



NEWS

20 January 2014

CURRAGH ACQUIRES ADDITIONAL COAL RESERVES

Wesfarmers' Resources division (Wesfarmers Resources) has agreed to acquire Mineral Development Licence 162 (MDL 162) from Peabody Energy Budjero Pty Ltd, an Australian subsidiary of New York Stock Exchange listed Peabody Energy Corporation, for \$70 million.

MDL 162 is located between and adjacent to the Wesfarmers Resources' Curragh and Curragh North mining leases and contains 67 million tonnes (mt) of Coal Reserves¹ within a total Coal Resource² of 255mt. The acquisition will augment the total base of Coal Reserves potentially available for mining and processing at Curragh's coal handling and preparation plants by approximately 29 per cent³.

Wesfarmers Resources' Managing Director, Stewart Butel, said that the acquisition of MDL 162 reflected Wesfarmers' confidence in the longer-term outlook of Curragh's export coal business.

The acquisition of the additional Coal Reserves is expected to extend Curragh's mine life and provide future options to further optimise mine operations. Further work is required to convert MDL 162 to a mining lease.

Completion is expected to occur within the next two weeks.

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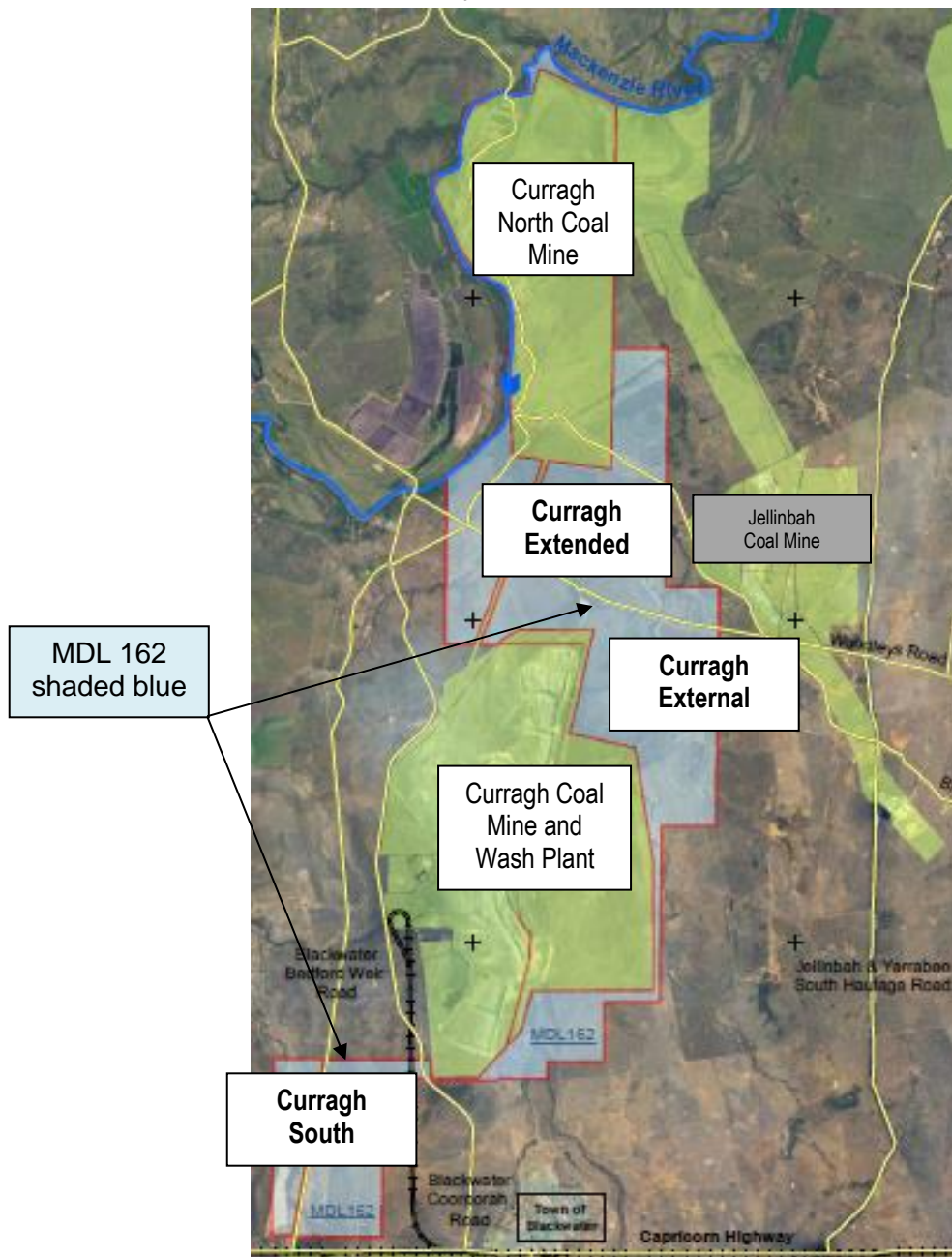
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1. **MDL 162 Coal Reserves:** MDL 162 Coal Reserves have been defined in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the JORC Code 2012), and comprise 39 mt of proved Coal Reserves and 28 mt of probable Coal Reserves for total Coal Reserves of 67 mt. These Coal Reserves are a subset of the total Coal Resource reported. Figures are rounded to nearest mt. Refer to the information on MDL 162 set out below and in Attachment 1 for further detail.
2. **MDL 162 Coal Resource:** MDL 162 Coal Resource has been defined in accordance with the JORC Code 2012. The Coal Resource comprises 74 mt Measured, 86 mt Indicated and 95 mt of Inferred for a total Coal Resource of 255 mt, which includes 67 mt Coal Reserves (as noted above). Figures are rounded to nearest mt. Refer to the information on MDL 162 set out below and in Attachment 1 for further detail.
3. **JORC Code 2012 / 2004:** 29% is calculated by dividing the total MDL 162 Coal Reserves (which are prepared under the JORC Code 2012) by the existing Curragh Coal Reserves (which are prepared under the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the JORC Code 2004), and were reported as at 30 June 2013 in the 2013 Wesfarmers Limited Annual Report).

MDL 162 in overview

- Situated between and adjacent to Curragh and Curragh North mining leases
- Same coal seams as currently mined



MDL 162 - Coal Resources

Coal Resources defined in MDL 162 are summarised below along with Curragh's existing (30 June 2013) Coal Resources:

Million tonnes	Measured	Indicated	Inferred	Total
Existing Curragh Coal Resources	397	156	147	700
Coal Resources in MDL 162	74	86	95	255
Total	471	242	242	955

Notes:

- Coal Resources in MDL 162:** The estimates of Coal Resources for MDL 162 have been carried out under the guidelines of the JORC Code 2012. The Coal Resource stated is **inclusive** of defined Coal Reserves.
- Existing Curragh Coal Resources:** Existing Curragh Coal Reserves are as previously reported as at 30 June 2013 in the 2013 Wesfarmers Limited Annual Report and are restated above for ease of reference (refer disclosure notes at pages 178 - 179 of the 2013 Wesfarmers Limited Annual Report). The estimates of Coal Resources for the existing Curragh mining leases have been carried out under the guidelines of the JORC Code 2004. The Coal Resource stated is **inclusive** of defined Coal Reserves.

