ASX ANNOUNCEMENT

International Coal Announces 41Mt Inferred Resource at its Bundaberg Hard Coking Coal Deposit

Highlights

- **International Coal Limited (ICX) reports a data sharing arrangement between ICX and Fox Resources Limited (Fox) and recent drilling by Fox in EPC 1523 has led to an upward revision of the Inferred Resource at EPC 2196 to 41Mt (Figure 1).**

- **The laboratory and drilling results from EPC 1523 and 2196 indicate that GU, GL1 and GL2 seams can be correlated across the tenement boundaries and continue to exhibit hard coking coal characteristics.**

- **Coal quality results from these seams indicate the coal exhibits (based on clean coal results at CF1.50) a crucible swelling number (CSN) between 8-9, maximum Gieseler Fluidity of 2500ddpm, average ash of 9.5%, and average calorific value of 7,450kcal/kg.**

- **While the deposit continues to produce encouraging results, determining whether a resource is economic will require a better understanding of the geology and the impact of any potential mine plan. In addition, any decision on mine viability remains subject to the results of further exploration drilling, prefeasibility and feasibility studies, and environmental impact assessments to determine the viability of the resource and achieve approvals for the project.**

- **ICX plans to undertake further studies to better understand the working sections available for mining and the next steps required to develop a conceptual mine plan and future feasibility study.**

- **Hard coking coal is highly sought after for steel and other materials manufacture essential to future economic growth in Asia and globally.**

Inferred Resource Estimate

<u>2 April 2014</u>**: International Coal Limited** (ASX: ICX) is pleased to announce the results of a data sharing arrangement between ICX and Fox which includes data from recent drilling by Fox in EPC 1523. This has enabled ICX to increase the size of the Inferred Resource reported at EPC 2196 to 41Mt (**Figure 1**). Details on the constraints applied to this JORC Inferred Resource are provided in **Appendix 1**.

International Coal is the manager and principal holder of EPC 2196 holding a 75% interest with Queensland Coal Investments holding 25%.

Exploration and Development Plans

International Coal's Chief Executive Officer, Mr Glenn Simpson said, "The data sharing arrangement with Fox has already helped with our understanding of the size of this Inferred

Resource. The next step is to firm up our understanding of the working sections and further exploration and development work required to form the building blocks for future mine planning and feasibility studies."

Work on resource models and working sections is often required as a precursor to further drilling, which will be required to upgrade the Inferred Resource and allow mine pre-feasibility studies and a statement of mineable reserves.

The company notes that recent media releases have indicated that the project could be producing by 2020. These reports do not reflect any commitment to any timeframe by International Coal, rather a window when the demand in the world economy recovers and growth in Asia ramps up toward 2017-2020. While the project continues to produce encouraging results, determining whether a resource is economic requires a better understanding of the geology and the impact of any potential mine plan.

Any decision on viability remains subject to the results of further drilling and exploration, prefeasibility and feasibility studies, and environmental impact assessments to determine the viability of the resource and achieve approvals for the project.

As manager, International Coal intends to communicate clearly with the community on the project as it progresses further.

Results reported under new JORC and ASX standards

Results from drilling at EPC 2196 have been reconciled and reported in this release under the Joint Ore Reserve Committee (JORC) Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.

Table 1 - Inferred Resource estimates on EPC 2196 (75% ICX, 25% QCI), March 2014.

Tenement	Formation	Inferred Tonnage (Mt)	Raw Ash % adb	Raw Volatile Matter % adb	Crucible Swell Number	Raw Total Sulphur % adb
EPC 2196	Burrum Coal Measures	41.3	18.4	22.9	8.5	0.69

Note the total tonnages may not total due to rounding.

The increased tonnage is due to the additional data provided by Fox which resulted in a more robust model that has allowed seams to be modelled over a larger area, covering the entire Inferred Resource mask. Additionally, there have been slight changes to the seam thicknesses and insitu wet relative density for some seams, again due to the addition of Fox data.

Summary

International Coal is working in a transparent manner with Fox to assess the resource potential of coal seams near Bundaberg. The Board and Management of ICX are excited by the next phase of exploration over the next 12 months.

