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22 December 2014

EXPLORATION ACTIVITIES UPDATE

U&D Coal Ltd (ASX: UND) (**UND** or **The Company**) is pleased to announce the results of exploration activities across its Projects;

Highlights

- Drilling Program Completed in the South West corner of the EPC818 Broughton Project (**Broughton**)
- Drilling Program Completed at the EPC1803 Springton Duaringa Project (**Springton**)
- Ground Gravity geophysical programs (**Ground Gravity**) completed across six projects in the Bowen Basin

Broughton Drilling Program

During geological field mapping in 4th Quarter 2013 coal outcrops were identified in the south west region of Broughton. A drilling program was developed to confirm the presence of coal seams in this area as well as test the continuity and coal quality of any coal seams identified. The drilling program consisted of a total of 1,315m across 3 open holes and 1 core hole to obtain coal quality samples for analysis and testing.

The results of the drilling program confirmed the presence of the Girrah Seam from the upper portion of the Fort Cooper Coal Measures in the area, as well as confirming the Company's interpretation of geological structure in the area. The coal quality results indicate moderate raw ashes with the coal samples exhibiting minor swell or CSN properties.

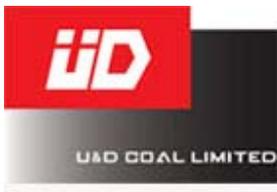
The Company's geology team is currently assessing and interpreting the results of the drilling program with a view to formalising an exploration plan for future activities.

Results of the drilling program including Table 1 information, tables displaying information on drill holes, coal quality information, coal seam intersections as well as location maps and diagrams are provided in Appendix 1, 2 and 3 at the end of this update.

Springton Drilling Program

Extensive analysis and interpretation of previous exploration results including geological field mapping, geophysical 2D seismic surveys and ground gravity geophysical surveys resulted in the identification of several target areas at Springton. A scout drilling program was developed to confirm the presence of coal seams in these target areas as well as test the continuity and coal quality of any coal seams.

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A total 2,738m of drilling was completed spread across 9 open holes and 1 core hole (including 1 core hole redrill). Based on initial interpretation of the drilling results the coal seams intersected are indicative of the Burngrove or Fairhill Formations (Fort Cooper Coal Measure Equivalents).

The Company's geology team is currently assessing and interpreting the results of the drilling program with a view to formalising an exploration plan for future activities.

Results of the drilling program including Table 1 information, tables displaying information on drill holes, coal quality information, coal seam intersections as well as location maps and diagrams are provided in Appendix 4, 5 and 6 at the end of this update.

Regional Gravity Program

In addition to the drilling programs discussed in the sections above, UND has also undertaken a significant Ground Gravity survey across six of its tenements, being;

EPC2306 Cooper Creek (**Cooper Creek**)

EPC2822 Carfax West (**Carfax West**)

EPC2461 12 Mile Creek (**12 Mile Creek**)

EPC1803 Springton Duaringa (**Springton**)

EPC1516 Cedars and EPC1620 Barfield (**Stockyard Creek Project**)

The purpose of the Ground Gravity surveys was to obtain further information about the subsurface geology within the area of the survey in order to assist with geological interpretation and drilling target identification. All surveys other than 12 Mile Creek were surveyed with 400m centres, with 12 Mile Creek having 500m centres to reduce the time to undertake the survey.

The results of the Ground Gravity Surveys have been received and the Company's geological team is currently assessing and interpreting these results with a view to integrating with existing information and generating drilling target areas.

Results of the Ground Gravity survey including Table 1 information as well as locations maps showing the location of the areas surveyed and results received is provided in Appendix 7 and 8 in this update.

Yours faithfully

Peter Edwards
Company Secretary

For further information please contact: Peter Edwards, Company Secretary (Tel: +61 418 798 828)

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About U&D Coal

U & D Coal Ltd (UND) was listed on the ASX on the 19th of February 2014. The U&D Group commenced with the incorporation of U&D Mining Industry (Australia) Pty Ltd (U&D Mining) on 26 August 2011 with the objective of engaging in the acquisition, exploration, development and operation of coal mines and to supply coal product into the export coal market. In May of 2013 U&D Mining Industry (Australia) Pty Ltd acquired the ASX listed coal explorer Endocoal Ltd (EOC). The Group is based in Australia and has established its headquarters at Eight Mile Plains in Brisbane.

Further Information

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Competent Person's Consent

The information in this report relating to the Broughton Project, Springton Duaringa Project and EPC's 1803, 1516, 1620, 2461, 2822 and 2306 exploration results is based on information compiled by Mr Darren Walker who is a Member of the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy and is a full time employee of UND. Mr Walker is a qualified geologist and 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 Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Walker consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

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APPENDIX 1: JORC 2012 TABLE 1 INFORMATION: EPC818 BROUGHTON PROJECT

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Currently there is one core hole within the dataset, being U&D Mining 2014 exploration program hole BRD069HC In hole BRD069HC all coal seams intersected greater than 0.10 m were sampled with a maximum individual sample length of 0.50 m of coal. Coal plies were sampled discretely on the basis of lithological characteristics and quality. All non-coal material and partings less than 0.10 m were included with the coal ply and noted in the lithological description. Non-coal interburden material greater than 0.10 m and up to a maximum of 0.5 m was sampled separately. All coal and non-coal inter-burden samples were double bagged at site and marked with sample number, date, hole and project. Geophysical corrections confirmed representative core recovery of the seam and samples. The qualified samples were then transported to the laboratory via courier. Coal Quality samples from the U&D Mining 2014 Drilling program were sent to Bureau Veritas at Brendale – Brisbane All coal quality samples were prepared and analysed using Australian Standard testing methodologies. <ul style="list-style-type: none"> All coal and roof and floor dilution samples were double bagged at

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Criteria	JORC Code explanation	Commentary
		<p>site and marked with sample number, date, hole and project. The samples were then transported to laboratory via courier.</p> <ul style="list-style-type: none"> ○ All coal quality samples were prepared and analysed using Australian testing methodologies at the NATA accredited lab – Bureau Veritas at Brendale – Brisbane
<i>Drilling techniques</i>	<ul style="list-style-type: none"> ● <i>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).</i> 	<ul style="list-style-type: none"> ● U&D Mining has completed its initial drilling campaign within the area. ● The partially cored coal quality where completed using a HQ3 size core barrel producing a 61 mm core diameter. ● Non cored holes were drilled using 125mm blade or PCD drill bits. ● A list of 2014 drill holes and drilling methods is available at the end of Table 1 in Appendix 2 – Drill Hole Data.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> ● <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> ● <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> ● <i>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.</i> 	<ul style="list-style-type: none"> ● An assessment of core recovery was completed by comparing the recovered thickness measured during geological logging and by the driller, to geophysically picked thicknesses from the geophysical logs ● If there was less than 95% core recovery a re-drill was required
<i>Logging</i>	<ul style="list-style-type: none"> ● <i>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.</i> ● <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> ● <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> ● All core was geologically logged, marked and photographed before sampling. Geological and geotechnical features were identified and logged by geologists experienced in coal resource investigation and evaluation. ● All chip holes were geologically logged. ● All drill holes from the U&D Mining exploration campaign have been geophysically logged by GeoLog. The minimum tool suite consisted of



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Criteria	JORC Code explanation	Commentary
		<p>caliper, short & long space density, natural gamma & verticality (deviation & azimuth).</p> <ul style="list-style-type: none"> • The calibration of the geophysical tools was conducted by the geophysical logging company. • Original geological field logs were corrected to geophysics • A full list of the suite of geophysical logs that have been run on each drill hole can be found in Appendix B – Drill Hole Data. The following descriptions relate to the tool codes as noted in the Geophysical Logs column of Appendix B: <ul style="list-style-type: none"> ○ C, Caliper (borehole size) ○ D, Density (short & long space) ○ G, Natural gamma ○ S, Sonic ○ V, Borehole Verticality (deviation & Azimuth)
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material</i> 	<ul style="list-style-type: none"> • Full cores were used for sample testing. Samples have been crushed and sub-sampled by NATA registered laboratories following the appropriate Australian Standards for coal testing. • All core samples were double bagged on site and transported to Bureau Veritas at Brendale – Brisbane for testing. • Bureau Veritas comply with Australian Standards for sample preparation and sub sampling. • Analysis on raw sample included proximate, total sulfur, relative density, calorific value and CSN. Raw procedure keeps ½ of the raw sample as reserve.

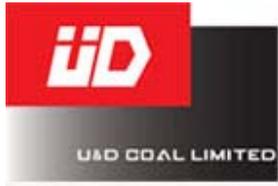


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Criteria	JORC Code explanation	Commentary
	<i>being sampled.</i>	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique 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. 	<ul style="list-style-type: none"> Bureau Veritas comply with the Australian Standards for coal quality testing and are certified by the National Association of Testing Authorities Australia (NATA). The calibration of the geophysical tools was conducted by the geophysical logging company.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Undertaken in the field by U&D Mining personnel. Bureau Veritas comply with the Australian Standards for coal quality testing and as such conduct the verifications for coal quality analysis outlined in the standards. No adjustments have been made to the coal quality data.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Professional Survey of all U&D Mining boreholes for was completed by T.R. Baillie Consulting Surveyors Datum GDA 94 and projection MGAZ55 was used. The topography was taken from the survey RL of the drill hole collars.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> There is only one location for coal quality samples located in the center of the project. Other supporting borehole spacing range throughout the tenure area, but are generally in the vicinity of between 500 to 4000m.



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<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • All drillholes are assumed to be vertical. Drill lines are oriented perpendicular to strike. • Extensive field mapping has been undertaken to understand the structural regime within the tenement. • All structures appear to have a NNW-SSE trend to them. • The tenement sits in the Bowen Basin in what is known as the Nebo Synclorium.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • All core samples designated for coal quality analysis were bagged and retained on site prior to transport to the Bureau Veritas at Brendale – Brisbane by the geological field services personnel and/or courier.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • U&D Mining has undertaken frequent informal reviews and audits of the sampling techniques and processes utilised during exploration activities. • Bureau Veritas undertook internal audits and checks in line with the Australian standards and their NATA certification.