MDL 162 - Coal Reserves

Coal Reserves defined in MDL 162 are summarised below along with Curragh's existing (30 June 2013) Coal Reserves:

Million tonnes	Proved	Probable	Total	Reserve Quality ³		
				Ash (%)	CV (MJ/kg)	VM (%)
Existing Curragh Coal Reserves	220	11	232	20.7	24.8	16.3
Coal Reserves in MDL 162	39	28	67	35.1	19.2	15.2
Total	259	39	299	23.9	23.5	16.1

Notes:

- Coal Reserves in MDL 162:** The estimates of Coal Reserves for MDL 162 have been carried out under the guidelines of the JORC Code 2012. The Coal Reserves are a subset of the Coal Resource.
- Existing Curragh Coal Reserves:** Existing Curragh Coal Reserves noted above are as previously reported as at 30 June 2013 in the 2013 Wesfarmers Limited Annual Report and are restated above for ease of reference (refer disclosure notes at pages 178 - 179 of the 2013 Wesfarmers Limited Annual Report). The estimates of Coal Reserves for the existing Curragh mining leases have been carried out under the guidelines of the JORC Code 2004. The Coal Reserves are a subset of the Coal Resource.
- Coal Reserve estimation is conducted on a ROM moisture basis (7% total moisture) and includes the impacts of diluting material delivered for processing.
- Marketable Coal Reserves for MDL 162 are estimated to be 49 mt, comprising 28 mt of metallurgical coal of similar quality to that currently produced by Curragh, and 21 mt of export quality thermal coal. Marketable Coal Reserves are reported on a shipped moisture basis. Predicted yields used to estimate Marketable Coal Reserves are based on detailed washability simulation work and Curragh experience of processing similar coals.

Summary of JORC Assessment (Table 1)

Introduction

Wesfarmers Resources Ltd (WRL) requested QGESS Pty Ltd to prepare a report on the coal resources within Mineral Development Licence 162 (MDL 162) using the JORC Code 2012. This report details the work carried out and concludes that there are 74 million tonnes of Measured Resources, 86 million tonnes of Indicated Resources and 95 million tonnes of Inferred Resources.

Table 1 – MDL 162 Coal Resources

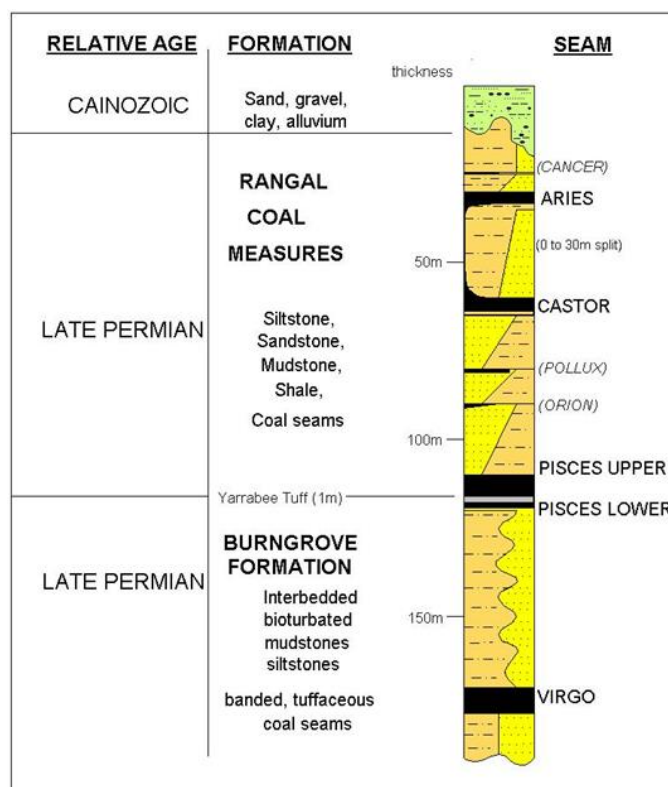
Resource Area	Estimated Millions of Tonnes (rounded)			
	Measured	Indicated	Inferred	Total
Curragh External	1.3	14	50	65.3
Curragh Extended	35.7	42	30	107.7
Curragh South	36.9	30	15	82.0
TOTAL	73.9	86	95	255.0

Note: Each number and total is rounded individually; rounded numbers may not sum to the total number stated.

MDL 162 is located north and west of the township of Blackwater in Central Queensland, approximately 200km west of Rockhampton and 350m WNW of the port of Gladstone. MDL 162 surrounds the Curragh Mine (comprising the Curragh and Curragh North mining leases) which produced 12.68 million tonnes of Run of Mine (ROM) for the year ending June, 2013 from the seams identified in MDL 162. The coal produced is a mixture of metallurgical and thermal coal sold on both the export and domestic market.

Geology and Geological Interpretation

The geological interpretation is based on Barry Saunders' understanding of the geology of the Curragh area and its surrounds. This understanding was formed during continuous, active exploration in the area since 1989. The Cancer, Aries, Castor, Pollux, Orion and Pisces seams of the Rangal Coal Measures occur in MDL 162. A stratigraphic section of the coal seams is shown below.



The **Cancer seam** is discontinuous, thin and occurs mainly in the eastern side of Curragh Extended. The seam has an average thickness of 0.67m with a maximum thickness of 1.10m and a minimum thickness of 0.20m. The seam is low yielding to a coking coal product and may produce 7% ash coking coal with 30% primary yield and an 8.5% ash coking coal with 25% primary yield over the nominal 50% areal distribution for each product.

The **Aries seam** is split into the Aries Upper and Aries Lower in MDL 162. The Aries Lower seam in Curragh Extended has an average thickness of 1.19m with a maximum thickness of 3.00m and a minimum thickness of 0.17m. The Aries Lower seam quality in Curragh Extended is such that when washed a low quality coking coal may be produced with 7% ash and 45% primary yield and an 8.5% ash coking coal with 50% primary yield over the nominal 50% areal distribution for each product. The Aries and Castor seam coalesce over a small part of the Curragh Extended area. The Aries Upper seam is not well developed in Curragh Extended and no Resources are identified in that seam in Curragh Extended.