Figure 1 Resource masks for EPC 2196 and 1523

Information in compliance with ASX Listing Rule 5.8.1 re: Inferred Resource at EPC 2196

EPC 2196 is located north west of Bundaberg on Queensland's east coast.

Geology and geological interpretation

The project is located in the Maryborough Basin which contains terrestrial and marine sedimentary sequence up to 10km thick deposited in the Late Triassic to Early Cretaceous. The sedimentary sequence is composed of fluvial sandstone overlain by fluvio-lacustrine coal measures.

Seams dip east at 6-12 degrees on the western limb of the Bundaberg Anticline. The presence of faulting is not yet identifiable. The Burrum Coal Measures conformably overlie the Maryborough Formation in the east of the basin.

The coal measures can be subdivided into three units:
- An upper and lower unit each composed of interbedded sandstones and siltstones with no coal seams;
- A middle unit approximately 500 metres thick that contains mainly shale with thin coal seams.

Drilling in the south of the basin has identified 13 separate coal seams and six of these have been mined. The coal seams are characteristically lenticular and are often split by shale and sandstone bands. Working thicknesses of individual seams have been recorded at more than 1m and in some occurrences the coal seams are up 3m thick, but in general as shown in **Table 2**,

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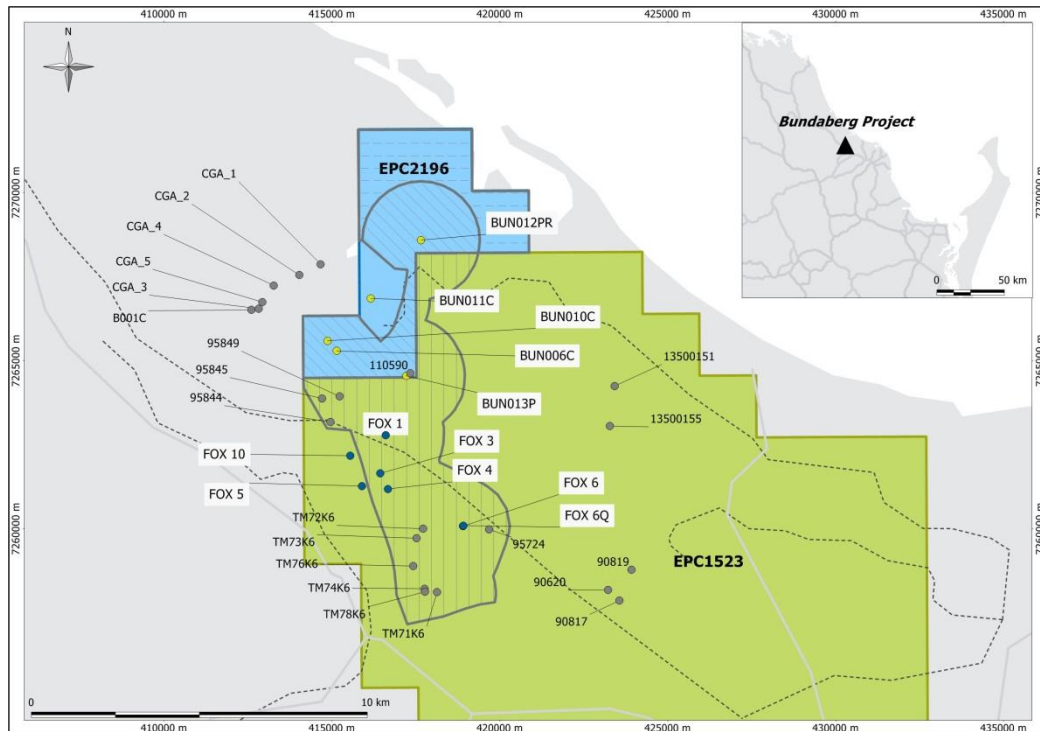Northgate QLD 4013
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below, seam thicknesses average between 0.2 and 1m in thickness across the combined data set.