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Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary												
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> EPC818 is 100% held by U&D Mining. The area is currently under native title application by the Barada Barna People and Wiri People. A portion of the EPC in the south west corner has land subject to Native Title. Areas of the deposit are under proposed strategic cropping (SCL) trigger area. Studies would be required to determine whether area actually qualifies as SCL. There are very small areas of environmentally sensitive areas, such as Endangered Regional Ecosystems (ERE) within the tenure area. There are no other known impediments to obtaining a license to operate in the Project area <table border="1"> <thead> <tr> <th>Tenure Type</th> <th>Tenure Number</th> <th>Date Granted</th> <th>Date Expires</th> <th>Principal Holder</th> <th>Number of Sub Blocks</th> </tr> </thead> <tbody> <tr> <td>EPC</td> <td>818</td> <td>22-Nov-12</td> <td>21-Nov-17</td> <td>U&D Mining</td> <td>17</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Overlapping tenements: ATP1103 CH4 Pty Ltd PCA140 CH4 Pty Ltd 	Tenure Type	Tenure Number	Date Granted	Date Expires	Principal Holder	Number of Sub Blocks	EPC	818	22-Nov-12	21-Nov-17	U&D Mining	17
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EPC	818	22-Nov-12	21-Nov-17	U&D Mining	17									

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Criteria	JORC Code explanation	Commentary																					
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Previous holders of EPC818 have undertaken broad drilling programs, mostly concentrating on the Eastern portion of the tenement. Three holes were drilled close to the South Western Corner of the tenement within 1km of the project. The quality and suitability of available historic data is highly variable. Historic data utilised by U&D Mining has been reviewed and audited and any data utilised has the following minimum requirements: <ul style="list-style-type: none"> a lithological log a geophysical log (density, gamma, caliper) borehole collar survey or suitably geo-referenced borehole location Historic Exploration Permits for Coal (EPC) that have underlain or partially underlain EPC 818 are as follows: <table border="1"> <thead> <tr> <th>Permit</th> <th>Decade</th> <th>Tenure Holder</th> </tr> </thead> <tbody> <tr> <td>ATP 3C</td> <td>1971-1980</td> <td>THIESS DAMPIER MITSUI COAL PTY LTD</td> </tr> <tr> <td>ATP 3C</td> <td>1961-1970</td> <td>THIESS PEABODY MITSUI COAL PTY LTD</td> </tr> <tr> <td>ATP 3C</td> <td>1981-1990</td> <td>THIESS DAMPIER MITSUI COAL PTY LTD</td> </tr> <tr> <td>EPC 532</td> <td>1991-2000</td> <td>BHP MITSUI COAL PTY LTD</td> </tr> <tr> <td>ATP 62C</td> <td>1981-1990</td> <td>MINES ADMINISTRATION PTY LTD</td> </tr> <tr> <td>ATP 62C</td> <td>1981-1990</td> <td>AAR LTD IOL PETROLEUM LTD, ESSO EXPLORATION & PRODUCTION AUST INC, MARUBEN CORP PTY LTD, SUMISHO COAL DEVELOPMENTS PTY LTD</td> </tr> </tbody> </table>	Permit	Decade	Tenure Holder	ATP 3C	1971-1980	THIESS DAMPIER MITSUI COAL PTY LTD	ATP 3C	1961-1970	THIESS PEABODY MITSUI COAL PTY LTD	ATP 3C	1981-1990	THIESS DAMPIER MITSUI COAL PTY LTD	EPC 532	1991-2000	BHP MITSUI COAL PTY LTD	ATP 62C	1981-1990	MINES ADMINISTRATION PTY LTD	ATP 62C	1981-1990	AAR LTD IOL PETROLEUM LTD, ESSO EXPLORATION & PRODUCTION AUST INC, MARUBEN CORP PTY LTD, SUMISHO COAL DEVELOPMENTS PTY LTD
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Criteria	JORC Code explanation	Commentary									
		<table border="1"> <tr> <td>EPC 643</td> <td>1991-2000</td> <td>NEBO CENTRAL COAL PTY LTD</td> </tr> <tr> <td>EPC818</td> <td>2001-2010</td> <td>RESTPINE PTY LTD</td> </tr> <tr> <td>EPC818</td> <td>2001-2010</td> <td>BROUGHTON COAL MINING PTY LTD, MITSUI COAL HOLDINGS PTY LTD, DEPARTMENT OF NATURAL RESOURCES AND MINES</td> </tr> </table>	EPC 643	1991-2000	NEBO CENTRAL COAL PTY LTD	EPC818	2001-2010	RESTPINE PTY LTD	EPC818	2001-2010	BROUGHTON COAL MINING PTY LTD, MITSUI COAL HOLDINGS PTY LTD, DEPARTMENT OF NATURAL RESOURCES AND MINES
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EPC818	2001-2010	BROUGHTON COAL MINING PTY LTD, MITSUI COAL HOLDINGS PTY LTD, DEPARTMENT OF NATURAL RESOURCES AND MINES									
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Broughton tenement sits within the Nebo Synclinorium on the north eastern margin of the Permian Bowen Basin. In the Nebo area, two major synclinal features control the distribution of the coal measures. On the eastern side is the Hail Creek Syncline, a shallow fold approximately 30km long by 7km wide. To the west is the Carborough Syncline. The Broughton tenement occupies the northern end of the Hail Creek Syncline. Outcropping within the tenement are the Rangal Coal Measures, The Fort Cooper Coal Measures and the Moranbah Coal Measures. The Rangal Coal Measures exist in the east of the tenement and are where the main resource lie. Below this is the Fort Cooper Coal Measures, which are repeated both in the center of the tenement and the west. The Moranbah Coal Measures exist in the central west of the tenement and only hold the top portion of the formation. Throughout the center of the tenement (affecting the Fort Cooper Coal Measures and the Moranbah Coal Measures) are a series of Igneous intrusives that for the most part have not altered any coal of economic 									

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Criteria	JORC Code explanation	Commentary
		significance. Minor Faulting exists throughout the tenement and has been identified to have only small offsets to the coal resources.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A list of 2014 U&D Mining boreholes is attached in the Appendixes. No relevant information has been excluded.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Coal sampling and analysis was carried out on core samples selected assuming thin seam mining techniques would be employed.
Relationship between mineralisation widths and	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All drilling is conducted in vertical holes. All coal intersections and down-hole geophysics are vertical thickness, due to the broad spacing of the holes a true representation of dip cannot be accurately be



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Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> calculated. Lateral coal seam continuity is demonstrated by seam intercepts within surrounding boreholes confirmed by geophysical logging.
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate Maps and diagrams are included in the ASX announcement presented.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All data from all holes has been collated and reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Substantial field mapping has been done within the tenement that has been used to identify structure within the project area. Regional Geophysical surveys have been completed by various government organizations that are publically available. The Magnetic survey is very good for identifying the intrusions in the tenement. Seismic surveys have been shot North and South of the tenement and are publically available, these have given a good indication of the structure across the tenement.
<i>Further work</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Further interpretation of results may provide further drilling targets in the future.

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APPENDIX 2: TABLE INFORMATION FOR DRILL HOLES, COAL INTERSECTIONS AND COAL QUALITY RESULTS: EPC818 BROUGHTON PROJECT

Drilling Summary

Company	Year	Borehole ID	Easting	Northing	Elevation	Total depth	Hole Type	Hole size (mm)	Core Diameter	Geophysical logs
U&D Mining	2014	BRD168	638204.591	7611205.804	275.188	500	Chip	125	-	C,D,G,S,V
U&D Mining	2014	BRD169	638223.563	7611737.359	273.103	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	BRD170	638218.43	7611741.457	262.308	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	BRD169HC	639025.912	7611342.187	273.352	215	Core	99	-	C,D,G,S,V

Coal Quality Results

Sample Number	Depth		Thickness (m)	As-Received Mass (grams)	Air Dry Mass (grams)	Relative Density (Air-dried g/cc)	Proximate Analysis						Total Sulphur	Calorific Value MJ/kg	Calorific Value kcal/kg	CSN	
	Top (m)	Base (m)					Core Recovery	Moisture	Ash	Volatile Matter	Fixed Carbon	Air-dried					
												%					MJ/kg
	129082	24.35					24.85	0.50	1520	1470	1.73	60.1					1.5
129083	24.85	25.35	0.50	2794	2624	2.13	87.1	2.5	69.3	10.5	17.7	0.06	7.78	1858	0.5		
129084	25.35	25.97	0.62	2931	2819	1.74	92.4	1.8	43.7	12.7	41.8	0.26	18.37	4388	0.5		
129087	26.99	27.49	0.50	2391	2330	1.58	104.3	1.0	29.3	15.8	53.9	0.31	23.70	5660	1		
129088	27.49	27.99	0.50	2361	2302	1.72	94.7	1.6	41.2	15.1	42.1	0.28	18.90	4514	0.5		

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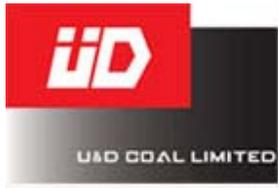
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129089	27.99	28.49	0.50	2106	2074	1.56	94.0	1.1	31.4	12.3	55.2	0.37	24.17	5772	1
129092	29.87	30.37	0.50	1514	1459	1.81	57.0	0.8	50.7	11.0	37.5	0.22	16.31	3896	0.5
129093	30.37	30.87	0.50	2685	2534	2.26	79.3	2.6	71.6	12.3	13.5	0.10	5.78	1380	0
129094	30.87	31.37	0.50	2376	2294	1.75	92.7	1.1	45.8	11.4	41.7	0.29	18.15	4336	1
129095	31.37	31.87	0.50	1727	1635	1.46	79.2	0.9	19.1	15.5	64.5	0.51	28.53	6814	6.5
129096	31.87	32.37	0.50	2346	2278	1.45	111.1	1.0	18.7	14.7	65.6	0.48	28.78	6874	6.5
129097	32.37	32.87	0.50	2168	2065	1.60	91.3	1.1	32.9	14.6	51.4	0.36	22.78	5440	3
129100	45.75	46.25	0.50	2845	2617	2.13	86.9	2.3	71.6	7.8	18.3	0.24	8.00	1910	0
117371	46.25	46.75	0.50	3041	2835	2.17	92.4	2.4	73.5	7.1	17.0	0.16	7.07	1688	0
117372	46.75	47.25	0.50	2444	2337	2.05	80.6	2.1	64.2	9.6	24.1	0.23	10.39	2482	0
117375	102.60	103.14	0.54	2476	2438	1.68	95.0	1.1	41.2	10.7	47.0	0.33	20.33	4856	2
117378	103.67	104.17	0.50	2609	2512	2.02	88.0	0.7	64.9	8.1	26.3	0.17	11.18	2670	0
117379	104.17	104.67	0.50	1862	1820	1.69	76.2	0.9	43.2	10.6	45.3	0.29	19.78	4724	2
117382	122.22	122.72	0.50	2451	2351	1.89	88.0	0.7	57.1	9.7	32.5	0.12	13.93	3328	1
117383	122.72	123.22	0.50	2668	2538	2.11	85.1	1.0	71.7	7.0	20.3	0.10	8.85	2114	0
117386	160.89	161.49	0.60	3682	3593	2.28	92.9	1.2	78.8	5.5	14.5	0.12	6.27	1498	0
117387	161.49	162.04	0.55	3144	3083	2.13	93.1	1.0	72.6	5.7	20.7	0.16	8.85	2114	0
117390	163.07	163.57	0.50	2211	2157	1.77	86.2	0.8	49.1	8.5	41.6	0.29	17.82	4256	1
117391	163.57	164.25	0.68	3204	3027	1.85	85.1	0.9	55.3	7.9	35.9	0.24	15.34	3664	0.5
117394	171.46	171.80	0.34	1430	1354	1.61	87.5	0.8	36.2	9.8	53.2	0.40	22.87	5462	1
117397	172.20	172.91	0.71	3094	3013	1.64	91.5	0.8	39.4	9.5	50.3	0.38	21.58	5154	1
117399	173.01	173.82	0.81	3896	3825	1.81	92.3	1.3	52.5	8.6	37.6	0.61	16.11	3848	0.5
129102	203.43	203.96	0.53	2568	2516	1.72	97.6	0.9	45.2	9.2	44.7	0.41	19.07	4554	1
129105	204.44	205.21	0.77	3598	3547	1.71	95.3	1.0	43.4	9.5	46.1	0.35	19.93	4760	1
129108	205.72	206.35	0.63	3335	3244	1.90	95.9	1.0	58.6	7.7	32.7	0.21	13.95	3332	0.5

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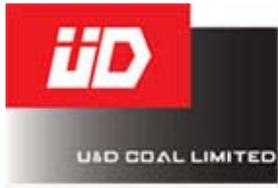
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Seam Intersections