In Curragh South, the Aries Upper seam has an average thickness of 0.62m with a maximum thickness of 1.40m and a minimum thickness of 0.20m. Although the seam is thin it has good coking properties and a high yield with 7% ash and 70% primary yield. The Aries Lower seam in Curragh South has an average thickness of 1.07m with a maximum thickness of 1.70m and a minimum thickness of 0.32m. The Aries Lower seam is suitable for producing a low yielding coking coal over parts of the area with 7% ash and 40% primary yield and 8.5% ash coking coal with 30% primary yield and an area of raw coal only over the nominal 15%, 55% and 30% respective areal distribution for each product.

The **Castor seam** is split and deteriorated in Curragh South. At Curragh Extended, the Castor Lower seam has an average thickness of 1.95m with a maximum thickness of 3.54m and a minimum thickness of 0.30m. The Castor Lower seam quality at Curragh Extended is such that when washed a low quality coking coal may be produced with 7% ash and 50% primary yield and an 8.5% ash coking coal with 55% primary yield over the nominal 30% and 70% respective areal distribution for each product. The Castor Upper seam is not well developed in Curragh Extended and no Resources are identified in that seam in Curragh Extended.

At Curragh South, the Castor Upper seam has an average thickness of 0.31m with a maximum thickness of 0.60m and a minimum thickness of 0.11m. It is a poor quality coal with high ash and may be suitable for domestic power generation when blended with other lower ash steam coal products. In Curragh South, the Castor Lower seam has an average thickness of 0.97m with a maximum thickness of 2.80m and a minimum thickness of 0.47m. It is a poor quality coal with high ash and may be suitable for domestic power generation, again, only if blended with other lower ash steam coal products.

The **Pollux seam** is split both at Curragh Extended and Curragh South. At Curragh Extended, the Pollux Upper seam has an average thickness of 1.19m with a maximum thickness of 6.00m and a minimum thickness of 0.18m. The seam is absent through a part of the deposit and the thickest intersections are believed to be the result of thrust faulting. The Pollux Upper seam quality is such that when washed a low quality coking coal may be produced with 8.5% ash and 40% primary yield and a raw coal only product over the nominal 50% areal distribution for each product. The Pollux Lower seam has an average thickness of 1.06m with a maximum thickness of 5.44m and a minimum thickness of 0.10m. The seam is absent through a part of the deposit and the thickest intersections are believed to be the result of thrust faulting. The Pollux Lower seam is suitable for producing a good quality coking coal over parts of the area with 7% ash and 45% primary yield and 8.5% ash coking coal with 40% primary yield and a small area of raw coal only over the nominal 45%, 45% and 10% respective areal distribution for each product.

At Curragh South, the Pollux Upper seam has an average thickness of 0.77m with a maximum thickness of 1.87m and a minimum thickness of 0.20m. The quality of the coal in the Pollux Upper seam is variable. Coking coal can be produced from some areas with 7% ash and 50% primary yield and 8.5% ash coking coal with 30% primary yield and an area of raw coal only product over the nominal 40%, 20% and 40% respective areal distribution for each product. The Pollux Lower seam has an average thickness of 0.91m with a maximum thickness of 2.40m and a minimum thickness of 0.26m. The quality of the coal in the Pollux Lower seam is variable. Coking coal can be produced from some areas with 7% ash and 45% primary yield and 8.5% ash coking coal with 35% primary yield and a small area of raw coal only product over the nominal 30%, 60% and 10% respective areal distribution for each product.

The **Orion seam** is discontinuous and thin at Curragh Extended, and occurs over a limited area. The seam has an average thickness of 0.39m with a maximum thickness of 0.86m and a minimum thickness of 0.09m. The Orion seam is suitable for producing a good quality coking coal with 7% ash and 45% primary yield. At Curragh South, the Orion seam has an average thickness of 1.09m with a maximum thickness of 2.00m and a minimum thickness of 0.18m. High quality coking coal with high yields may be produced from large parts of the Curragh South area with 7% ash and 55% primary yield.

The **Pisces seam** is the basal seam in the Rangal Coal Measures. At Curragh Extended, the Pisces seam is present throughout most of the area and the thickness increases to the north. The seam has an average thickness of 1.24m with a maximum thickness of 2.70m and a minimum thickness of 0.18m. The seam is a high ash seam and when washed could produce a low yielding coking coal with higher than normal ash with good coking properties with 8.5% ash and 30% primary yield and a raw coal only product over the nominal 80% and 20% respective areal distribution for each product.

At Curragh South, the seam has an average thickness of 0.77m with a maximum thickness of 1.60m and a minimum thickness of 0.30m. The seam is a high ash seam and when washed could produce a low yielding coking coal with higher than normal ash with good coking properties with 8.5% ash and 25% primary yield and a raw coal only product over the nominal 40% and 60% respective areal distribution for each product.

There are other seams below the Pisces, but these are in the Burngrove Formation and have high ash. These were not included in the resource estimation.

The coal seams have been affected by thrust faulting in a similar manner to those at Curragh Mine. The thrusting is low angle from the north-east and results in seam repetitions and absences occurring throughout both Curragh Extended and Curragh South. There was common evidence of faulting observed in the cuttings and core samples observed during the drilling programme. The regional dip is approximately 3° to the east so where bedding dips are observed at greater than 10°, structural disturbance is inferred.

Exploration activity (drilling, sampling and sub-sampling techniques)

Either 63 or 100mm diameter core samples are taken of the coal by a qualified geologist who measures, logs, photographs and samples the core in the field. Standard measuring tapes are used. These are not calibrated. Samples are either full seam or part seam with sample lengths varying from 0.3m to 3m. Roof, floor and parting samples may also be taken and are either sampled separately or included within a seam/ply.

Core samples are taken using a Kelly drive rotary drill rig and conventional (non-wireline) triple tube techniques and air circulation. A 4.5m long core barrel is used regardless of the core diameter. Coring depths are measured at the beginning and end of each core run. The depth is then verified by a qualified geologist. Ninety percent linear recovery is the minimum required due to the intense tectonic activity affecting some coal seams.

The entire cored section of each hole is logged by a qualified geologist trained in identifying lithological and coal brightness changes. Those holes used in the geological model are all geophysically logged using gamma, density and caliper logs as the minimum log suite. Core is not dried and is sample as received from the core barrel. Core is measured in the exposed triple tube at the surface before being rolled into a receptacle for logging. Core is not sawn and is separated into appropriate sized plastic bags, it is then delivered to the laboratory in polywoven bags for additional protection. Individual coal core samples do not usually exceed 25kg in weight. Core is despatched to the laboratory and arrives within 14 days of recovery to the surface. At the laboratory the core is stored in cold rooms awaiting instructions. An attempt is made to reduce oxidation from core recovery by removing as much air as possible from each plastic bag before sealing.