Table 2 Seam thickness statistics for EPC 2196 and 1523

INTERVAL	NUMBER	AVERAGE	MINIMUM HOLE NAME	VALUE	MAXIMUM HOLE NAME	VALUE	S.D.	SKEWNESS	KURTOSIS
X1	8	0.267	65308,	0.050	95724,	0.500	0.138	0.182	-0.452
X2	8	0.392	BUN006C,	0.130	95724,	1.000	0.271	1.521	1.293
X3	8	0.260	BUN008P,	0.199	BUN012PR,	0.350	0.050	0.457	-0.537
X4	7	0.353	BUN008P,	0.155	BUN011C,	0.968	0.278	1.845	1.744
X5	5	0.341	BUN009P,	0.199	FXBU001R,	0.610	0.160	1.059	-0.309
A	18	0.614	53767,	0.050	53927,	2.000	0.552	1.112	0.257
B	19	0.544	CGA_2,	0.150	53083,	2.000	0.450	1.904	3.747
C	32	0.604	65038,	0.050	40686,	3.040	0.776	2.325	4.361
DU	30	0.417	CGA_2,	0.030	53764,	1.520	0.404	1.522	1.463
DM	7	0.250	13600016,	0.100	BUN010C,	0.319	0.079	-0.954	-0.229
DL	26	0.636	53786,	0.050	13600149,	3.000	0.623	2.283	6.137
E1	19	0.273	CGA_1,	0.060	FXBU006Q,	0.610	0.172	0.783	-0.619
E2	24	0.473	TM72K6,	0.090	TM70K6,	1.130	0.327	0.670	-0.820
E3	22	0.365	TM58K5,	0.090	TM74K6,	1.220	0.245	2.003	4.679
F	34	0.508	65257,	0.050	BR5,	1.400	0.337	1.004	0.358
FL	2	0.419	FXBU006,	0.338	95849,	0.500	0.115	-	-
GU	34	0.930	121055,	0.100	TM57K5,	2.500	0.534	0.754	0.626
GL1U	2	0.975	FXBU006,	0.920	FXBU006Q,	1.030	0.078	-	-
GL1L	2	0.703	FXBU006Q,	0.700	FXBU006,	0.707	0.005	-	-
GL2U	1	0.500	95845,	0.500	95845,	0.500	-	-	-
GL2L	1	0.500	95845,	0.500	95845,	0.500	-	-	-
H1	17	0.459	BUN001P,	0.169	TM62K5,	1.400	0.297	1.948	3.979
H2	16	0.647	FXBU004,	0.030	110483,	1.870	0.470	1.093	0.869
H3	2	0.199	BUN001P,	0.199	BUN012PR,	0.200	0.001	-	-
GL1	27	0.873	TM76K6,	0.220	TM70K6,	2.440	0.445	1.545	3.862
GL2	29	0.922	TM65K5,	0.180	FXBU001R,	2.750	0.606	0.982	0.963

Sampling and sub-sampling techniques

All coal core from EPC 2196 was double bagged on site and transported to the laboratory for testing. Bureau Veritas Laboratory, Brisbane, comply with Australian Standards for sample preparation and sub sampling. All coal samples were crushed to a top size of 12.5mm before analysis.

Drilling techniques

All coal quality holes were cored (partially or fully) using a HQ size barrel (63mm core diameter). Structural holes were fully chipped using blades or hammer and mud drilling fluids. A full list drill holes and drilling methods have been previously published to the ASX on 25th March and 31st October 2013.

Classification criteria

Exploration drillholes were spaced approximately 2,000m apart in EPC 2196 and approximately 1,400m in EPC 1523. Nearest neighbour analysis suggests that the RMS Borehole density spacing is currently 1,000m (using GU thickness as the test parameter) for the whole deposit/model area.

The current data within the Bundaberg coal deposit demonstrates, with sufficient confidence, that the deposit has lateral continuity. As such, the resource has not been modelled any further than a maximum of 2,600m past the last drill hole, or the lease boundaries, whichever is encountered first. Despite the data sharing agreement, there is only data sufficient to estimate JORC Resources to a confidence level of Inferred.

Sample analysis method

Both ICX and Fox used Bureau Veritas Laboratory, Brisbane. Bureau Veritas comply with Australian Standards for sample preparation and sub sampling. All coal samples were crushed to a top size of 12.5mm before analysis.

All geophysical tools were calibrated prior to arrival on site. A standard suite of geophysical sondes was run, including both long and short-spaced density calibrate internally to units of relative density (g/cc).