Hole ID	From	To	Thickness	Hole ID	From	To	Thickness	Hole ID	From	To	Thickness	Hole ID	From	To	Thickness
BRD168	28.5	28.9	0.4	BRD169	25.2	25.8	0.6	BRD169HC	24.5	24.9	0.4	BRD170	39.6	40.2	0.6
BRD168	29.1	29.5	0.4	BRD169	26.7	27.3	0.6	BRD169HC	25.5	26.2	0.6	BRD170	41.2	41.9	0.7
BRD168	30.1	30.8	0.7	BRD169	27.5	28.4	0.9	BRD169HC	26.8	27.2	0.4	BRD170	51.5	52.2	0.7
BRD168	31.5	32.2	0.7	BRD169	30.6	32.8	2.2	BRD169HC	27.2	27.5	0.3	BRD170	99.2	100.2	1.0
BRD168	32.5	33.3	0.8	BRD169	38.5	39.2	0.7	BRD169HC	27.7	28.2	0.5	BRD170	101.5	102.2	0.7
BRD168	34.5	35.2	0.7	BRD169	44.0	44.5	0.5	BRD169HC	28.2	28.7	0.5	BRD170	102.6	103.0	0.4
BRD168	35.5	37.3	1.8	BRD169	102.0	102.6	0.6	BRD169HC	30.1	30.6	0.5	BRD170	112.4	112.7	0.3
BRD168	41.5	42.2	0.7	BRD169	103.7	104.3	0.6	BRD169HC	30.6	31.1	0.5	BRD170	113.2	114.7	1.5
BRD168	43.0	43.8	0.8	BRD169	122.2	123.0	0.8	BRD169HC	31.1	31.6	0.5	BRD170	139.5	141.8	2.3
BRD168	48.6	49.5	0.9	BRD169	123.3	123.7	0.4	BRD169HC	31.6	32.1	0.5	BRD170	144.2	144.7	0.5
BRD168	113.2	113.9	0.7	BRD169	163.0	163.7	0.7	BRD169HC	32.1	32.6	0.5	BRD170	145.0	146.0	1.0
BRD168	115.0	115.7	0.7	BRD169	164.1	164.4	0.3	BRD169HC	32.6	33.1	0.5	BRD170	205.0	205.3	0.3
BRD168	127.5	128.2	0.7	BRD169	164.9	166.5	1.6	BRD169HC	44.3	44.7	0.4	BRD170	207.0	209.8	2.8
BRD168	165.0	165.7	0.7	BRD169	168.3	168.6	0.3	BRD169HC	45.5	46.0	0.5	BRD170	252.5	253.3	0.8
BRD168	166.2	166.5	0.3	BRD169	171.4	171.9	0.5	BRD169HC	46.0	46.5	0.5	BRD170	253.7	254.0	0.3
BRD168	174.7	175.1	0.4	BRD169	172.2	173.7	1.5	BRD169HC	46.5	47.0	0.5	BRD170	254.3	254.8	0.5
BRD168	175.6	176.1	0.5	BRD169	199.0	201.0	2.0	BRD169HC	102.5	103.0	0.5	BRD170	256.9	257.7	0.8
BRD168	200.8	201.2	0.4	BRD169	203.5	204.0	0.5	BRD169HC	103.9	104.4	0.5				
BRD168	256.4	257.0	0.6	BRD169	204.3	205.2	0.9	BRD169HC	104.4	104.9	0.5				
BRD168	258.0	258.6	0.6	BRD169	205.6	205.9	0.3	BRD169HC	122.2	122.7	0.5				

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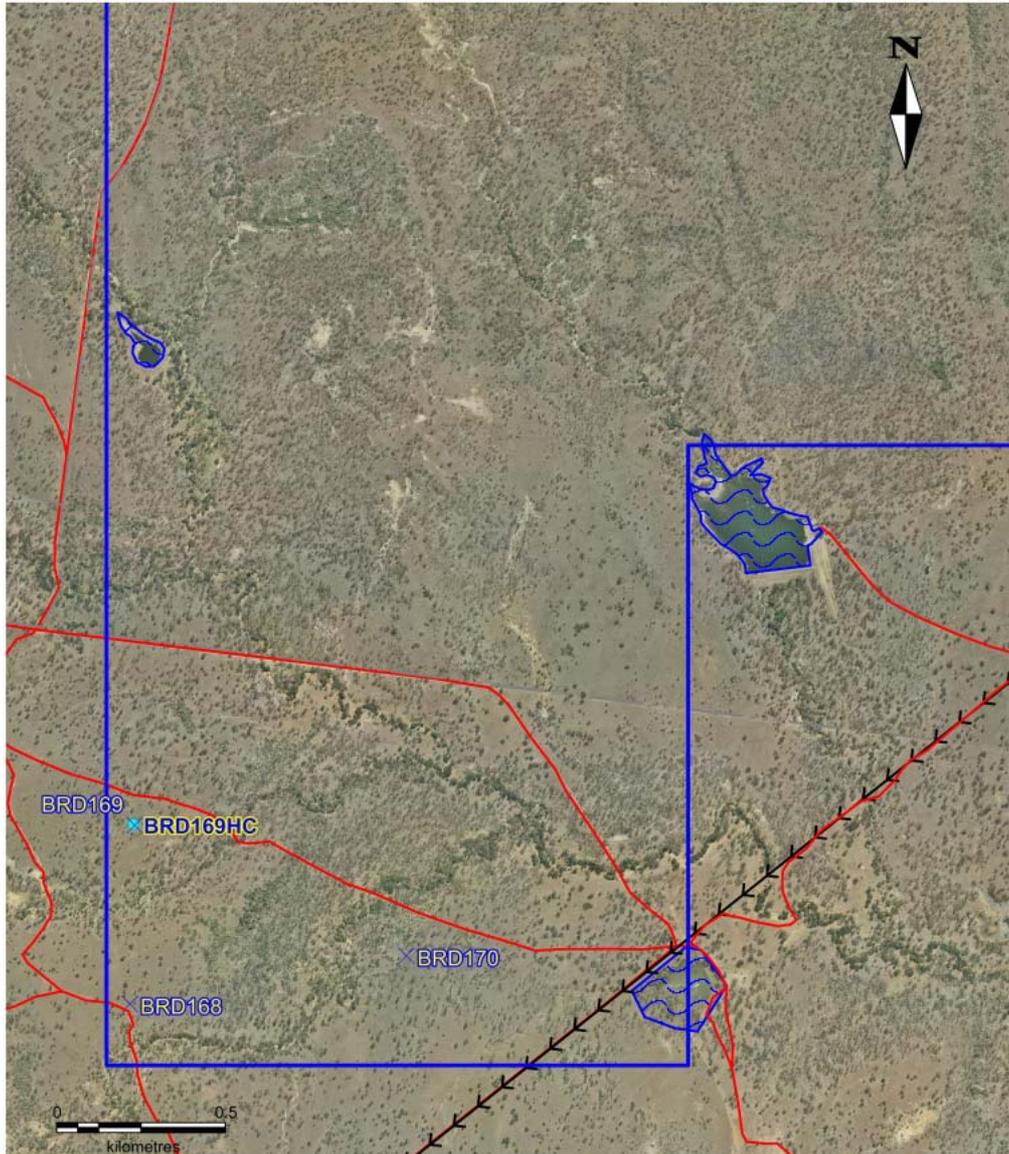
Hole ID	From	To	Thickness	Hole ID	From	To	Thickness	Hole ID	From	To	Thickness	Hole ID	From	To	Thickness
BRD168	259.0	259.5	0.5	BRD169	252.2	252.6	0.4	BRD169HC	122.7	123.2	0.5				
BRD168	311.7	312.2	0.5	BRD169	253.0	253.4	0.4	BRD169HC	160.9	161.5	0.6				
BRD168	313.3	314.5	1.2	BRD169	254.0	254.3	0.3	BRD169HC	161.5	162.0	0.5				
BRD168	398.5	398.9	0.4	BRD169	256.1	256.7	0.6	BRD169HC	163.1	163.6	0.5				
BRD168	399.3	400.2	0.9					BRD169HC	163.6	164.3	0.7				
BRD168	474.6	475.2	0.6					BRD169HC	171.5	171.8	0.3				
BRD168	481.2	481.5	0.3					BRD169HC	172.2	172.9	0.7				
								BRD169HC	173.0	173.8	0.8				
								BRD169HC	197.5	197.9	0.4				
								BRD169HC	198.1	198.6	0.6				
								BRD169HC	198.8	200.8	2.0				
								BRD169HC	203.7	204.3	0.5				
								BRD169HC	204.7	205.5	0.8				
								BRD169HC	206.0	206.7	0.6				

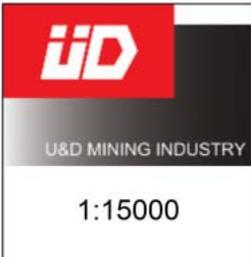
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APPENDIX 3: LOCATION MAP: EPC818 BROUGHTON SOUTH WEST CORNER PROJECT



 <p>1:15000</p>	<p>Broughton South West Corner Drilling</p> <p>Drawn: Charles Lord Date: 11-12-2014 Datum: GDA94</p> <p>Prints A4</p> <p><small>Created using data from U&D Mining Industry, GSA and may be based on or contain data provided by the State Of Queensland (Department of Environment and Resource Management) 2014</small></p>	<table border="0"> <tr> <td></td> <td>EPC818</td> <td></td> <td>Open Hole</td> </tr> <tr> <td></td> <td>Fence</td> <td></td> <td>Core Hole</td> </tr> <tr> <td></td> <td>Track</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Power Line</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Water</td> <td></td> <td></td> </tr> </table>		EPC818		Open Hole		Fence		Core Hole		Track				Power Line				Water		
	EPC818		Open Hole																			
	Fence		Core Hole																			
	Track																					
	Power Line																					
	Water																					

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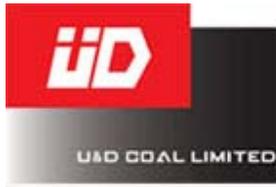
APPENDIX 4: JORC 2012 TABLE 1 INFORMATION: EPC1803 SPRINGTON DUARINGA PROJECT

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Currently there is one core hole within the dataset, being U&D Mining 2014 exploration program hole SPD005H1 <ul style="list-style-type: none"> SPD005HC was cored to 63m and the collar failed. It was re drilled as SPD005H1, all samples taken in SPD005HC were used as the top section of SPD005H1. In hole SPD005H1 all coal seams intersected greater than 0.10 m were sampled with a maximum individual sample length of 0.50 m of coal. Coal plies were sampled discretely on the basis of lithological characteristics and quality. All non-coal material and partings less than 0.10 m were included with the coal ply and noted in the lithological description. Non-coal interburden material greater than 0.10 m and up to a maximum of 0.5 m was sampled separately. All coal and non-coal inter-burden samples were double bagged at site and marked with sample number, date, hole and project. Geophysical corrections confirmed representative core recovery of the seam and samples. The qualified samples were then transported to the laboratory via courier. Coal Quality samples from the U&D Mining 2014 Drilling program were sent to PrepLab Testing Services Rockhampton All coal quality samples were prepared and analysed using Australian

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Criteria	JORC Code explanation	Commentary
		<p>Standard testing methodologies.</p> <ul style="list-style-type: none"> ○ All coal and roof and floor dilution samples were double bagged at site and marked with sample number, date, hole and project. The samples were then transported to laboratory via courier. ○ All coal quality samples were prepared and analysed using Australian testing methodologies at the NATA accredited lab – PrepLab Testing Services in Rockhampton.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> ● <i>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).</i> 	<ul style="list-style-type: none"> ● U&D Mining has completed its initial drilling campaign within the area. ● Partially cored coal quality hole SPD005H1 was completed using a HQ3 size core barrel producing a 61 mm core diameter. ● Non cored holes were drilled using 125mm blade or PCD drill bits. ● A list of 2014 drill holes and drilling methods is available at the end of Table 1 in Appendix 5.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> ● <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> ● <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> ● <i>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.</i> 	<ul style="list-style-type: none"> ● An assessment of core recovery was completed by comparing the recovered thickness measured during geological logging and by the driller, to geophysically picked thicknesses from the geophysical logs ● If there was less than 95% core recovery a re-drill was required
<i>Logging</i>	<ul style="list-style-type: none"> ● <i>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.</i> ● <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> 	<ul style="list-style-type: none"> ● All core was geologically logged, marked and photographed before sampling. Geological and geotechnical features were identified and logged by geologists experienced in coal resource investigation and evaluation. ● All chip holes were geologically logged. ● All drill holes from the U&D Mining exploration campaign have been



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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<p>geophysically logged by GeoLog. The minimum tool suite consisted of caliper, short & long space density, natural gamma & verticality (deviation & azimuth).</p> <ul style="list-style-type: none"> The calibration of the geophysical tools was conducted by the geophysical logging company. Original geological field logs were corrected to geophysics A full list of the suite of geophysical logs that have been run on each drill hole can be found in Appendix B – Drill Hole Data. The following descriptions relate to the tool codes as noted in the Geophysical Logs column of Appendix B: <ul style="list-style-type: none"> C, Caliper (borehole size) D, Density (short & long space) G, Natural gamma S, Sonic V, Borehole Verticality (deviation & Azimuth)
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Full cores were used for sample testing. Samples have been crushed and sub-sampled by NATA registered laboratories following the appropriate Australian Standards for coal testing. All core samples were double bagged on site and transported to the PrepLab Testing Services Rockhampton for testing. PrepLab Testing Services comply with Australian Standards for sample preparation and sub sampling. Analysis on raw sample included proximate, total sulfur, relative density, calorific value and CSN. Raw procedure keeps ½ of the raw sample as reserve.