Resource Modelling (classification criteria, sample analysis method, estimation methodology, cutoff grade, mining method)

Spacing of the Points of Observation used was: Measured Resource – 500 metres; Indicated Resource – 1000 metres; Inferred Resource – 2000 metres. The spacing between Points of Observation is supported by a geostatistical study by Tenzing Pty Ltd reported in March 2011. Limiting Distances used for circle of influence polygons were: Measured Resource – 250 metres; Indicated Resource – 500 metres; Inferred Resource – 1000 metres extending to limits of the lease boundary. These radii are greater than those suggested by the Guidelines but are justified by the Competent Person because of the high density of geophysically logged open hole drilling throughout the deposit. As well as this, mining over the past 30 years in the adjacent areas has demonstrated the resource estimations previously undertaken are well supported.

A NATA certified laboratory is used. The same coal analysis company has been used since operations commenced at Curragh in 1983. The author has inspected the laboratories where testing has taken place and is in regular communication with the laboratory staff regarding the testing progress and results. Coal samples are air dried, drop shattered and sized before re-combination and wet tumbling. After wet tumbling the coal samples are dried and re-sized. Float/sink testing is undertaken on two size fractions and a third size fraction is subjected to froth flotation testing. Metallurgical and thermal coal product composites are determined by a qualified geologist and thermal and metallurgical coal analysis of those composites is undertaken.

Those holes used in the geological model are all geophysically logged using gamma, density and calliper logs as the minimum log suite. The use of triangulation and inverse distance modelling are proven techniques at the Curragh operation, based on 30 years of mining using these techniques.

No limit to coal thickness was used. Assumed internal seam parting thickness no greater than 20cm. Seam sub-crop is assessed at the full fresh coal limit, so oxidised coal is not included. No cut-off quality parameters have been applied over and above those used in the estimation of Coal Resource. Coal contained in the repeat of any seam was not included in the estimation.

Open cut mining methods are assumed to be suitable for the Measured and Indicated Resources. Underground mining may be required to recover resources deeper than open cut mining capabilities. Underground mining occurred within the Curragh area early in the 20th century. The coal will be beneficiated using the Curragh beneficiating facilities which employ crushing, dense medium cyclones, spirals and froth flotation.

Borehole data from the Curragh database was used to prepare the modelled geological structure and quality grids.

Reserves Study (material assumptions, classification criteria, cutoff grade)

WRL requested Xenith Consulting Pty Ltd to prepare a report on the Coal Reserves within MDL 162. Xenith conclude that there is 39 mt of Proved Coal Reserves, and 28 mt of Probable Coal Reserves for a total of 67 mt of Coal Reserves (summarised in the following table).

Table 2 – MDL 162 Coal Reserves

Resource Area	Estimated Millions of Tonnes (rounded)		
	Proved	Probable	Total
Curragh External	1	8	9
Curragh Extended	17	9	26
Curragh South	22	11	33
TOTAL	39	28	67

Note: Each number and total is rounded individually; rounded numbers may not sum to the total number stated.

The Coal Reserves estimate has been produced in support of the Wesfarmers acquisition of the tenement and as such no formal Pre-Feasibility Study document has been produced for MDL 162 however, the mine plan is of a standard equal to or exceeding the relevant requirements of the JORC Code. It establishes technical feasibility, economic viability and takes into account all relevant Modifying Factors. The Coal Reserves have been estimated on the basis of this process. The MDL 162 area has been considered in multiple studies as an extension to the existing Curragh Mine site, having considered options for pit layout and configuration, mineral processing and product types, and infrastructure requirements. Costs and revenues estimates have been based on historical site performance, forward estimates derived from internal analysis including reference to market indices from market analysts including AMEC, Wood Mackenzie and where available existing sales and supply contracts.

Study work has followed the process used for Life-of-Mine planning for the Curragh Mine. For the purposes of estimating Coal Reserves, the Coal Resources of MDL 162 have been captured into the planning framework of the Curragh Mine where they serve to provide new mining pit areas, as well as extend the life of existing pit areas.

The Resource model (geological model) used for the estimation of Coal Reserves for MDL 162 is the same underlying model used for the estimation of Coal Resources for MDL 162. No cut-off quality parameters have been applied over and above those used in the estimation of Coal Resources. Pit limits have been selected based on a number of criteria including offsets from areas with potential for environmental sensitivity, flood protection levees, existing pit designs at Curragh, and pre-existing infrastructure at the Curragh Mine site. A cash “free-on-board” margin cut-off of zero has been applied to determine the economic limit of Reserves. Coal Reserve classification is also informed by the Coal Resource classification as per the requirements of the JORC Code. On this basis some of the Measured and Indicated Coal Resources are not included in Coal Reserves due to the application of the economic and other modifying factors.

All relevant modifying factors have been applied with high levels of confidence due to the proximity of the resource to the existing Curragh Mine, and the wealth of experience that WRL have in the planning and operation of the Curragh Mine.

Mining Method

As conditions for mining in MDL 162 are expected to be similar to those observed and planned for in the Curragh Mine site, similar assumptions and solutions to those used at Curragh have been incorporated into the mine plans. The mining methods assumed for MDL 162 are those currently employed in the Curragh Mine operation and include conventional open-cut dragline and truck-shovel methods with some assistance from bulk dozer push. No significant change of approach has been assumed in the estimation of Coal Reserves. All assumptions used are materially consistent with current practice at Curragh Mine.

A minimum practical mining thickness of 0.5m has been applied to all coal seams and partings. Mining dilution has been applied where appropriate (0.05m roof, 0.08m floor) and a roof loss of 0.15 to 0.3m has been applied with no floor losses. A “pit recovery” factor of 98.5% has been applied to raw coal in the estimation of the ROM coal tonnages, to allow for coal-handling issues such as coal loss due to spillage from trucks, mining block edge losses and coal loss in raw coal stockpiles.

Coal Processing Method

Detailed washability simulation work has been performed by AB Mylec Pty Ltd in January 2008. Simulation results have been gridded and used to predict washability for the various coal products expected to be produced at the Curragh Mine operation through one of its two Coal Handling Preparation Plants. Yields have been reported on a diluted basis with fixed product moistures. There are no deleterious elements present, such as would necessitate special attention during treatment. This methodology is the same as that used for the prediction of washability in the estimation of Coal Reserves for the Curragh Mine.

The washability information selected targets an 8.5% ash semi-soft coking coal in addition to export thermal coal, with a 12.5% and 8% total moisture respectively for the washed products. Curragh product coals of similar quality to those originating from MDL 162 have been sold continuously under contract to leading steel mills globally for over 20 years. This stable situation has been assumed to continue for the purposes of estimating Coal Reserves.