Estimation methodology and cut-off grade(s)

A geological model was created by ROM Resources in March 2014 using Ventyx Minescape geological modelling software. Validation of drilling and coal quality data, and associated models, were completed at the relevant stages. Constraints on the Inferred Resources are as follows:

1. Coal seams not intruded or not outside the tenure boundaries;

2. Coal thicknesses <0.2m excluded;

3. The depth range of calculation was from the base of weathering to 520m below natural topography;

4. Coal seams >55% adb measured from coal quality or estimated from downhole density logs (in g/cc) excluded from the calculations;

5. A discount factor has been subtracted from the initial calculation for unexpected geological losses. This accounts for unexpected conditions such as seam thinning, splitting, or seams missing in barren zones around faults;

6. The mine planning package used was Minescape and seam structure and thickness contours were generated using standard modelling algorithms and methodologies. Inferred masks were generated from base circles drawn 3,500m between Points of Observation (N.B. this figure was incorrectly quoted as 2600m in the 17 December 2013 release);

7. Points of Observation were defined as those boreholes that had known surveyed positions, detailed lithological logs and coverage of the target coal seams with a suite of downhole geophysical logs that must include density in units of kg/m3.

Samples with raw ash, air dried basis (adb) less than 40%, were assigned a NHC moisture holding capacity of 8%. Samples with raw ash (adb) of 40 to 60% were assigned a NHC moisture holding capacity of 6%. Samples with raw ash (adb) greater than 60%, were assigned a NHC moisture holding capacity of 5%.

The NHC moisture holding capacity values were derived from total moisture values that have been conducted on all samples and from public domain information published by the New Hope Corporation regarding the Colton Deposit (85km to the south; which is also looking to exploit coal seams in the Burrum Coal Measures

From the cross-correlations established (for example see Figure 6 in Appendix 3 of the announcement on 17 December 2013 which shows wet insitu relative density vs raw volatile matter) it is objectively possible to estimate a range of raw coal quality parameters, based on

correlations of historical and company laboratory data available, including the basis for the selected cut-off grade(s).

Modelling cut-offs applied were seam thickness greater than 0.05m (the actual reporting cut-off was 0.2m).

Mining and metallurgical methods and parameters

As reported on 25 March 2013, clean coal composite results (at CF1.50) from the key target seams, GU, GL1 and GL2 showed crucible swell numbers (CSN) between 8-9, maximum Gieseler Fluidity of 2500ddpm, average ash of 9.5%, average calorific value of 7,450kcal/kg at yields of 40%-80%.

Borehole BUN011C results have also been published, and this borehole is located within one of the Exploration Target masks due to higher ash contents of the main working section seams and the fact that the seams thin at that location. The product qualities for BUN011C (at CF1.50) includes crucible swell numbers (CSN) between 4-7 , maximum Gieseler Fluidity of 2500ddpm, range of product ash of 4.5% - 22%, calorific value of 6,800-7,100kcal/kg at yields of 2%-55%.

JORC Inferred Resource

A JORC Inferred Resource of 37.9Mt was reported on 17th December 2013 based on modelling completed by ROM Resources using the geological and drilling data and parameters provided above. Recent drilling and laboratory analyses by Fox have now been incorporated and modelled using the same technique and parameters as reported on 17 December 2013, resulting in an increase of Inferred Resources to 41Mt.

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Appendix 1 - JORC 2012 Table 1 (Section1 – Sampling techniques and data)

Criteria	JORC Code explanation	CP Comments
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.	For both EPC 2196 and 1523, all coal core was sampled on a ply basis and all coal samples were double bagged on site and transported to Bureau Veritas laboratory Brisbane for testing. All coal quality samples were prepared and analysed using Australian Standard testing methodologies. All coal seams intersected were sampled, and any stone band greater than 0.05m in thickness was sampled separately to the coal. Any stone band greater than 1.0m in thickness was not sampled.
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).	All coal quality holes (EPC 2196 and 1523) were cored (partially or fully) using a HQ size barrel (63mm core diameter). Structural holes were fully chipped using blades or hammer and mud drilling fluids. A full list drill holes and drilling methods on EPC 2196 have been previously published to the ASX in March, October and December 2013. A similar list has been published by Fox to the ASX on 21 March 2014.

