

ASX: UND

ASX ANNOUNCEMENT

28 November 2014

MDS PROJECT - STATE AND FEDERAL APPROVALS GRANTED

U&D Coal Ltd (ASX: UND) (**UND** or **The Company**) is pleased to announce that it has received final approval for two critical areas regarding the Meteor Downs South (**MDS**) Project Mining Lease Application (**MLA 70452**).

Regional Planning Interests Authority

The Regional Planning Interests Act and Regulations (**RPI**) is new Queensland State Legislation that commenced on 13 June 2014. The RPI identifies and protects areas of Queensland that are of regional interest, seeking to manage the impact and support coexistence of resource activities and other regulated activities in areas of regional interest.

Under the RPI, a Regional Interests Development Approval (**RIDA**) was determined to be required for the MDS Project. The Company is pleased to announce that after liaison and working closely with the Department of State Development Infrastructure and Planning (**DSDIP**), formal approval has been received with the issuing of a RIDA for the MDS Project MLA. This approval is for planned mining activities and results in conditions that conserve the regional interests of the area and enable efficient mining operations.

The MDS RIDA application was only the second to be submitted under the RPI and is one of the first approvals granted by DSDIP. The Company wishes to pass on its appreciation to the Minister's and State Government Departments involved for their assistance and support in assessing the MDS RIDA in a short timeframe.

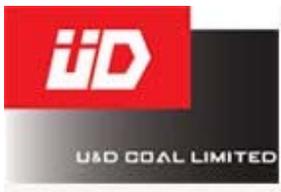
Federal Environment Approval

The MDS Project was also determined to require Federal Environment Approval under the Environment Protection and Biodiversity Conservation Act 1999 (**EPBC**). The EPBC aims to protect matters of national environmental significance which include, listed threatened species, listed migratory species and water resources.

Formal approval was received in the form of controlling provisions for the Project which involved over 19 months of close liaison and cooperation with the Federal Environment Department. The Company is pleased to announce that outcomes were reached where both the environmental aims of the EPBC can be achieved in conjunction with planned mining activities.

The Company wishes to again pass on its appreciation to the Federal Environment Minister and the Department of the Environment for their assistance and support in assessing the MDS Project.

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Queensland State Government Approval

The final regulatory approvals now required are the formal grant of both the Mining Lease (**ML**) and the Environmental Authority (**EA**) by both the Department of Natural Resources and Mines (**DNRM**) and the Department of Environment and Heritage Protection (**DEHP**). Currently the MDS MLA is well advanced on these approval timelines and is currently awaiting the recommendation from the Queensland Land Court on the matters of received objections. Once this is received the Company will be seeking an outcome to Mining Lease compensation, which will be determined by the Land Court, hopefully in the first half of 2015. This is the final step to finalising the formal grant of the ML and the EA.

The MDS Project

On the 14 May 2014 the Company announced that it had entered into an arrangements agreement with Sojitz Mining for the MDS Project. The Company is pleased to inform shareholders that advanced discussions are continuing on a Joint Venture Agreement and Farm-in Arrangement in line with the terms of the Arrangements Agreement. The Company looks forward to providing further updates as these become available.

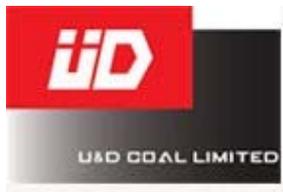
MDS is the Company's most advanced near term development Project (mining lease application number 70452, (**MLA 70452**)). MDS is located 45km southeast of the Central Queensland town of Springsure, 30km West North West of the Central Queensland town of Rolleston, and 65km northwest of Minerva. Initially discovered in 2010, with a JORC resource of 16.82 Mt, including 13.32 Mt at a JORC measured category and 3.5 Mt at a JORC Indicated Category. Marketable Reserves of 13 Mt have been reported in line with the 2012 JORC Code based on a completed feasibility study. (These Resource and Reserve categories are in accordance with the 2012 JORC code, and as announced by the Company in their Prospectus dated 5 December 2013). Pursuant to Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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 UND 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 acquired the ASX-listed coal explorer Endocoal Ltd (**EOC**), and in February 2014 before listing on the ASX the Group completed a re-structure where shareholders in U&D Mining exchanged their shares for shares in UND. The Group is based in Australia and has established its headquarters at Eight Mile Plains in Brisbane.

Competent Person's Consent

Information relating to the MDS Project was disclosed under the JORC Code 2012 in the Company's Prospectus dated 5 December 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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