Mine design (material modifying factors, infrastructure, approvals)

Mine layout and designs, giving consideration to the existing constraints, has been undertaken in Vulcan and Deswik mine planning software. Quantities and qualities derived from the geological model and the battered block designs have been transferred into an XPAC scheduling model. The initial version of the XPAC model, provided by WRL, has been reviewed, modified and internally audited by Xenith to ensure that it is fit for purpose in performing the calculations needed to estimate insitu, ROM, Product and Reserve data from imported data. Based on assumed unit revenues and costs, cash margins have been calculated for all seam-level records, as an aid to determining cut-off seams in all pit areas.

New infrastructure and approvals will be required, in addition to re-using existing infrastructure in the Curragh Mine site where possible. Additional infrastructure works include the relocation of existing power and water pipeline infrastructure, modification to the existing coal haulage overland conveyor, and construction of levees and other flood protection. Government approvals (including Environmental Approval and Mining Lease) are expected to be sought as part of a later stage of development.

Some small areas of the Measured Resource have been included in the Probable rather than Proven Reserves category due to the potential presence of land with higher environmental values.

Competent Persons:

Pre-existing Curragh Coal Resources & Coal Reserves (restatement from 2013 Annual Report): The existing Curragh Coal Reserves information in this report is repeated from the 2013 Wesfarmers Limited Annual Report for ease of reference. It is based on information compiled by Mr Barry Saunders (Member AusIMM) and Mr Johan Ballot (Member AusIMM) who have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined by the JORC Code 2004. Mr Ballot and Mr Saunders have consented to the inclusion in the report of the matters based upon their information in the form and context in which it appears. Mr Ballot is an employee of Wesfarmers Curragh Pty Ltd. Mr Saunders is an employee of QGESS Pty Ltd.

MDL 162 Coal Resources: This MDL 162 Resources Estimate is based on data compiled by experienced geological professionals under the guidance of Mr Barry Saunders, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Barry Saunders is the Principal Geologist of QGESS Pty Ltd. Mr Saunders B App Sc (App. Geol); MAusIMM (CP, Geology) has over 30 years' experience in coal mine development in Australia and has been estimating coal resources for 29 years. This experience more than adequately qualifies him as a Competent Person for Resource Estimation under the JORC Code 2012. Neither Mr Saunders, nor QGESS Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of Wesfarmers Curragh Pty Ltd or any associated companies. The estimates of Coal Resources for MDL 162 as at 30 November 2013 presented in this report have been carried out under the guidelines of the 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code 2012). Mr Saunders consents to the release of the report, in the form and context in which it appears.

MDL 162 Coal Reserves: This MDL 162 Coal Reserves Estimate has been prepared by Xenith Consulting Pty Ltd under the direction of Mr Ken Hill. The estimates of Coal Reserves for MDL 162 as at 30 November 2013 presented in this report have been carried out under the guidelines of the 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code 2012). Mr Hill is a Consultant and Managing Director of Xenith Consulting Pty Ltd. He has a Bachelor in Civil Engineering from the University of Queensland. He has over 25 years of experience in the open cut coal mining industry that is relevant to the style of mineralisation and type of deposit described in the report, and the type of activity involved in the estimation of the coal reserves. Mr Hill is a Member of the Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person under the JORC Code. Neither Mr Hill, nor Xenith Consulting Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of Wesfarmers Curragh Pty Ltd or any associated companies. Mr Hill verifies that he has full knowledge of the information provided in this report relating to the estimation of Coal Reserves described in this report. This report was prepared by Xenith Consulting Pty Ltd under the direction of Mr Hill. Mr Hill consents to the release of the report, in the form and context in which it appears.

ATTACHMENT 1: JORC Code (2012) Table 1 for MDL 162 Resource and Reserves

Criteria	JORC Code explanation	Competent Person Comments
SECTION 1 - SAMPLING TECHNIQUES AND DATA		
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. 	<p>Either 63 or 100mm diameter core samples are taken of the coal by a qualified geologist who measures, logs, photographs and samples the core in the field. Metallic measuring tapes are used. These are not calibrated. After measuring the core in the inner tube split, the geologist identifies and records the various coal lithotypes onto sheets which are encoded and validated into the geological database. The field geologist then removes the coal from the split inner tube and places samples in labelled plastic bags ensuring all material is bagged from the sample interval. The sample number and interval is recorded on the geologist's log. Samples are either full seam or part seam with sample lengths varying from 0.3m to 3m. Roof, floor and parting samples may also be taken and are either sampled separately or included within a seam/ply. Non-coal material less than 20cm thick is normally included in a coal seam sample. Exceptions are made where seams are less than 1.5m thick when the non-coal material is sampled separately from the coal material. The coal is not crushed onsite. The bagged core samples are dispatched to the laboratory using road transport.</p>
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). 	<p>Core samples are taken using a kelly drive rotary drill rig and conventional (non-wireline) triple tube techniques and air circulation. A 4.5m long core barrel is used regardless of the core diameter. Coring depths are measured at the beginning and each of each core run. The depth is then verified by a qualified geologist.</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>90% linear recovery is the minimum required due to the intense tectonic activity effecting some coal seams. Coring techniques proven to provide maximum sample recovery are used by a driller with over 10 years' experience drilling in and around the deposit. The Competent Person does not believe material sample bias has occurred during the drilling and sampling process.</p>
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<p>The entire cored section of each hole is logged by a qualified geologist trained in identifying lithological and coal brightness changes. Those holes used in the geological model are all geophysically logged using gamma, density and caliper logs as the minimum log suite. The core is photographed prior to sampling. One hundred percent of the core recovered is logged by the geologist and the logged data is recorded in the geological database.</p>
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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Core is not dried and is sampled as received from the core barrel. Core is measured in the exposed triple tube at the surface before being rolled into a receptacle for logging. Core is not sawn and is separated into appropriate sized plastic bags, it is then delivered to the laboratory in polywoven bags for additional protection. Individual coal core samples do not usually exceed 25kg in weight. Core is dispatched to the laboratory and arrives within 14 days of recovery to the surface. At the laboratory the core is stored in cold rooms awaiting instructions. An attempt is made to reduce oxidation from core recovery by removing as much air as possible from each plastic bag before sealing. Field sample duplication is not carried out. Second-half sampling is not carried out.</p>
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. 	<p>A NATA certified laboratory is used. The same coal analysis company has been used since operations commenced at Curragh in 1983. The Competent Person has inspected the laboratories where testing has taken place and is in regular communication with the laboratory staff regarding the testing progress and results. The entire pre-treatment, analysis and testing are carried out at the one laboratory as per the procedures documented in the laboratory reports. Reserves samples are held by the laboratory for duplicate analysis if requested.</p>
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. 	<p>Geophysical log data is used to assist with determining core loss and sample treatment instruction preparation. A trained qualified geologist reviews the results and validates both the coal quality database and lithological database. Reconciliation process confirms the validity of the data. Unreliable data is removed from the database. The data is stored in electronic format in databases held at Curragh. The data is not audited.</p>
Location of data	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes 	<p>Borehole collars are surveyed by surveyors using RTK GPS</p>