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Criteria	JORC Code explanation	CP Comments
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.*	For both EPC 2196 and 1523, an assessment of core recovery was made in the field using the recovered thickness and thickness reported in the geophysical log. If core recovery for a seam fell below 95% the seam was redrilled.
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.*	For both EPC 2196 and 1523, all core was geologically logged, marked and photographed before sampling. All chipped holes had chips collected every metre that were then geologically logged. All holes were geophysical logged with a minimum of density, gamma and calliper. A full list of the geophysical tools run in each hole can be found at the end of Table 1, All geophysical tools were calibrated prior to arrival on site
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*	For both EPC 2196 and 1523, all coal core was double bagged on site and transported to the laboratory for testing. Bureau Veritas Laboratory, Brisbane, comply with Australian Standards for sample preparation and sub sampling. All coal samples were crushed to a top size of 12.5mm before analysis.

Criteria	JORC Code explanation	CP Comments
	sampled.	
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 derivations etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	For both EPC 2196 and 1523, Bureau Veritas Laboratory, Brisbane were used. Bureau Veritas comply with Australian Standards for all coal quality tests run. All geophysical tools were calibrated prior to arrival on site A standard suite of geophysical sondes was run, including both long and short-spaced density calibrate internally to units of relative density (g/cc)
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.*	On EPC 2196, HDR Salva were used to manage exploration, geological and geophysical logging, and data collection which was provided to ROM Resources, an independent geological consultancy for modelling. Twinned holes were drilled at three sites at EPC 2196, BUN006C, BUN010C, and BUN011C. On EPC 1523, Moultrie Group were independently managing the exploration with the geological and geophysical logging, with data provided to ROM Resources, an independent geological consultancy. Sampling has been undertaken as directed by ROM Resources. • A twin hole of an initial chip hole for FOX_6 was completed and logged. The geophysical logging is being undertaken by an independent geophysical logging company (GeoLog) that sent the logging data to HDR Salva who then sent the logging files to ROM Resources.
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.*	For both EPC 2196 and 1523, the Drill hole collar of the exploration holes were initially surveyed using a hand held GPS. The GPS integrated for an extended period therefore

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Criteria	JORC Code explanation	CP Comments
	Specification of the grid system used. *Quality and adequacy of topographic control.*	the accuracy is believed to be +/- 10m in easting and northing however the elevation is not considered accurate. Final survey will be by licenced surveyors using theodolite or differential GPS technologies. The grid system is Map Grid of Australia (MGA) GDA94 zone 56.
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.*	In EPC 2196 exploration drilling was spaced approximately 2,000m apart and 1,400m in EPC 1523. In EPC 1523, the seven holes completed have successfully tested the stratigraphic position within EPC 1523. The closest drill hole that tests this stratigraphic position is approximately 1,800m (FOX_1R) to the south of the nearest hole in EPC 2196. There are insufficient holes in EPC 2196 to determine Indicated or Measured Resource estimates currently, but there was sufficient drilling information to report Inferred Resources. Compositing of samples did occur for washability and clean coal composite analysis in EPC 2196
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.*	Drilling to date has established that the regional strike is about 340 degrees and that the exploration plan is drill boreholes on perpendicular section lines to assess dip and variability. No faulting was observed during the drilling program to date, although a small fault was added at the modelling stage to account for a perturbation of structure contours around FXBU003R
Sample security	*The measures taken to ensure sample security.*	Sample security was ensured under a chain of custody between HDR Salva personnel and Bureau Veritas Laboratory, Brisbane which was oversighted by QCI

Criteria	JORC Code explanation	CP Comments
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Bureau Veritas Laboratory, Brisbane undertake internal audits and check, in line with Australian Standards, to ensure their analysis results are consistent and reporting is correct.