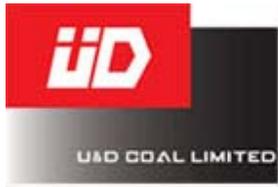


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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The 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. 	<ul style="list-style-type: none"> PrepLab Testing Services comply with the Australian Standards for coal quality testing and are certified by the National Association of Testing Authorities Australia (NATA). The calibration of the geophysical tools was conducted by the geophysical logging company.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Undertaken in the field by U&D Mining personnel. PrepLab Testing Services comply with the Australian Standards for coal quality testing and as such conduct the verifications for coal quality analysis outlined in the standards. No adjustments have been made to the coal quality data.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Professional Survey of all U&D Mining boreholes for was completed by T.R. Baillie Consulting Surveyors Datum GDA 94 and projection MGAZ55 was used. The topography was taken from the survey RL of the drill hole collars.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> There is only one location for coal quality samples located in the centre of the project. Other supporting borehole spacing range throughout the tenure area, but are generally in the vicinity of between 500 to 4000m.



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Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether sample compositing has been applied. • 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. 	<ul style="list-style-type: none"> • All drillholes are assumed to be vertical. Drill lines are oriented perpendicular to strike. • The region has been shown through seismic surveys to be highly structured with several syncline/anticline sets throughout the tenement. The seismic also shows that there may be significant faulting within the Bowen Basin sediments to the North West of the tenement. • All structures appear to have a NW-SE trend to them. • The tenement sits in the Bowen Basin in what is known as the Folded Zone. • All holes have attempted to be drilled on the axis of a fold, but due to lack of information on the area some holes have had significant dips recorded in them.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • All core samples designated for coal quality analysis were bagged and retained on site prior to transport to the PrepLab Testing Services laboratory by the geological field services personnel and/or courier.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • U&D Mining has undertaken frequent informal reviews and audits of the sampling techniques and processes utilised during exploration activities. • PrepLab Testing Services undertook internal audits and checks in line with the Australian standards and their NATA certification.

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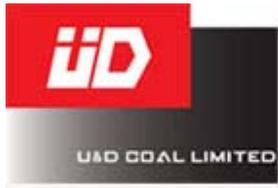
Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> EPC1803 is held by Endocoal Limited (a wholly owned subsidiary of U&D Mining). The area is currently under native title application by the Gaangalu Nation. A small portion in the Durainga Basin side of the EPC has an Aboriginal Deed of Grant in trust, granted to the Woorabinda People. A portion of the EPC on the Durainga Basin side has land subject to Native Title. Areas of the deposit are under proposed strategic cropping (SCL) trigger area. Studies would be required to determine whether area actually qualifies as SCL. There are very small areas of environmentally sensitive areas, such as Endangered Regional Ecosystems (ERE) within the tenure area. There are no other known impediments to obtaining a license to operate in the Project area

Tenure Type	Tenure Number	Date Granted	Date Expires	Principal Holder	Number of Sub Blocks
EPC	1803	24-Jan-12	23-Jan-17	Endocoal Ltd	144

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Criteria	JORC Code explanation	Commentary																		
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Overlapping tenements: EPP 758 – OME Resources Australia Pty Ltd Several phases of historic coal exploration have taken place within the area now covered by EPC 1803. With limited drilling within the tenement area. The quality and suitability of available historic data is highly variable. Historic data utilised by U&D Mining has been reviewed and audited and any data utilised has the following minimum requirements: <ul style="list-style-type: none"> a lithological log a geophysical log (density, gamma, caliper) borehole collar survey or suitably geo-referenced borehole location Historic Exploration Permits for Coal (EPC) that have underlain or partially underlain EPC 1803 are as follows: <table border="1"> <thead> <tr> <th>Permit</th> <th>Decade</th> <th>Tenure Holder</th> </tr> </thead> <tbody> <tr> <td>ATP8C</td> <td>Pre 1970</td> <td>MOUNT MORGAN LTD ALLIED INDUSTRIES LTD</td> </tr> <tr> <td>ATP45C</td> <td>Pre 1970</td> <td>THIESS BROS PTY LTD</td> </tr> <tr> <td>ATP69C</td> <td>Pre 1970</td> <td>PICKANDS MATHER AND CO. INTERNATIONAL</td> </tr> <tr> <td>ATP40C</td> <td>Pre 1970</td> <td>BHP</td> </tr> <tr> <td>ATP15C</td> <td>Pre 1970</td> <td>MORGAN MINING & INDUSTRIAL CO PTY LTD BROWN, J. & A. ABERMAIN SEAHAM COLLIERIES LTD</td> </tr> </tbody> </table>	Permit	Decade	Tenure Holder	ATP8C	Pre 1970	MOUNT MORGAN LTD ALLIED INDUSTRIES LTD	ATP45C	Pre 1970	THIESS BROS PTY LTD	ATP69C	Pre 1970	PICKANDS MATHER AND CO. INTERNATIONAL	ATP40C	Pre 1970	BHP	ATP15C	Pre 1970	MORGAN MINING & INDUSTRIAL CO PTY LTD BROWN, J. & A. ABERMAIN SEAHAM COLLIERIES LTD
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Criteria	JORC Code explanation	Commentary															
		<table border="1"> <tr> <td>ATP122C</td> <td>1971-1980</td> <td>PACMINEX (QLD) PTY LTD</td> </tr> <tr> <td>ATP110C</td> <td>1971-1980</td> <td>CLARKE COAL PTY LTD</td> </tr> <tr> <td>ATP116C</td> <td>1971-1980</td> <td>DILLINGHAM MINING CO</td> </tr> <tr> <td>EPC769</td> <td>2001-2010</td> <td>CAPRICORN COAL PTY LTD, CITIC CAPRICORN PTY LTD, MACARTHUR EXPLORATION PTY. LTD.</td> </tr> <tr> <td>EPC861</td> <td>2001-2010</td> <td>DORBEN PTY LTD</td> </tr> </table>	ATP122C	1971-1980	PACMINEX (QLD) PTY LTD	ATP110C	1971-1980	CLARKE COAL PTY LTD	ATP116C	1971-1980	DILLINGHAM MINING CO	EPC769	2001-2010	CAPRICORN COAL PTY LTD, CITIC CAPRICORN PTY LTD, MACARTHUR EXPLORATION PTY. LTD.	EPC861	2001-2010	DORBEN PTY LTD
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EPC861	2001-2010	DORBEN PTY LTD															
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The geology of the northwestern segment of EPC 1803 comprises Permian sediments assigned to the Gylanda Sub-group locally overlain by Tertiary sediments and Quaternary alluvium. The Tertiary cover increases in the east towards the interpreted edge of the Tertiary Duaringa Basin (northwest trending Wallaroo Fault) where seismic data suggests a fault down-throw of 1000m to the northeast. This area forms part of the folded zone of the Bowen Basin where folding is tight on northwest trends. This folding apparently becomes less intense and more open westward across a series of thrusts, including the Jellinbah Thrust whose position is marked by intrusive dykes on aeromagnetic imagery. Well south of the tenure in the Dingo area, the Rangal Coal Measures sub-crop. This area is located in a west-northwest trending zone of more open folds that connects with outcropping Rangals to the northwest in the Bluff area in a zone of open folding and with the Baralaba Coal Measures in the Baralaba area. Mapped geology may have more in common with stratigraphy further 															

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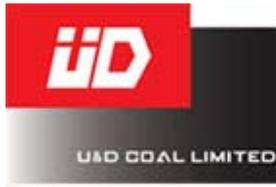
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Criteria	JORC Code explanation	Commentary
		north and comprise Rangal Coal Measures, Fort Cooper Coal Measures and possibly German Creek Formation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ 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. 	<ul style="list-style-type: none"> • A list of 2014 U&D Mining boreholes is attached in the Appendixes. No relevant information has been excluded.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Coal sampling and analysis was carried out on core samples selected assuming thin seam mining techniques would be employed.
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All drilling is conducted in vertical holes. All coal intersections and down-hole geophysics are vertical thickness, as only a single hole has been drilled true seam dips have not been calculated and coal thickness should only be considered as down hole thicknesses and

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Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> not true thickness. Lateral coal seam continuity is demonstrated by seam intercepts within surrounding boreholes confirmed by geophysical logging.
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Appropriate Maps and diagrams are included in the ASX announcement presented.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All data from all holes has been collated and reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Regional Gravity program has been undertaken with 400m centers over the portion of the tenement that covers the Bowen Basin. Geoscience Australia has flown regional Magnetics and Radiometric surveys across the area, giving a good understanding of the regional structures. Nine seismic lines have been shot along the drilling lines that give good indication of the structural complexities of the project.
<i>Further work</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Further interpretation of results may provide further drilling targets in the future.

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APPENDIX 5: TABLE INFORMATION FOR DRILL HOLES, COAL INTERSECTIONS AND COAL QUALITY RESULTS: EPC1803 SPRINGTON DUARINGA PROJECT

Drilling Data

Company	Year	Borehole ID	Easting	Northing	Elevation	Total depth	Hole Type	Hole size (mm)	Core Diameter	Geophysical logs
U&D Mining	2014	SPD001	737896.332	7408713.685	98.39	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD002	740207.061	7406504.847	109.56	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD003	740933.814	7406346.119	108.904	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD004	741874.302	7406141.763	99.69	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD005	739730.175	7406868.125	106.253	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD006	739585.035	7409353.606	96.71	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD007	740391.207	7400691.584	92.675	300	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD008	742831.723	7399306.454	94.694	222	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD009	736288.912	7408317.282	154.469	220	Chip	125	-	C,D,G,S,V
U&D Mining	2014	SPD005HC	739745.81	7406856.228	106.593	63.35	Core	100	61.1	C,D,G,S,V
U&D Mining	2014	SPD005H1	739744.578	7406854.551	106.545	133.54	Core	100	61.1	C,D,G*

*SPD005H1 was logged in rods and as such the Verticality and Sonic logs could not be run.