Criteria	JORC Code explanation	Competent Person Comments
points	(collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. <ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	equipment and are reported to two decimal place accuracy. The AMG84 grid system was used. Downhole surveys are not conducted because most of the holes are less than 300m deep and the coal seam dip is less than 45 degrees.
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. 	Spacing of the Points of Observation used was: Measured Resource – 500 metres; Indicated Resource – 1000 metres; Inferred Resource – 2000 metres. The spacing between Points of Observation is supported by a geostatistical study by Tenzing Pty Ltd reported in March, 2011. Limiting Distances used for circle of influence polygons were: Measured Resource – 250 metres; Indicated Resource – 500 metres; Inferred Resource – 1000 metres extending to limits of the lease boundary. These radii are greater than those suggested by the Guidelines but are justified by the Competent Person because of the high density of geophysically logged open hole drilling throughout the deposit. As well as this, mining over the past 30 years in the adjacent areas has demonstrated the resource estimations previously undertaken are well supported.
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. 	Vertical boreholes are drilled because of the tabular nature of the deposit and the coal seam dip is less than 45 degrees. No sampling bias is incurred by drilling vertical holes.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	Samples are bagged in plastic and labelled using two alloy tags with identical sample numbers. Each bag is sealed with 3 heavy duty staples. Individual bagged coal samples are combined into a polywoven sack which is labelled for transport to the laboratory. Each polywoven bag is sealed with 3 or more heavy duty staples. Polywoven sacks are placed on pallets and secured using plastic wrap before despatch. Consignment notes are prepared at the site warehouse and commercial transport companies are engaged to deliver the samples to the laboratory in Brisbane. Access to the MDL, mine site and laboratory is restricted and controlled by site access protocols.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	The sampling techniques and data have not been audited. The sampling techniques have been demonstrated to be effective through the close relationship between reported results and product analysis reported at Curragh since 1983
SECTION 2 - REPORTING OF EXPLORATION RESULTS (Criteria listed in the preceding section also apply to this section)		
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. 	<p>The Coal Resources reported herewith are wholly contained within Mineral Development License 162 (MDL 162) occupying an area of 9,184.7 ha. The MDL lies 3 to 25 kilometres west and north of the town of Blackwater in a south to north orientation from the Capricorn highway in the south to the Mackenzie river in the north. The boundaries of the MDL surround the currently active Curragh Mine leases.</p> <p>MDL 162 is currently held by Peabody Budjero Pty Ltd (100% interest) and was last renewed on 3 December 2013 for a term of 5 years from 1 March 2013. The MDL was originally granted to Queensland Electricity Commission in 1998 and was preceded in tenure by EPC369.</p> <p>There are no Special Conditions attached to the MDL 162 permit and the Native title category is Native Title Excluded. The MDL 162 permit carries an Approved Work Program which allows for all necessary activities to develop the Project to Feasibility status. An Environmental Authority (Exploration) Non-Code Compliant Level 2 Mining Project MIN201331010 (EA), was issued on 5 October 2011. The EA provides for exploration activities under the General Conditions of the Code of Environmental Compliance for Exploration and Mineral Development Projects with the addition of specific limitations for activities within the buffer zone of Endangered Regional Ecosystems (ERE). The EREs registered on MDL 162 lay in and around the Blackwater creek alignment in the north western part of the tenement.</p> <p>Land tenure underlying MDL 162 is a mix of freehold farmland, state leases and roads. There is one conduct and compensation agreement (CCA) in place on the southern part of MDL 162 which allows for exploration activity. Wesfarmers Curragh Pty Ltd holds leasehold tenure over several parcels of land around its operating mining leases. The remainder will require CCAs to be negotiated with landholders as the project develops.</p>
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	Various drilling programmes were conducted by Department of Minerals and Energy (previously known as Mines Department)

Criteria	JORC Code explanation	Competent Person Comments
		<p>during the period 1966-82 over a large area between the Capricorn Highway and the MacKenzie River. The area was within the Department of Mines reserved area 56D.</p> <p>Four hundred holes were drilled in 1993, comprising 320 open holes with geophysical logs and 80 partially cored holes. The partially cored holes were designed to provide 63mm diameter coal core samples of each of the prospective seams for washability and detailed analysis. Density, caliper, gamma, sonic and neutron tools were run in the open holes and some of the partially cored holes, providing accurate seam depth and thickness control. Geological logs of the core and chip samples were compiled at the boreholes by senior geologists with extensive Bowen Basin experience.</p> <p>In 1994, 55 holes were drilled in Curragh South and 82 holes were drilled in Curragh Extended. No cored holes were drilled during this drilling programme. All holes were geophysically logged and the coal seams were identified from the geophysical logs. All data was entered into the Vulcan database used in this Resource estimation.</p>
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>The coal occurs within the Rangal Coal Measures of the Bowen Basin. Coal seams of varying thickness occur between non-coal sediments consisting primarily of sandstone and siltstone cemented with clay cement.</p>
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. 	<p>No exploration results are reported in this release. This section is not relevant to this release on Coal Reserves and Coal Resources. Comment relating to drill hole information relevant to Coal Reserves and Coal Resources estimation can be found in Section 1 of this Table.</p>
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. 	<p>No exploration results are reported in this release. This section is not relevant to this release on Coal Reserves and Coal Resources. Comment relating to drill hole information relevant to Coal Reserves and Coal Resources estimation can be found in Section 1 of this Table.</p>
Relationship between mineralisation widths and intercept lengths	<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. • 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'). 	<p>No exploration results are reported in this release. This section is not relevant to this release on Coal Reserves and Coal Resources. Comment relating to drill hole information relevant to Coal Reserves and Coal Resources estimation can be found in Section 1 of this Table.</p>
Diagrams	<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. 	<p>See supporting figure attached.</p>
Balanced reporting	<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. 	<p>No exploration results are reported in this release. This section is not relevant to this release on Coal Reserves and Coal Resources. Comment relating to drill hole information relevant to Coal Reserves and Coal Resources estimation can be found in Section 1 of this Table.</p>
Other substantive exploration data	<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. 	<p>No exploration results are reported in this release. This section is not relevant to this release on Coal Reserves and Coal Resources. Comment relating to drill hole information relevant to Coal Reserves and Coal Resources estimation can be found in Section 1 of this Table.</p>
Further work	<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). 	<p>The identified Coal Resources which are the subject of this report have been drilled to a density necessary to satisfy criteria to generate Coal Reserves sufficient to support a long term mine</p>