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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.*	ICX/QCI stores exploration data within Ventyx's GDB database software that has several levels of validations. Data is also validated by ROM Resources and internal by checks run in the Minescape Stratmodel software
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	ROM personnel have been to site to inspect the general locality, but not whilst drilling activity was occurring. ROM has relied upon daily drillers reports and raw data supplied directly by the Independent Geological Contractor as its main source of recent geological data.
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.*	Whilst no recent 2D seismic surveys have been undertaken, the combination of past geological mapping, combined with recent deeper drilling has meant that the drill hole density at the Bundaberg Deposit allows a moderate level of confidence in the nature of seam splitting, the location of subcrops and general location of any faults. So far no large throw faults have been detected, but it is recommended that further drilling is undertaken to pin point the exact location, throw and angle of any small faults (throws <5m) tentatively identified (especially between FOX3R and FOX4R
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 coal extends along approximately 8,000m along strike and approximately 3,000m perpendicular to strike with an approximate average cumulative thickness of 4m. The depth of first coal ranges from 36m in the west and 560m in the east in EPC 2196. Different levels of variability in seam thickness and raw coal quality are seen in the different seams estimated and this variability is

		reflected in the unexpected geological loss discount factors assigned to each 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.*	The geological model was constructed using Ventyx's Stratmodel modelling package, using an FEM interpolator, using 0,1,0 parameters for thickness, surface and trend respectively. A search radius of 3,000m from a data point was used. Limits were placed on the JORC Resource Estimate in line with acceptable industry standards: • As no previous mining has taken place and there is no surface outcrop of the Burrum Coal Measures at this locality (the former unit being covered by 5-30m of Tertiary sedimentary rocks (Elliot Formation), the geological model totally relies on sub-surface information provide by vertical boreholes; • Depth Subsets - ROM were instructed by the ICX/QCI JV that the limit of potential underground resources was delineated by the depth of the floor of the GL2 seam being no more than 520m from the surface; • Minimum Thickness -Where the depth to the floor of the GL2 is less than 520m a minimum seam thickness of 0.3m and stone bands greater than 0.3m in thickness are not included in the seam. Borehole densities and deposit knowledge are insufficient to currently report to Indicated or Measured Resources.
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 using calculated Preston and Sanders insitu density using air dried moisture, total moisture and moisture

		holding capacities from coal samples. As no MHC has yet been analysed, derived moisture, based on coals from similar basins and rank in Australia was used.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	Maximum Raw Ash Percentage - A maximum raw ash percentage of 55%, air dried basis, has been applied to the Resource Estimate.
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 ROM's opinion that at this stage of project development there are no limiting environmental factors. It is also too early in the evaluation process to discuss mining methods and mining dilution. However preliminary investigations suggest that a viable underground mining working section is possible from varying combinations of the GU, GL1 and GL2 seams, which infers that parting of 0.3 - 0.7m will be included in the working section. Mining by bord and pillar methods is possible; but at this early stage it is impossible to speculate on the economic, technical or environmental aspects of longwall mining.
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.*	• None 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*	• not applicable, too early in the project

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	environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
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.*	Preston and Sanders insitu Relative Density Estimation - The insitu density of the coal seams has been estimated using the Preston Sanders insitu relative density estimation equation. Due to the banded nature of coal seams in the Maryborough Basin, different bed moisture values have been assigned to the low ash, high ash and in seam stone samples as follows: Samples with raw ash, air dried basis (adb) less than 40%, were assigned a NHC moisture holding capacity of 8%. Samples with raw ash (adb) of 40 to 60% were assigned a NHC moisture holding capacity of 6%. Samples with raw ash (adb) greater than 60%, were assigned a NHC moisture holding capacity of 5%. The NHC moisture holding capacity values were derived from total moisture values that have been conducted on all samples and from public domain information published by the New Hope Corporation regarding the Colton Deposit (85km to the south; which is also looking to exploit coal seams in the Burrum Coal Measures
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*	Only one (1) Resource category have been identified in the Bundaberg Deposit area dependant on the level of confidence in the seam structure and continuity plus the level of variability in the coal quality data. Each seam has been considered separately applying the rationale as follows Rationale 1 - The F, GU, GL1, GL2 and H1 seams have less variability in their structure and continuity, and raw coal quality data, leading to a moderate to high confidence in the seam data.

	deposit.	Notwithstanding this distances between Points of Observations were set conservatively, especially for the Inferred Resource category, as follows: • Measured – 500m (distance between PoO's) • Indicated – 1,000m • Inferred – 3,500m (N.B. The distance used for the Inferred Resource was the same as that used in the 17 December 2014 release but that release incorrectly reported a figure of 2600m instead of 3500m) Extrapolation past the last point – 2,600m
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits of this Resource Estimate have been conducted.
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.*	No geostatistical studies have carried out yet on the Bundaberg deposit, but nearest neighbour and other univariate statistical studies of the GU Floor data highlighted that the RMS nearest-neighbour spacing was 1,000m and that likely relative errors on the volumes calculated likely to be in the range of 20 -35%, which is consistent for Inferred Resources.

