage determination using coal volume calculated from the *'limits modified'* seam thickness grids (See Table 3).
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are estimated on a insitu moisture basis • The moisture content was derived from the formula MIS = 0.348 + 1.1431 x MHC using the 'M' seam moisture holding capacity value from the initial core (ACARP report C10041)
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• No ash cut-offs have been applied to the deposit since raw ash content values are considered low (*ply ashes ranging from 7.9% to 27.1 %ad, with the entire seam raw ash of 17.6 %ad).*
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.	• Rock Knowledge Services Pty Ltd has applied a minimum seam thickness cut-off of 1.1 metres after consultation with CMR Coal. It is deemed that this thickness cut-off is in line with current underground mining minimum seam thickness limits.
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	• At this early stage of the project there are no limiting metallurgical factors. Full washability testing of the coal seams is yet to be completed, after which metallurgical treatment process simulations and evaluation will be performed. • A simple cut-point Float/Sink at 1.35 SG has been performed to provide an early indication of potential low ash product quality and for coal classification.

	with an explanation of the basis of the metallurgical assumptions made.	
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 Rock Knowledge Services Pty Ltd opinion that there are no limiting environmental factors at this stage of the project.
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 insitu density of the coal seams has been estimated using the Preston Sanders insitu relative density estimation equation. • Tonnages are estimated on an insitu moisture basis. • Samples were assigned an Insitu moisture value of 12.4%, derived from the formula MIS = 0.348 + 1.1431 x MHC using the 'M' seam moisture holding capacity value from the initial core (ACARP report C10041).
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• One resource category has been identified in the Dawson West Project area dependent on the level of confidence in the seam structure and continuity plus the level of variability in the coal quality data. • The maximum distance between valid points of observation (PoB) for resource categories are: Inferred <= 2500 metres Indicated <= 1000 metres
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• CMR Coal and A&B Mylec were responsible for implementing and maintaining the sampling techniques and data, with peer review by Rock Knowledge Services Pty Ltd. • Australian Laboratory Services Pty Ltd (ALS) undertakes internal audits and round robins testing to ensure analytical results are reporting precisely and accurately.

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, 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.	• Rock Knowledge Services Pty Ltd have assigned the Inferred level of confidence to the coal Resource Estimate based on the seam and drill hole spacing as detailed in the previous section 'Resource Classification'. • Factors that could affect the accuracy of the resource estimate include unknown structures between completed drill holes, seam wash outs in roof or inseam stone split bands thickening. Sedimentary interpretation of drillhole geophysics has determined the resource area information sufficient for Inferred category currently exists at this point in time. • A 2D seismic study is planned in 2015 by CMR Coal which should assist in providing further confidence in the structure of the deposit.