Criteria	JORC Code explanation	Competent Person Comments
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	operation to economic limits under current conditions. Limit of oxidation confirmation drilling is required. Pre-development drilling is required. Successful mining should result if the drilling density is similar to the operating Curragh mine. No exploration work is planned in the near future.
SECTION 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES		
(Criteria listed in section 1, and where relevant in section 2, also apply to this section)		
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	The databases (geological and coal quality) are maintained by the Competent Person and others. The Competent Person has had input into the maintenance of these databases The databases are secured under Information Technology protocols implemented by Curragh. The geological team at Curragh have access to the databases and reviews are carried out as mining progresses and new data is added. Backups of the databases are stored on site and off site.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	The Competent Person has made site visits to the operation since 1990 and oversees the collection, documentation, validation & storage of geological and quality data and has a thorough working knowledge of the site. Over that time the Competent Person has actively participated in all of these processes.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	The Competent Persons confidence in the geological interpretation of the deposit is high and is supported by the fact that the coal deposits reported herein are part of the Rangal Coal Measures which have been successfully mined at Curragh mine since 1983 and in the area early in the 20th century. Up to six coal seams occur in flat lying (~3 deg dip to east) sediments are mined or have been mined since mining commenced. The coal seams occur between sandstone, siltstone and tuffaceous claystone sedimentary units, and have a maximum cumulative thickness of 8 metres at Curragh and 13 metres at Curragh North. The coal seams and stratigraphic sequence are exposed in the open cut pit walls at the Curragh mining operation. Coal seam continuity is disrupted by post-Permian erosion and faulting. The faulting is predominantly thrust faulting from the north-east resulting in seam repetition and disappearance. The stratiform deposit is simple to model using computer based grid modelling techniques. The modelling technique (grid modelling) has not changes since 1980. Past mining and reconciliation of mined tonnes has demonstrated the model reflects the seam disposition with a high degree of certainty. The geological interpretation assumes coal seam continuity between boreholes where the coal seam intercepts are found in the relevant boreholes.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	The report covers the area included in MDL 162. The area of estimation is 9,184.7 ha. The coal occurs in seams with a depth of cover of between approximately 20 to 200 metres.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	Those holes used in the geological model are all geophysically logged using gamma, density and calliper logs as the minimum log suite. The use of triangulation and inverse distance grid modelling are proven techniques at the Curragh operation, based on 30 years of mining and resource estimation using these techniques. The grid size used was either 25x25m, 50x50m or 100x100m, depending on the grid type. The smallest grid size is used where the data density is greatest (e.g coal seam intercept data). The larger grid size is used where the data density is less (e.g. analytical data). Maptek's Vulcan software was used and has been used by the Competent Person since 1990. Past mining and reconciliation of mined tonnes has demonstrated the model reflects the seam disposition with a high degree of certainty. From the analytical data it is concluded that the level of deleterious elements is not greater than those currently being managed at Curragh. Block modelling was not used. No by-products were assumed to be produced from the mineral processing. Grade cutting or capping was not used because the estimation refers to a coal deposit.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	No moisture adjustments were made. Tonnages are estimated with natural moisture. The relative density used is derived by using a regression equation derived from Curragh data and applied to the

Criteria	JORC Code explanation	Competent Person Comments
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<p>modelled ash value.</p> <p>No limit to coal thickness was used. Internal seam parting thickness not greater than 20cm. Seam sub-crop is assessed at the full fresh coal limit, so oxidised coal is not included. Maximum 50% ash. Coal contained in the repeat of any seam was not included in the estimation.</p>
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<p>Open cut mining methods are assumed to be suitable for the Measured and Indicated Coal Resources. Underground mining may be required to recover Coal Resources deeper than open cut mining capabilities. Underground mining occurred within the Curragh leases early in the 20th century (and this is the basis for the assumption that the deeper Coal Resources may be to be recovered if proven economic).</p>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<p>The Coal Resources estimate is based on the coal being beneficiated using the Curragh beneficiating facilities which employ crushing, dense medium cyclones, spirals and froth flotation. There are no assumptions regarding yield recovery in the Resource estimation. Such matters are normally considered in the Coal Reserve estimation.</p>
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<p>Waste from mining and processing is stored at Curragh using conventional waste and tailings dump techniques. Environmental Authorities are in place and are being complied with and it is assumed that similar required approvals will be able to be obtained for MDL 162.</p>
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<p>The density of coal is derived using a relationship established from the correlation of ash and relative density results gathered over the past 30 years of operation at Curragh. The Relative Density (air dried) value is estimated from a regression relationship of laboratory derived relative density (RD) and ash (air dried) for all seam. This relationship is more reliable than using a single laboratory RD(ad) value and is expressed as Equation 1:</p> <p>Equation 1 - Relative Density (Air Dried) $RD(ad) = 1.25 + 0.01 \times Ash(ad)$</p>
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<p>The estimates have been classified into Measured, Indicated and Inferred Coal Resources according to the JORC (2012) Code taking into account relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology values, quality, quantity and distribution of the data. The results appropriately reflect the Competent Person's view of the deposit which is based on a 23 year close association with the data collection, collation, resource estimation and mining. The results appropriately reflect the Competent Person's view of the deposit.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<p>No external audit was undertaken of the Coal Resource estimation compiled by the Competent Person. During the preparation of the estimates continuous reviews were conducted by the Competent Person. Audits were carried out on Coal Resource estimations conducted by the Competent Person within the Curragh leases.</p>
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions 	<p>Geostatistical study conducted at Curragh in 2011 confirmed the assumptions regarding data density used in this report. Post-mining coal reconciliations conducted at Curragh in the past have also confirmed the assumptions are supported by operational experience. The geostatistical study considered the Curragh mine data set which included both Curragh and Curragh North mining areas.</p>