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Coal Quality Data

Sample No	From (m)	To (m)	Thickness (m)	Received Mass (g)	Dry Mass (g)	Proximate Analysis (%ad)				Total Sulphur (%ad)	Calorific Value (MJ/kg ad)	Relative Density (g/cc)	CSN
						Inherent Moisture	Ash	Volatile Matter	Fixed Carbon				
113138	65.93	66.06	0.13	821.4	774.4	1.3	93	5.7	0	0.23	0.08	2.84	1/2
113139	66.06	66.42	0.36	2453	2320.4	1	80.5	5	13.5	4.48	5.02	2.64	0
113140	66.42	66.91	0.49	2134.2	2057.1	1.8	46.6	4.5	47.1	2.17	17.19	1.96	0
113141	66.91	67.36	0.45	2253.3	2198.1	1.5	55.1	6.1	37.3	8.18	13.4	2.22	0
113142	67.36	67.58	0.22	1365	1256.5	1.9	88.4	4.6	5.1	0.63	1.71	2.76	0
113143	67.58	67.82	0.24	1112.1	1080.9	1.7	50.5	3.8	44	1.82	15.84	2.02	0
113144	67.82	68.15	0.33	1323.5	1237.1	1.7	34.3	4.8	59.2	2.52	21.94	1.79	0
113145	68.15	68.46	0.31	1375.2	1325.7	1.6	59.8	4.4	34.2	0.54	12.62	2.08	0
113146	69.36	69.63	0.27	1237.8	1212.3	2.2	41.3	4	52.5	1.34	19.4	1.85	0
113147	69.63	70.03	0.4	1796.7	1753.5	2	40.8	4.2	53	1.85	19.46	1.9	0
113148	70.03	70.46	0.43	1655.7	1597.1	1.8	46.9	4.5	46.8	0.69	17.5	1.96	0
113149	70.46	70.81	0.35	1803.3	1713.4	1.3	70.4	6.4	21.9	0.2	7.5	2.39	1/2
113150	70.81	71.2	0.39	2047.2	1964.2	2.2	44.7	4.5	48.6	0.58	17.98	1.9	1/2
113151	71.2	71.48	0.28	1219.8	1124.1	1.5	63.1	5.7	29.7	0.38	10.54	2.25	1/2
113152	71.48	71.66	0.18	1294.9	1233.1	1.1	91.3	5.7	1.9	0.15	0.94	2.75	1/2
113153	80.4	80.5	0.1	914	861.9	1.2	90.7	6.1	2	3.33	1.21	2.84	0
113154	80.5	80.76	0.26	1427.7	1347	1	64.4	6.3	28.3	1.5	10.39	2.22	0

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113155	80.76	80.97	0.21	802.7	777.2	0.8	68.5	5	25.7	0.59	8.84	2.22	1/2
113156	80.97	81.3	0.33	2121.9	2031.1	1.1	85.6	4.8	8.5	2.78	3.06	2.64	0
113157	111.6	111.8	0.16	889.2	866.6	1.5	90.2	8.3	0	0.02	<0.01	2.87	0
113158	111.8	111.9	0.09	1319.6	1304.9	0.9	74	5	20.1	2.58	7.23	2.39	0
113159	111.9	112.2	0.27	1209.2	1165.2	1.3	86.1	12.6	0	0.07	<0.01	2.9	0
113160	112.2	112.5	0.33	1522.7	1487.5	1	78.4	4.5	16.1	2.55	6.05	2.6	0
113161	112.5	112.9	0.4	1442.5	1412.3	1.3	62.1	4.3	32.3	3.19	11.68	2.25	0
113162	112.9	113.4	0.47	2560.4	2505.3	1.8	52.4	4.7	41.1	1.84	15	2.04	0
113163	113.4	113.5	0.15	957.5	937.4	1.7	69.2	5.8	23.3	0.58	8.37	2.26	0
113164	113.5	113.7	0.23	1258.7	1191.4	1.6	58.1	5.3	35	1.39	12.61	2.12	0
113165	113.7	114.1	0.37	2135.9	2091	1.6	54.8	4.8	38.8	2.69	14.27	2.06	0
113166	114.1	114.3	0.23	484.7	448.6	1.5	24	5.3	69.2	2.16	26.07	1.66	0
113167	114.3	114.5	0.17	707.6	694	1.3	77.5	5.8	15.4	0.54	5.5	2.5	1/2
113168	114.5	114.9	0.38	2076.6	2043.7	1.6	59.4	6	33	0.58	11.91	2.15	0
113169	114.9	115	0.12	986.2	964.9	1.6	85.4	9.6	3.4	0.11	1.48	2.79	1/2
113170	115	115.2	0.19	922.7	908.6	1.5	48.1	5.1	45.3	1.55	16.94	1.97	0
113171	115.2	115.4	0.17	1223.9	1193.2	1.4	86	9	3.6	0.15	1.34	2.74	0
113172	115.4	115.6	0.27	1429.9	1405	1.5	44.6	5.3	48.6	1.17	17.86	1.96	0
113173	115.6	115.8	0.19	1209.4	1179.4	1.5	68.7	7	22.8	0.27	8.08	2.32	0
113174	115.8	116.1	0.28	1484.4	1465.1	1.3	48.1	5	45.6	2.26	16.65	1.96	0
113122	58.61	58.71	0.1	1025	962.1	1.6	93.9	4.5	0	0.26	0.14	2.79	0
113123	58.71	58.85	0.14	568	554.8	1.2	71.2	6.7	20.9	8.02	8.19	2.36	0
113124	58.85	59.13	0.28	1385.1	1356.4	1.8	57.2	4.1	36.9	3.19	12.92	2.08	0
113125	59.13	59.51	0.38	2161.5	2109.5	1.8	46.2	5.4	46.6	5.54	17.13	2.01	0
113126	59.51	59.63	0.12	707.7	666.1	1.5	93.3	5	0.2	0.29	0.27	2.8	1/2
113127	59.8	60.03	0.23	1493.6	1354.4	2.3	90.8	6.9	0	0.05	<0.01	2.84	0
113128	60.03	60.44	0.41	1969.6	1902.8	1.6	56.7	3.7	38	0.58	13.66	2.02	0

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113129	60.44	60.63	0.19	1422.8	1337	1.6	86	8.8	3.6	0.05	1.66	2.7	1/2
113130	60.9	61.06	0.16	890.7	866.5	1.1	77.5	3.4	18	0.36	6.16	2.39	1/2
113131	61.06	61.32	0.26	1260.5	1237.9	2	46	4.1	47.9	0.64	17.51	1.9	0
113132	61.32	61.53	0.21	765.1	746.9	2.6	17.2	5.6	74.6	1.76	28.11	1.62	0
113133	61.53	61.72	0.19	1252.5	1225.3	1.6	52.1	4.3	42	1.35	15.32	1.98	0
113134	62	62.2	0.2	849.5	827.9	1.8	50.9	4.7	42.6	0.44	15.81	1.98	0
113135	62.2	62.59	0.39	1849.3	1803.7	2	53.5	7.2	37.3	0.42	13.48	2.06	1/2
113136	62.59	62.71	0.12	680.1	637.6	1.8	87.8	9.4	1	0.07	0.46	2.9	0
113137	62.71	63.05	0.34	1769	1706.2	1.8	51.1	4.9	42.2	0.92	15.74	2.03	0

Seam Intercetions

Hole Id	From	to	Thickness	Hole Id	From	to	Thickness	Hole Id	From	to	Thickness
SPD001	124.3	125.5	1.2	SPD005H1	63.9	64.26	0.36	SPD007	183.4	184.25	0.85
SPD001	126	127.47	1.47	SPD005H1	64.26	64.75	0.49	SPD007	214.1	215.16	1.06
SPD001	144.5	146.8	2.3	SPD005H1	64.75	65.2	0.45	SPD007	236.8	237.2	0.4
SPD001	175.15	179.91	4.76	SPD005H1	65.66	65.99	0.33	SPD007	238.5	239.16	0.66
SPD001	180.5	183.4	2.9	SPD005H1	65.99	66.3	0.31	SPD007	292.3	292.6	0.3
SPD002	69.4	71.15	1.75	SPD005H1	68	68.4	0.4	SPD007	293.02	293.4	0.38
SPD002	73.25	75.5	2.25	SPD005H1	68.4	68.83	0.43	SPD008	39.2	40.78	1.58
SPD002	191	191.65	0.65	SPD005H1	68.83	69.18	0.35	SPD008	144.99	145.34	0.35
SPD003	47.65	48	0.35	SPD005H1	69.18	69.57	0.39	SPD008	147	147.51	0.51
SPD003	48.32	50.48	2.16	SPD005H1	110.66	110.99	0.33	SPD008	148.2	149.75	1.55
SPD003	87.1	88.45	1.35	SPD005H1	110.99	111.39	0.4	SPD008	207.18	208.36	1.18

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SPD003	90.38	98.8	8.42	SPD005H1	111.39	111.86	0.47	SPD009	52.25	52.9	0.65
SPD003	213.21	214.76	1.55	SPD005H1	112.24	112.61	0.37	SPD009	74.65	74.95	0.3
SPD003	237	239.4	2.4	SPD005H1	113.01	113.39	0.38				
SPD003	277.41	282.35	4.94	SPD005H1	118.3	118.93	0.63				
SPD004	130.2	130.7	0.5	SPD005H1	119.37	119.75	0.38				
SPD004	159.75	161.38	1.63	SPD005H1	119.75	120.27	0.52				
SPD004	203.9	206.82	2.92	SPD005H1	120.99	121.49	0.5				
SPD004	265.52	273	7.48	SPD005H1	121.49	121.99	0.5				
SPD005	65.25	67.7	2.45	SPD005H1	121.99	122.49	0.5				
SPD005	106.5	109.1	2.6	SPD005H1	131.77	132.08	0.31				
SPD005	121.75	125.2	3.45	SPD005HC	58.34	58.72	0.38				
				SPD005HC	59.07	59.48	0.41				
				SPD005HC	61.06	61.45	0.39				
				SPD005HC	61.57	61.91	0.34				

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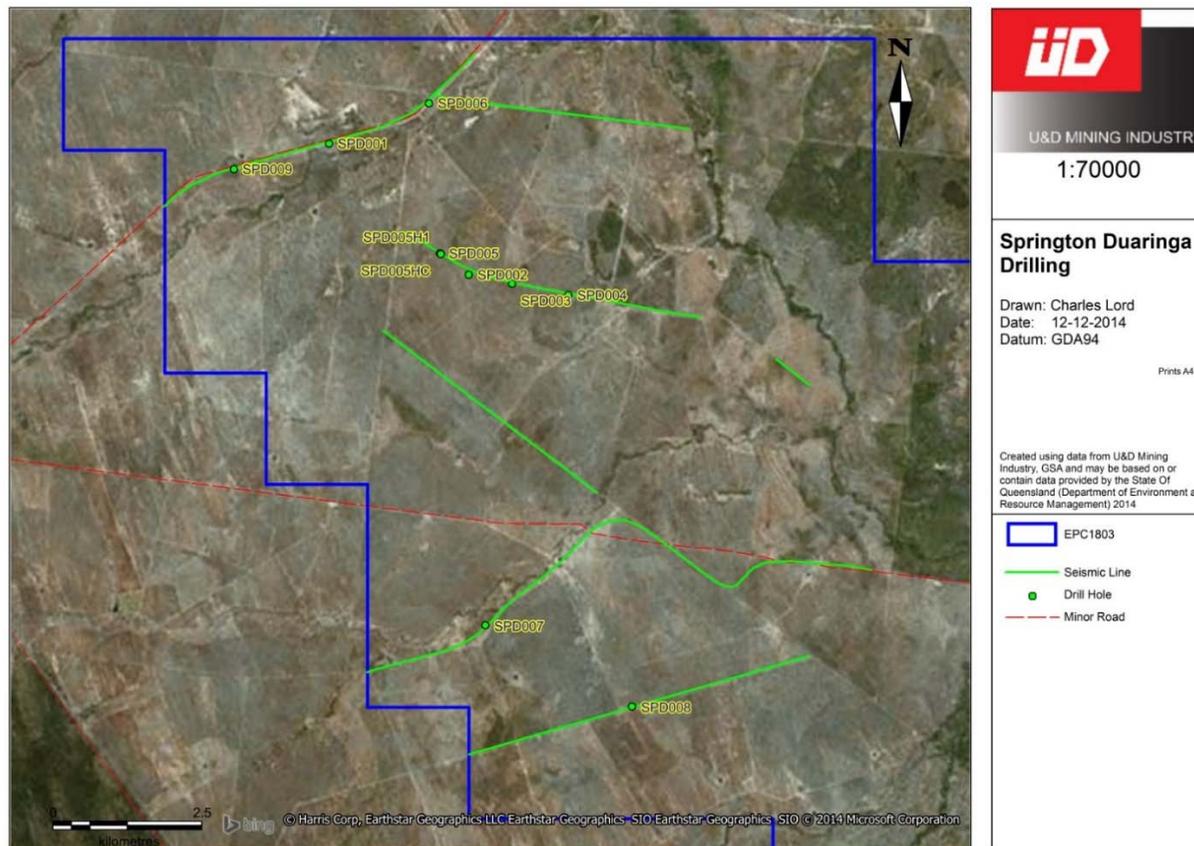


