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ASX ANNOUNCEMENT

Expansion to the KCM Project area

Subsequent to the Company's announcement of 1 May 2013, the Company has been informed via the vendors of the KCM project, that the vendors have successfully negotiated with the owners of the entire CCOW proposal to expand the initial project area, and to include a further 346 hectares.

Whilst the negotiations have resulted in an increase in the total site area, the terms and condition, plus the conditions precedent associated with the original KCM proposal have not been altered, and remain as stated in the announcement of 1 May 2013.

In relation to the KCM project, the additional area is located approximately 2kms to the north, they are not adjoining blocks and the new area lies over divergent coal seams.

The map adjoining this announcement displays the location of the new area, being to the north of the existing KCM project.

It is the intention to complete the current drilling programme on the original KCM project site prior to moving to the expanded location.

Roland Berzins Company Secretary

6 June 2013