Appendix 2 – Reporting of Exploration Results

No update was developed for the Exploration Target at EPC 2196 previously announced on 17 December 2013.

For EPC 1523, collar information relating to the recently completed program of drilling within EPC 1523 is listed in **Table 3** below.

Table 3: Drill hole details of the recently completed holes within EPC 1523.

Hole Number	Easting	Northing	RL	Dip	Azimuth	Depth (m)
FOX 6R	418,887	7,260,098	32	-88	334	406
FOX 6CQ	418,886	7,260,091	26	-89	315	292.27
FOX 4R	416,652	7,261,196	15	-89	314	134
FOX 5R	415,916	7,261,275	17	-87	302	304
FOX 10R	415,536	7,261,830	11	-88	320	232
FOX 1R	416,587	7,262,798	19	-89	229	251
FOX 3	416,431	7,261,651	12	-79.6	332	298

Notes: the coordinates are GDA 94 zone 56 and were obtained from a hand held GPS with a nominal accuracy of +/- 3m, the RL from this type of GPS is not considered accurate. All boreholes were planned to be vertical.

The combined dataset was examined and boreholes that met the criteria for Points of Observation under the 2014 Draft Coal Guidelines. Generally if only downhole geophysical logging was available then the PoO only qualified for Inferred. Cored holes with acceptable (>85%) sample recoveries and raw and clean analyses were suitable for using as PoO's for all confidence classes. PoO'S so classified are listed in **Table 4**. **Figure 5** shows the Inferred Mask (sky blue) and Exploration Target (light brown) generated from the PoO's given the fact that base circles of 3,500m diameter were used as a framework to generate the mask.
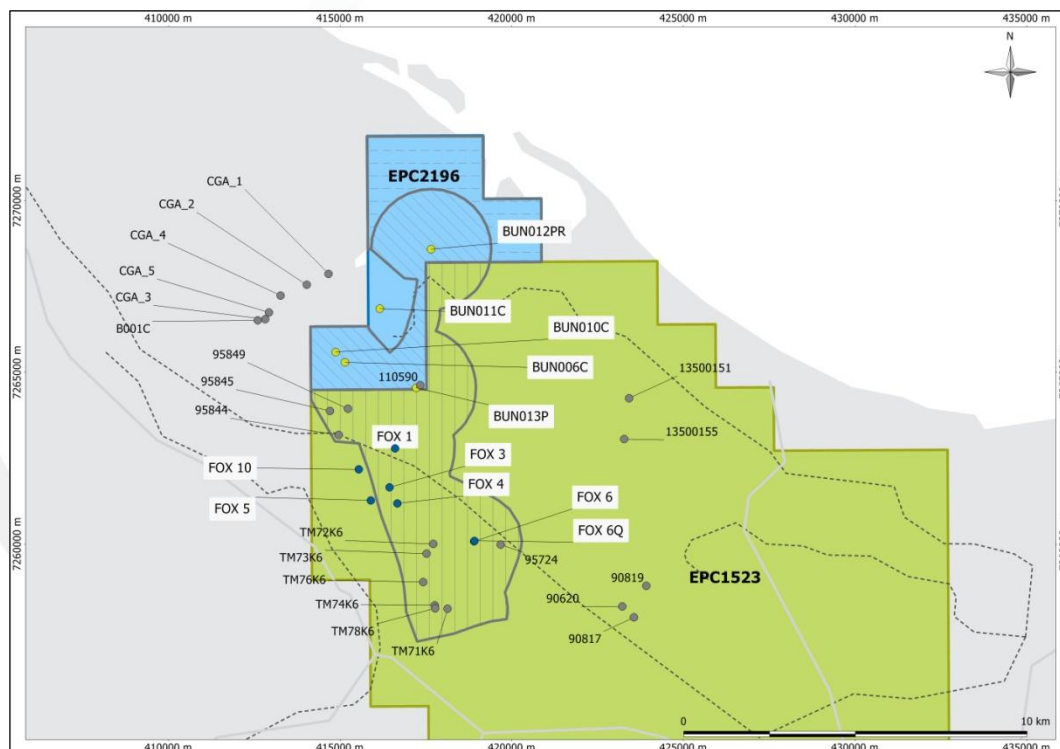
Table 4 Bundaberg Project Points of Observation Selected.