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APPENDIX 6: LOCATION MAP: EPC1803 SPRINGOTN DUARINGA PROJECT



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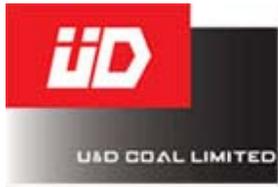
APPENDIX 7: JORC 2012 TABLE 1 INFORMATION: GROUND GRAVITY SURVEY EPC2306, EPC2461, EPC2822, EPC1516, EPC1803, EPC1620

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The 2014 gravity program was undertaken by Atlas geophysics using an Scintrex CG-5 Autograv gravity meter. Gravity Base stations were established at each project, each survey was tied back to the base station on every day of the survey. Where the survey overlapped previous surveys, stations that were previously surveyed were included in the new survey to tie the new and old surveys together.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Drilling was not undertaken.

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Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Drilling was not undertaken.
<i>Logging</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Drilling was not undertaken.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No samples were taken.

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Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No assays were done.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No assays were done.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Every station was surveyed utilizing a dgps. These locations were recorded by Atlas Geophysics. Datum GDA 94 and projection MGAZ55/56 was used. The topography was taken from the survey RL of each survey station.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All gravity stations were collected with a station spacing of 400 or 500m. This spacing is close enough to show local geological structures.

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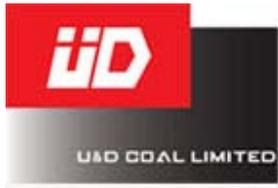
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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling 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. 	<ul style="list-style-type: none"> Orientation of structure is not relevant to a geophysical survey.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No samples were taken.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> U&D Mining has undertaken frequent informal reviews and audits of the sampling techniques and processes utilised during exploration activities.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All EPC's within the survey program are all 100% owned by Endocoal Limited a wholly owned subsidiary of U&D Coal. The area is currently under native title application by the applicants below.



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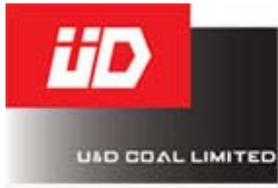
Tenement	Native Title Applicant
EPC2306	Barada Barna
EPC2822	Barada Barna
EPC2461	Gaangalu Nation
EPC1803	Gaangalu Nation
EPC1516	Gaangalu Nation
EPC1620	Gaangalu Nation

- Some of the land is subject to Native Title as listed in the table below.

Tenement	Native Title
EPC2306	Partially subject to Native Title
EPC2822	Not subject to Native Title
EPC2461	Partially subject to Native Title
EPC1803	Partially subject to Native Title
EPC1516	Partially subject to Native Title
EPC1620	Partially subject to Native Title

- Areas of the survey are under proposed strategic cropping (SCL) trigger area. Studies would be required to determine whether area actually qualifies as SCL.
- There are very small areas of environmentally sensitive areas, such as

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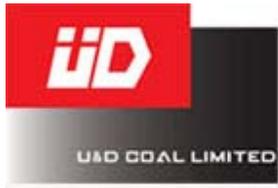
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- Endangered Regional Ecosystems (ERE) within the tenure areas.
- There are no other known impediments to obtaining a license to operate in the Project area

Tenure Type	Tenure Number	Date Granted	Date Expires	Principal Holder	Number of Sub Blocks
EPC	1803	24-Jan-12	23-Jan-17	Endocoal Ltd	144
EPC	1516	10-Mar-12	9-Mar-17	Endocoal Ltd	240
EPC	1513	20-May-12	19-May-17	Endocoal Ltd	106
EPC	2822	12-Sep-12	11-Sep-17	Endocoal Ltd	1
EPC	2461	28-Sep-12	27-Sep-17	Endocoal Ltd	21
EPC	2306	25-Mar-13	24-Mar-18	Endocoal Ltd	292

- Overlapping tenements:

Tenement	Overlapping Tenure
EPC2306	ATP 759 Arrow Energy, ML 70293 CQ Dolomite Pty Ltd
EPC2822	Null
EPC2461	ATP811 New South Oil Pty Ltd
EPC1803	EPP 758 – OME Resources Australia Pty Ltd



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EPC1516	EPM17054 AusGold Exploration Pty Ltd, EPM17059 AusGold Exploration Pty Ltd, EPM 15981 - Lion Mining Pty Ltd, EPM 18032 Central Minerals Pty Ltd, ATP1182 - UDM
EPC1620	EPM17054 AusGold Exploration Pty Ltd, EPM17059 AusGold Exploration Pty Ltd, ATP1182 - UDM

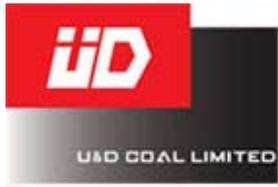
Exploration done by other parties

- Acknowledgment and appraisal of exploration by other parties.

- Several phases of historic coal exploration have taken place within the area now covered by the six EPC's.
- The quality and suitability of available historic data is highly variable. Historic data utilised by U&D Mining has been reviewed and audited and any data utilised has the following minimum requirements:
 - a lithological log
 - a geophysical log (density, gamma, caliper)
 - borehole collar survey or suitably geo-referenced borehole location
- Historic Exploration Permits for Coal (EPC) that have underlain or partially underlain the tenements are as follows:

Tenement	Permit	Decade	Tenure Holder
EPC2306	ATP 51C	PRE 1970	CLUTHA DEVELOPMENT PTY LTD
	ATP 121C	1971-1980	MILLER, R.W & CO PTY LTD
	EPC 971	2001-2010	BHP COAL PTY LTD
	EPC 688	POST 2010	BB INTERESTS PTY LTD, CITIC BOWEN BASIN PTY LTD

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	EPC 688	POST 2010	MACARTHUR EXPLORATION PTY. LTD.
	APT 448C	1981-1990	SEDGMAN & ASSOCIATES PTY LTD
EPC2822	EPC 688	POST 2010	MACARTHUR EXPLORATION PTY. LTD.
	EPC 688	POST 2010	BB INTERESTS PTY LTD, CITIC BOWEN BASIN PTY LTD
	EPC 1970	POST 2010	FMG RESOURCES PTY LTD
EPC2461	ATP 34C	PRE 1971	MINES ADMINISTRATION PTY LTD
	EPC 123	1991-2000	YARRABEE COAL CO PTY LTD
	EPC 123	1991-2000	BRIGALOW MINES PTY LTD
	EPC 748	2001-2010	ANGLO COAL (GERMAN CREEK) PTY LTD
	ATP 45C	PRE 1971	THIESS BROS PTY LTD
EPC1803	ATP 8C	PRE 1970	MOUNT MORGAN LTD ALLIED INDUSTRIES LTD
	ATP 45C	PRE 1970	THIESS BROS PTY LTD
	ATP 69C	PRE 1970	PICKANDS MATHER AND CO. INTERNATIONAL
	ATP 40C	PRE 1970	BHP

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	ATP 15C	Pre 1970	MORGAN MINING & INDUSTRIAL CO PTY LTD BROWN, J. & A. ABERMAIN SEAHAM COLLIERIES LTD
	ATP 122C	1971-1980	PACMINEX (QLD) PTY LTD
	ATP 110C	1971-1980	CLARKE COAL PTY LTD
	ATP 116C	1971-1980	DILLINGHAM MINING CO
	EPC 769	2001-2010	CAPRICORN COAL PTY LTD, CITIC CAPRICORN PTY LTD, MACARTHUR EXPLORATION PTY. LTD.
	EPC 861	2001-2010	DORBEN PTY LTD
EPC1516	ATP 33C	Pre 1970	THIESS PEABODY MITSU COAL PTY LTD
	EPC 99	1971-1980	AMAX EXPLORATION LTD
	EPC 17	1971-1980	UNKOWN
	EPC 591	1991-2000	UNKOWN
EPC1620	Nil		

Geology

- *Deposit type, geological setting and style of mineralisation.*

- The Bowen basin is the most important Permian coal basin in Queensland. 600km long and up to 250km wide, it is a triangular shaped basin with four main coal groups. Group I and II coal measures are the oldest coals in the basin and are mined on the

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edges of the basin, Group III contains the Moranbah Coal Measures as well as the German Creek Coal Measures, both of which are premium coals in the Australian coal market. Group III and IV coals are separated by marine transgression sediments and volcanic depositions. This has resulted in some major tuff layers that can be found in the Fort Cooper Coal Measures (and equivalents), these coal measures sit just below the Group IV coal measures. Group IV coal measures include the Rangal Coal Measures (and equivalents) and are also considered to be premium coals in the Australian coal market. Along the margins of the basin it has been identified that some "Sub-Basins" where formed just prior to the Group I coals and have been targets of significant exploration in recent years. All four groups have qualities that range from premium hard coking coal to direct shippable thermal coal.

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.*

- Drilling was not undertaken.



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<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Drilling was not undertaken.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> Drilling was not undertaken.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Appropriate Maps and diagrams are included in the ASX announcement presented.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> All data has been collated and reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> No other exploration data was used for this program.

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| <p><i>Further work</i></p> | <ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none">• Further interpretation of results may provide further drilling targets in the future. |
|----------------------------|--|---|

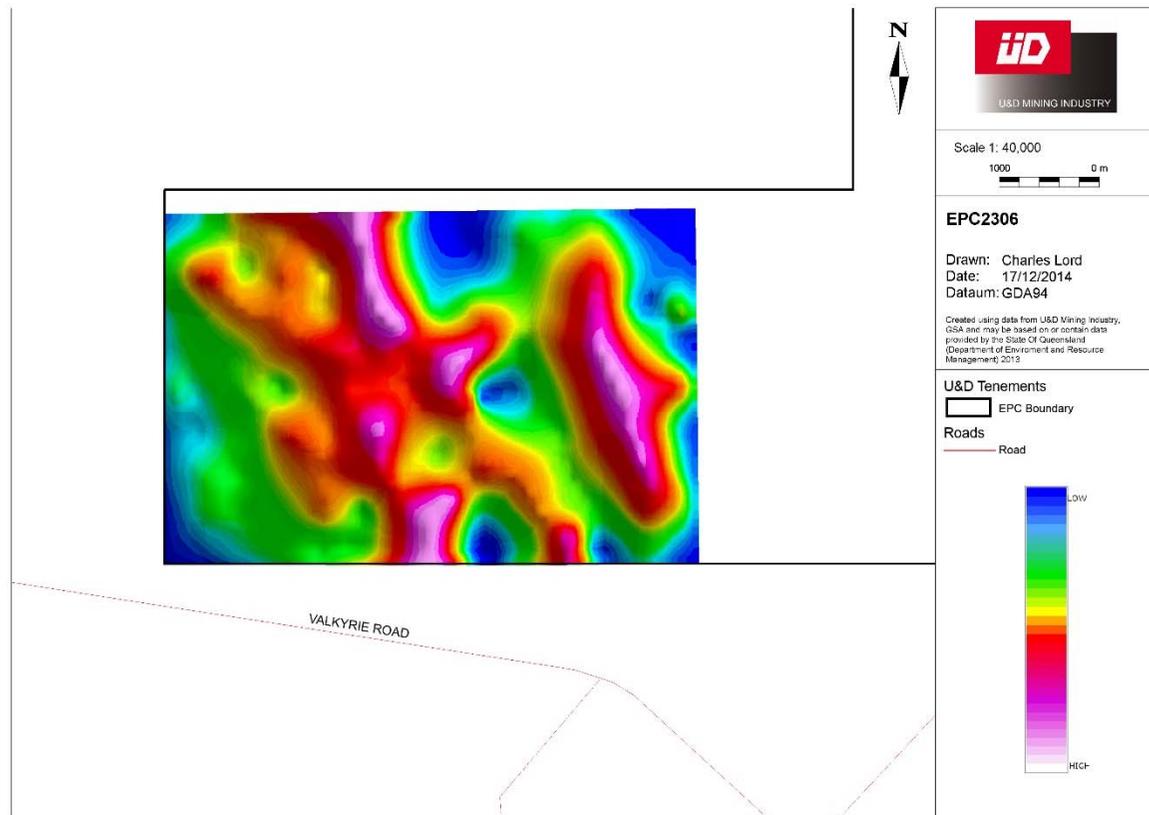


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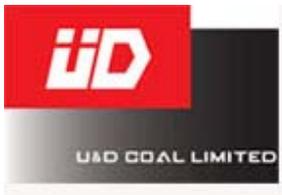
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APPENDIX 8: LOCATION MAPS: GROUND GRAVITY SURVEY EPC2306, EPC2461, EPC2822, EPC1516, EPC1803, EPC1620



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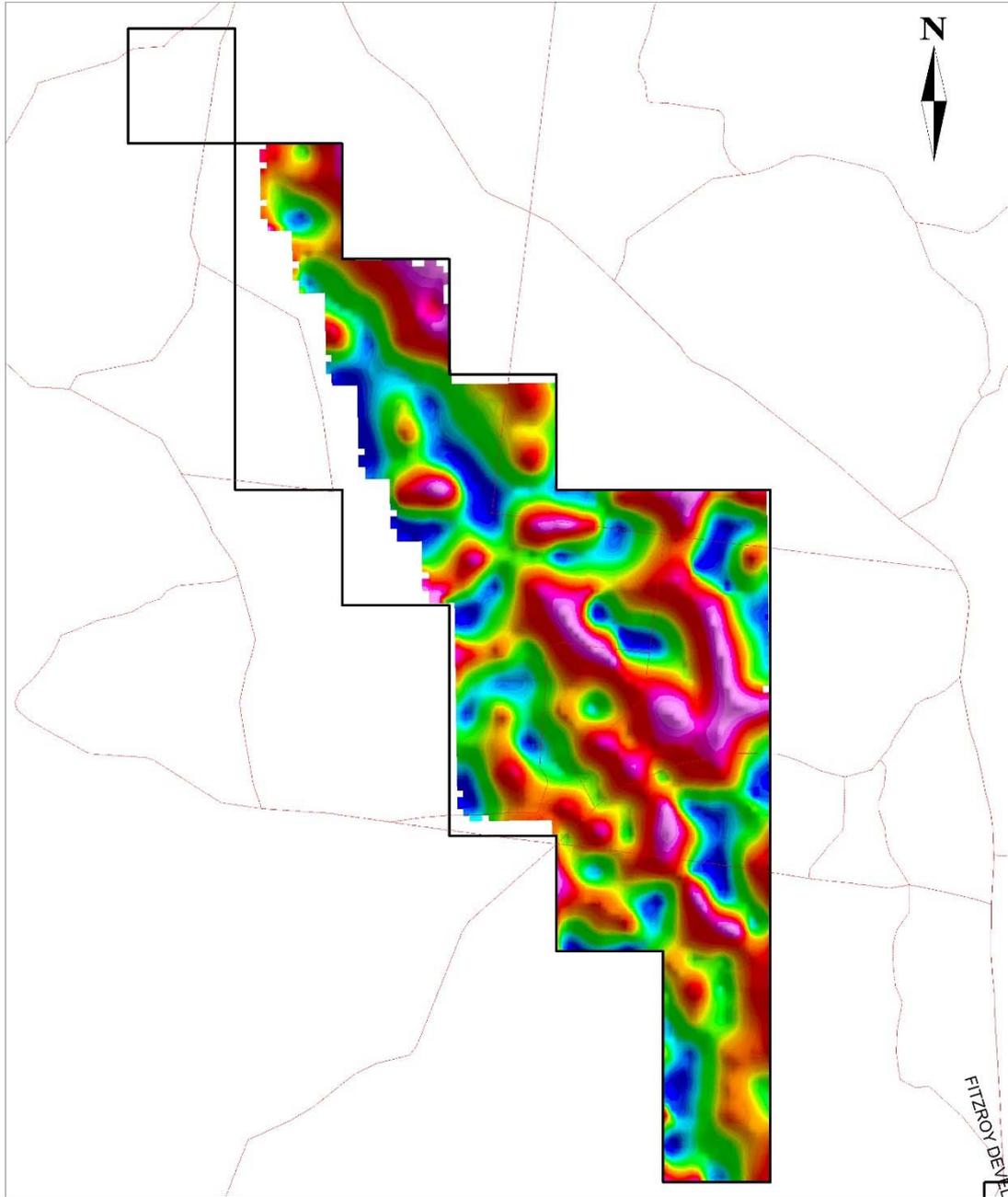


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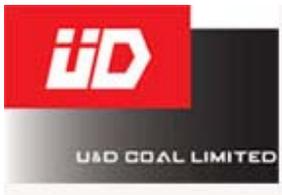
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	EPC2461 Drawn: Charles Lord Date: 17/12/2014 Datum: GDA94	U&D Tenements EPC Boundary Road	
Scale 1: 80,000 1000 0 1000 m	Created using data from U&D Mining Industry, GSA and may be based on or contain data provided by the State Of Queensland (Department of Environment and Resource Management) 2013		

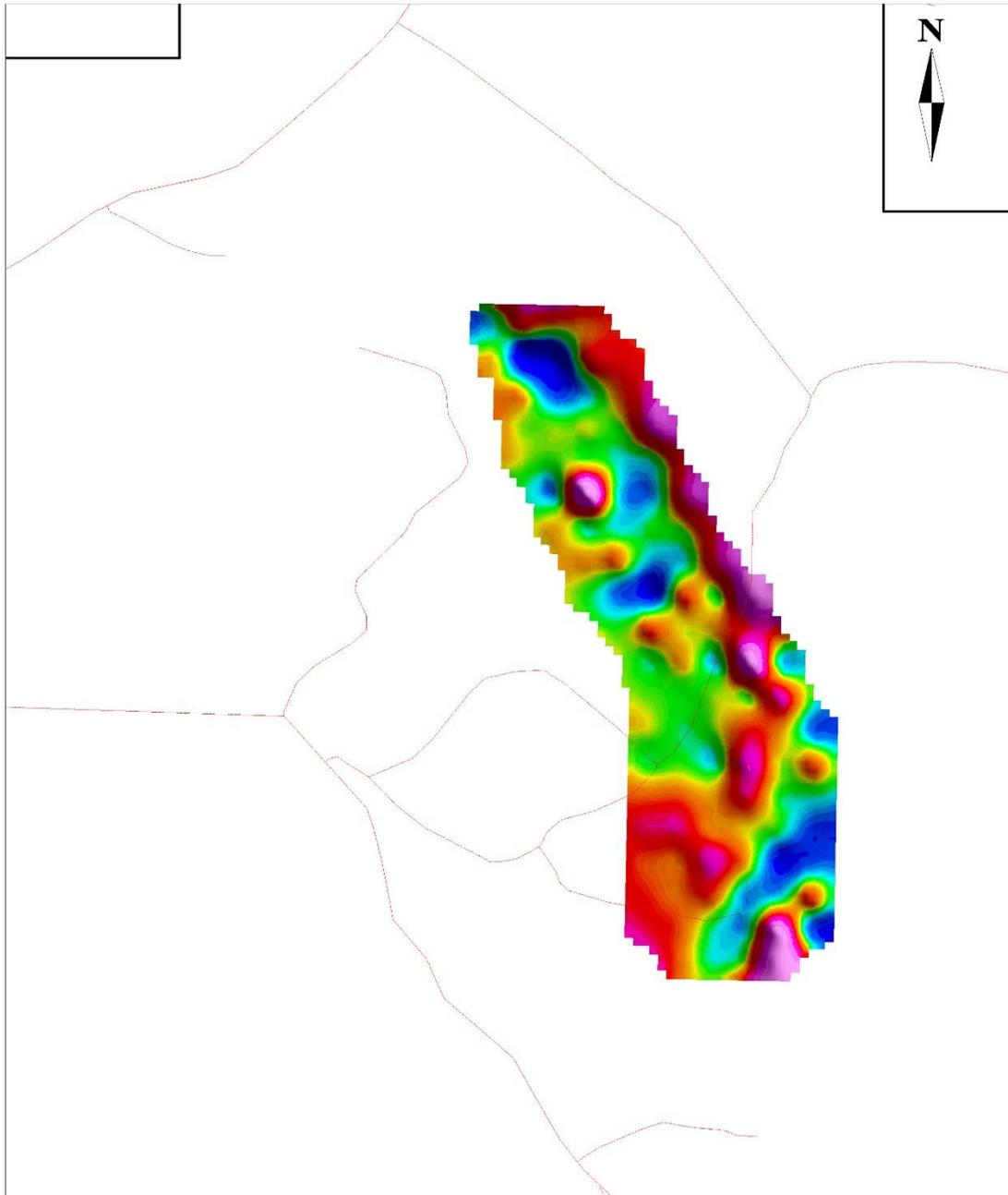


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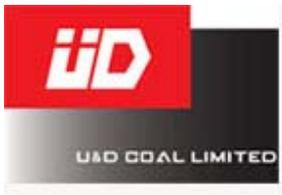
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	EPC1620 Drawn: Charles Lord Date: 17/12/2014 Datum: GDA94	U&D Tenements EPC Boundary Roads	
Scale 1: 60,000 	Created using data from U&D Mining Industry, GSA and may be based on or contain data provided by the State Of Queensland (Department of Environment and Resource Management) 2013		