Borehole Id	Detailed Survey	Cored and Analysed	Detailed Litho log	LAS Available	Has ADEN or LSD in g/cc	Raw Coal Quality Estimate	Inferred	Indicated	Measured
BOO1C	YES	YES	YES	NO	NO	YES	YES	YES	YES
BUN001P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN002P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN003P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN004P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN005P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN006C	YES	YES	YES	NO	YES	YES	YES	YES	YES
BUN007P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN008P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN009P	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN010C	YES	YES	YES	NO	YES	YES	YES	YES	YES
BUN011C	YES	YES	YES	NO	YES	YES	YES	YES	YES
BUN012PR	YES	NO	YES	NO	YES	YES	YES	NO	NO
BUN013P	YES	NO	YES	NO	YES	YES	YES	NO	NO
CGA_3	YES	YES	YES	NO	NO	YES	YES	YES	YES
CGA_5	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM57K5	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM58K5	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM62K5	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM64K5	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM67K5	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM71K6	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM73K6	YES	YES	YES	NO	NO	YES	YES	YES	YES
TM75K6	YES	YES	YES	NO	NO	YES	YES	YES	YES
FXBU001R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU002R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU003R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU004R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU005R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU006R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU006Q	GPS	YES	YES	YES	YES	YES	YES	NO	NO
FXBU008R	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU001RA	GPS	NO	YES	YES	YES	YES	YES	NO	NO
FXBU010R	GPS	NO	YES	YES	YES	YES	YES	NO	NO

A JORC Inferred Resource of 37.9Mt was reported on 17th December 2013 for EPC 2196 based on the modelling completed in Ventyx's Minescape software and the geological and drilling data and parameters provided above. Recent drilling and laboratory analyses by Fox have now been modelled using the same technique and parameters as reported on 17 December 2013. A table summarising the resource estimate for EPC 2196 was provided in Appendix 3 to the 17 December 2013 announcement and an update as the result of recent drilling by Fox provided under a data sharing arrangement is here provided.

The additional tonnage is due to new resource estimates based on the same Inferred mask as December 2013 but with the benefit of the additional data provided by Fox Resources which resulted in a more robust model with modelled seam volumes increasing slightly. Additionally, slight changes to the insitu wet relative density have been made for some seams, again due to the addition of Fox data.

Figure 5 Resource masks for EPC 2196 & 1523

International Coal Limited

Technical information on International Coal Limited's Queensland coal projects discussed in this ASX Release have been compiled by Mr Mark Biggs, Principal Geologist of ROM Resources Pty Ltd.

The Minescape Resource model is based on factual geological data provided by Fox Resources over a period of three months, from the ICX/QCI Joint Venture over the past year as well as pre-existing data from Government stratigraphic drilling and other historical private company coal exploration. Interpolation and extrapolation of data has been avoided in most cased but where necessary it was done with due consideration of the 2012 JORC Code and the 2014 Draft Coal Guidelines.

Competent Persons Statement

Mr Biggs is a member of the Australasian Institute of Mining and Metallurgy and has the experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2012. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The report is based on factual geological data acquired by Fox Resources Limited on EPC1523 over a period of several months along with work conducted by International Coal and Queensland Coal Investments on EPC2196. Work conducted by International Coal and Queensland Coal Investments has been previously reported as a part of their ASX release on 17 December 2013 and previous ASX releases in March and October 2013. The current resource estimate is current as of 17th March 2014.

Name	Job Title	Registration	Experience (Years)	Signed
M Biggs	Principal Geologist ROM Resources Pty Ltd	AusIMM 107188	28	*[signature]*