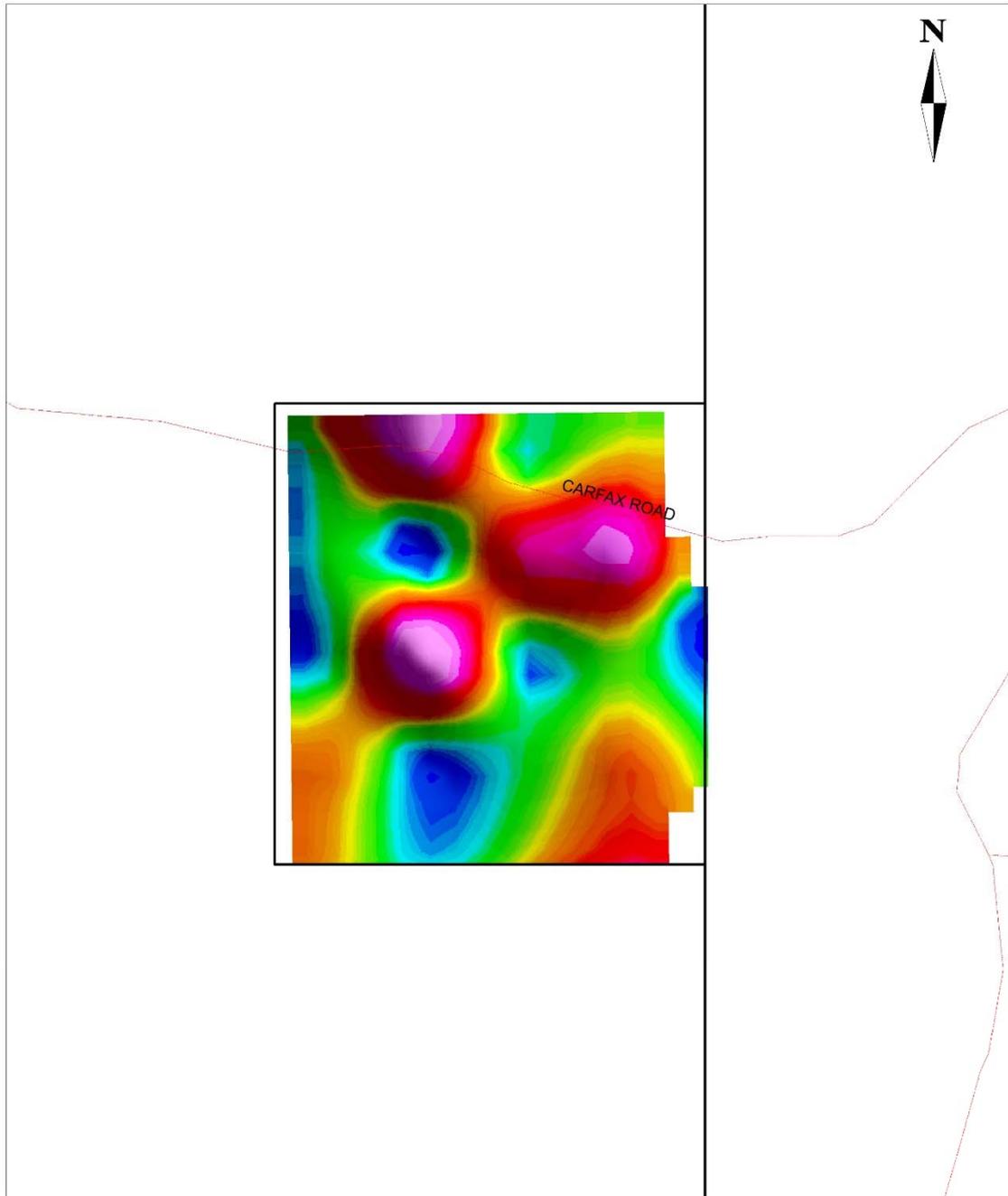


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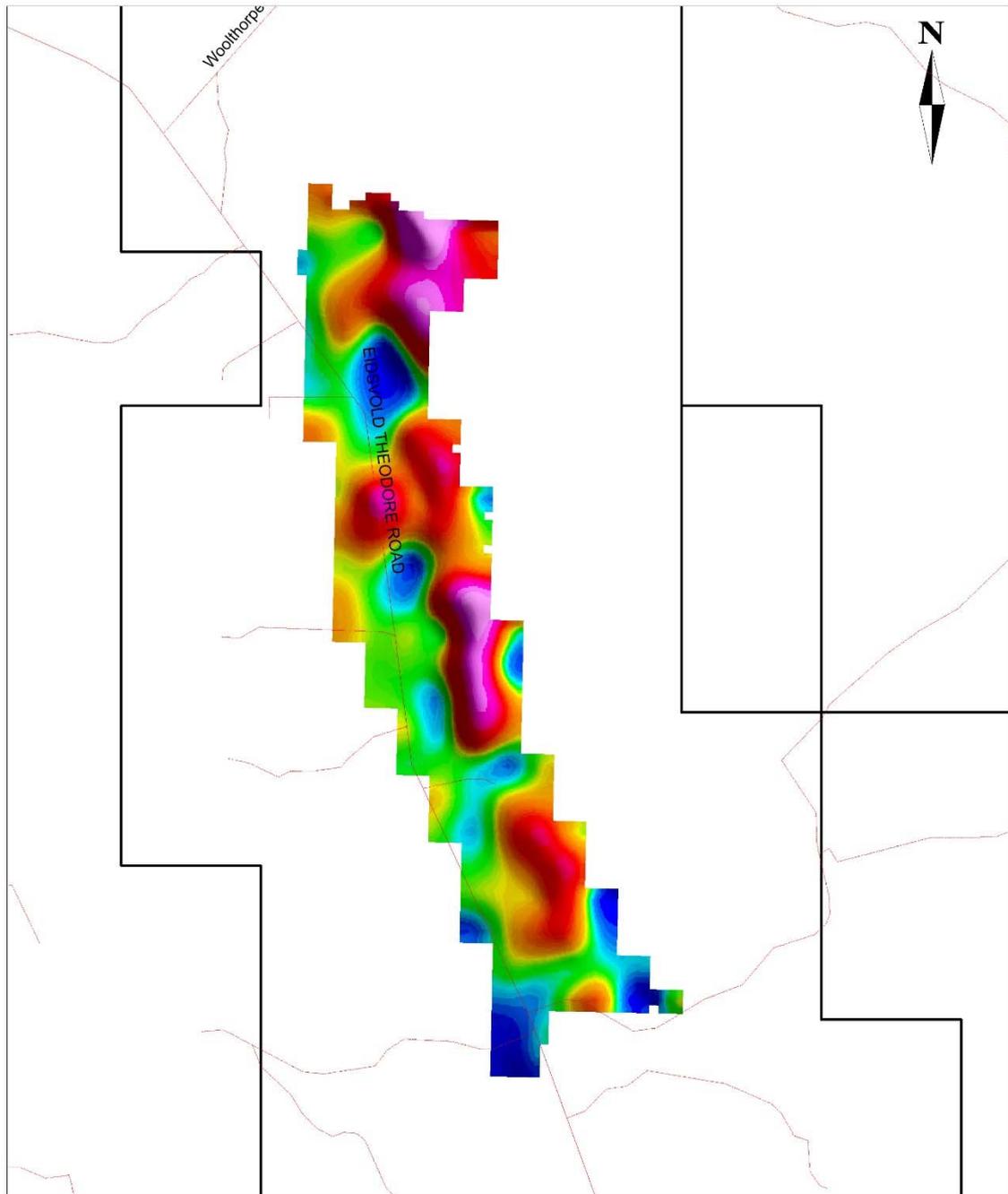


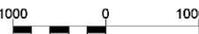
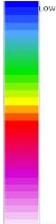
	EPC2822 Drawn: Charles Lord Date: 17/12/2014 Datum: GDA94	U&D Tenements [Box] EPC Boundary Roads [Line] Road	
Scale 1: 20,000 500 0 m 	Created using data from U&D Mining Industry, GSA and may be based on or contain data provided by the State Of Queensland (Department of Environment and Resource Management) 2013		

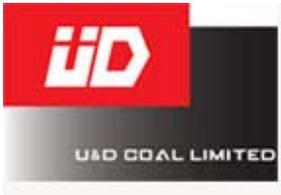
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 <p>U&D MINING INDUSTRY</p> <p>Scale 1: 60,000</p> 	<p>EPC1516</p> <p>Drawn: Charles Lord Date: 17/12/2014 Datum: GDA94</p> <p>Created using data from U&D Mining Industry, GSA and may be based on or contain data provided by the State Of Queensland (Department of Environment and Resource Management) 2013</p>	<p>U&D Tenements</p> <p> EPC Boundary</p> <p>Roads</p> <p> Road</p> 
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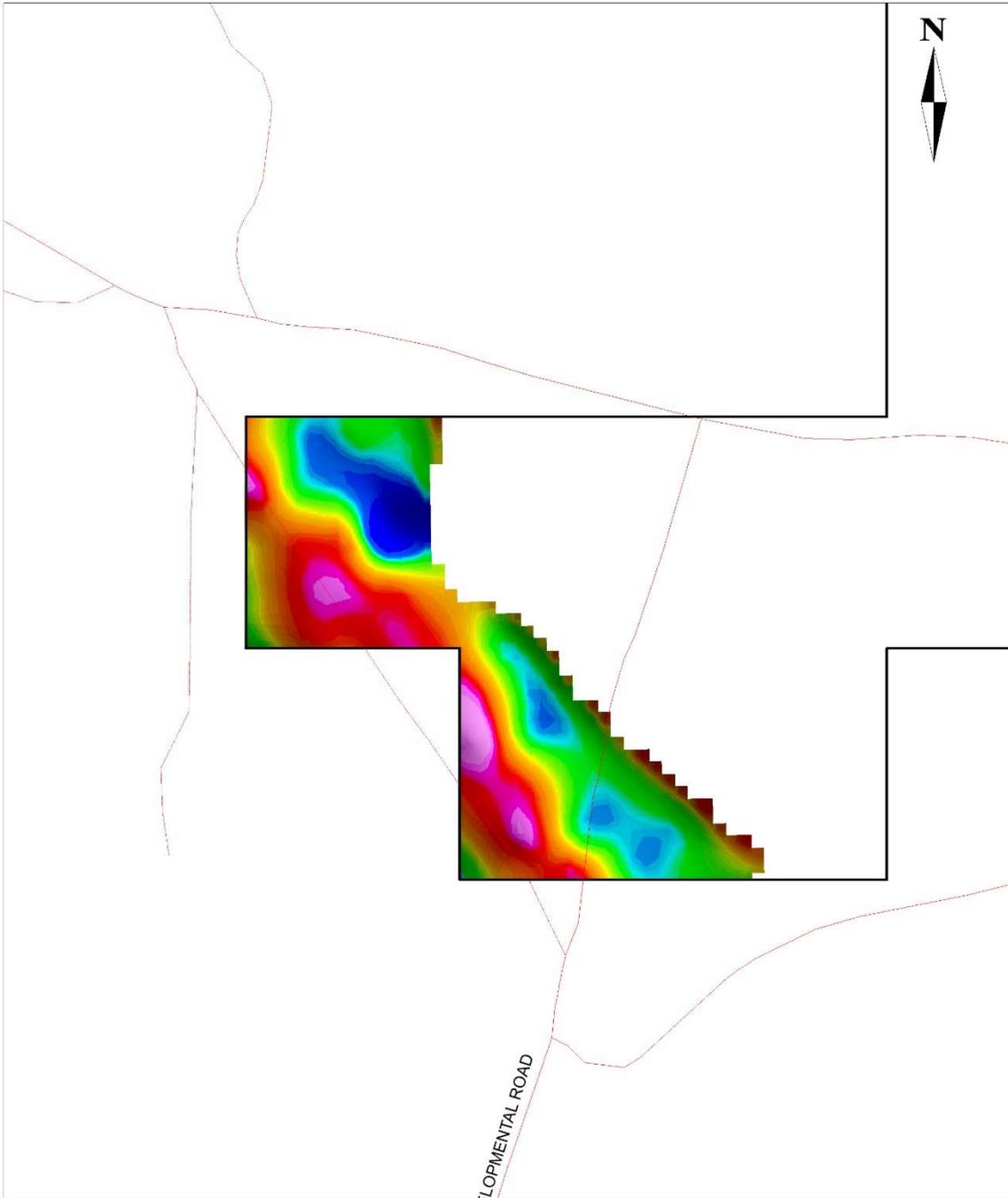


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 Scale 1: 40,000 1000 0 m	EPC1803 Drawn: Charles Lord Date: 17/12/2014 Datum: GDA94 Created using data from U&D Mining Industry, GSA and may be based on or contain data provided by the State Of Queensland (Department of Environment and Resource Management) 2013	U&D Tenements EPC Boundary Roads Road	
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