Criteria	JORC Code explanation	Competent Person Comments
	<p>made and the procedures used.</p> <ul style="list-style-type: none"> • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	
<p>SECTION 4 - ESTIMATION AND REPORTING OF ORE RESERVES (Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section)</p>		
<p>Mineral Resource estimate for conversion to Ore Reserves</p>	<ul style="list-style-type: none"> • Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves. 	<p>Coal Resources have been estimated by Barry Saunders of QGESS Pty Ltd who is a Competent Person as defined by the 2012 JORC Code. The estimation of Coal Resources is detailed in the report entitled "MDL 162 Resource Estimation 2013" and issued November 2013.</p> <p>A summary of the Coal Resource estimate for MDL 162 is: Measured: 74 Mt Indicated: 86 Mt Inferred: 95 Mt</p> <p>The reported Coal Resources INCLUDE the reported Coal Reserves as estimated by Mr Ken Hill. Mr Hill is a Competent Person, as defined by the 2012 JORC Code, for the estimation of Coal Reserves.</p>
<p>Site visits</p>	<ul style="list-style-type: none"> • Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case. 	<p>The Competent Person, Mr Ken Hill has on several occasions visited the Curragh Mine site and surrounding areas included within MDL 162. Other Xenith personnel involved in the preparation of the estimate have also visited MDL 162 over the years. The MDL 162 area is greenfield in nature and exists in close proximity to the current Curragh Mine site operations.</p>
<p>Study status</p>	<ul style="list-style-type: none"> • The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered. 	<p>No formal Pre-feasibility Study document has been produced for MDL 162, however, the mine plan is of a standard equal to or exceeding the relevant requirements of the JORC Code. It establishes technical feasibility, economic viability and takes into account all relevant Modifying Factors. The Coal Reserves have been estimated on the basis of this process.</p> <p>The Coal Reserves estimate has been produced in support of the Wesfarmers acquisition of the tenement based on mine planning developed independently to the vendor's estimation.</p> <p>The MDL 162 area has been considered in multiple studies as an extension to the existing Curragh Mine site Life-Of-Mine (LOM) plan. Options for pit layout and configuration, mineral processing, and infrastructure requirements and sizing have been considered in several phases of study supporting this assessment.</p> <p>The conditions expected in the mines planned for MDL 162 are similar to those observed and expected within the existing Curragh Mine. Similar assumptions and solutions to those used at Curragh have been incorporated into the mine plans for MDL 162.</p>
<p>Cut-off parameters</p>	<ul style="list-style-type: none"> • The basis of the cut-off grade(s) or quality parameters applied. 	<p>No cut-off quality parameters have been applied over and above those used in the estimation of Coal Resources.</p> <p>A minimum practical mining thickness of 0.5m has been applied to all coal seams and partings.</p> <p>A cash "free-on-board" margin cut-off of zero has been applied to determine the economic limit of Coal Reserves.</p>
<p>Mining factors or assumptions</p>	<ul style="list-style-type: none"> • The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods. 	<p>The classification of Coal Reserves into Proved and Probable categories has been based on the "Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code) 2012 edition".</p> <p>The Resource model (geological model) used for the estimation of Coal Reserves is the same model used for the estimation of Coal Resources.</p> <p>The mining methods assumed for MDL 162 are those currently employed in the Curragh Mine operation and include conventional open-cut dragline and truck-shovel methods with some assistance from bulk dozer push. No significant change of approach has been assumed in the estimation of Coal Reserves. All assumptions used are materially consistent with current practice at Curragh Mine.</p> <p>Major design parameter assumptions are:</p> <ul style="list-style-type: none"> • Wall batter effective angle 50 degrees to represent: <ul style="list-style-type: none"> ○ angles generally 70 degrees in consolidated waste, 35-45 deg in unconsolidated waste, and ○ 10-30m berms applied at floor of some seams • Coal roof loss = 0.15 – 0.3m, roof dilution = 0.05m • Coal floor loss = 0m, floor dilution = 0.08m • Pit recovery factor of 98.5% applied to all coal mined. • Most blocks 100m long by 70m wide (ie. strip width = 70m) • Spoil angle of repose 37 degrees <p>No Coal Reserves have been reported in areas of Inferred Coal</p>

Criteria	JORC Code explanation	Competent Person Comments
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications? 	<p>Resources, however minor amounts have been used to estimate the economic limits of the mine footprint. This inclusion is not considered material to the outcome of the estimation of Coal Reserves.</p> <p>All required environmental, rehabilitation, railing, port, electricity, water and other infrastructure for the selected mining methods have been considered in previous studies. New infrastructure and approvals will be required, in addition to re-using existing infrastructure in the Curragh Mine site where possible. Refer to the Infrastructure section for detail on infrastructure and approvals.</p> <p>It has been assumed MDL 162 will be exploited in conjunction with the Curragh Mine operations. After mining, raw coal will be washed in one of the two onsite coal preparation plants (CPP) at Curragh. The newer CPP was commissioned on 30 June 2012, and the older CPP has been in operation since commissioning of the mine. Both plants utilise conventional washing circuits based on dense medium separation techniques, and are consistent with plants used elsewhere in the Bowen Basin in the same coal measures. The technology is well-tested.</p> <p>The seams planned to be mined are primarily a lateral extension of the seams mined at the Curragh Mine.</p> <p>Detailed washability simulation work has been performed by AB Mylec Pty Ltd based on 2,205 feed files from 516 borecores. Simulation results have been gridded and used to predict washability for the various coal products currently being produced at the operation. Mining dilution has been applied where appropriate (0.05m roof, 0.075m floor) and no loss has been applied. Yields were reported on a diluted basis and with the following moistures:</p> <ul style="list-style-type: none"> Plant feed = 7.0% TM Primary Product = 12.5% TM Secondary Product = 8.0% TM <p>The overall average total wet yield for the operation has been estimated at approximately 75%.</p> <p>There are no deleterious elements present, such as would necessitate special attention during treatment.</p> <p>No bulk sample or pilot scale work has been considered because the 30-year operating history of Curragh Mine has been used to inform the estimation process.</p> <p>Quality and washability have been estimated and modelled on the basis of coal seams, except for the Pisces Seam which has been modelled (and is mined) by ply.</p> <p>The product mix used in the estimation of Coal Reserves has been derived from operating history, geological modelling and the detailed washability simulation work. The estimate has therefore been based on the appropriate mineralogy to achieve the stated coal quality specifications of each product.</p>
Environmental	<ul style="list-style-type: none"> The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported. 	<p>It is assumed that approvals will be gained to mine Coal Reserves contained in MDL 162 with conditions similar to those applied to the Curragh Mine operation.</p> <p>The Curragh mine operates on 11 mining leases and under a site specific Environmental Management Plan (EMP), last updated and published in August 2011. The mining operation is working under a Plan of Operations July 2012-June 2014 and an Environmental Authority MIN100657807 effective from 23 December 2011.</p> <p>Spoil characterisation studies carried out at Curragh Mine indicated that the spoil has low acid forming potential. The physio-chemical results of the overburden analysis for Curragh North Mine indicate that the pH for the overburden is alkaline; with ESP values indicating sodic conditions. Based on the sodicity and associated tendency of the overburden to be dispersive, Tertiary material and much of the fine-grained Permian material will not be desirable as subsoil. All overburden samples analysed were non-saline, while the pH and Net Acid Producing Potential results have indicated that the overburden is characterised by a low propensity for acid generation.</p> <p>Tailings from the coal washing plants are stored in registered structures which are certified on an annual basis. Coarse rejects are placed in waste dumps, not near the surface, as per normal industry practice.</p>
Infrastructure	<ul style="list-style-type: none"> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, 	<p>Infrastructure requirements necessary for the operation of MDL 162 will rely heavily on the Curragh Mine infrastructure currently in place.</p> <p>Additional infrastructure works including:</p>

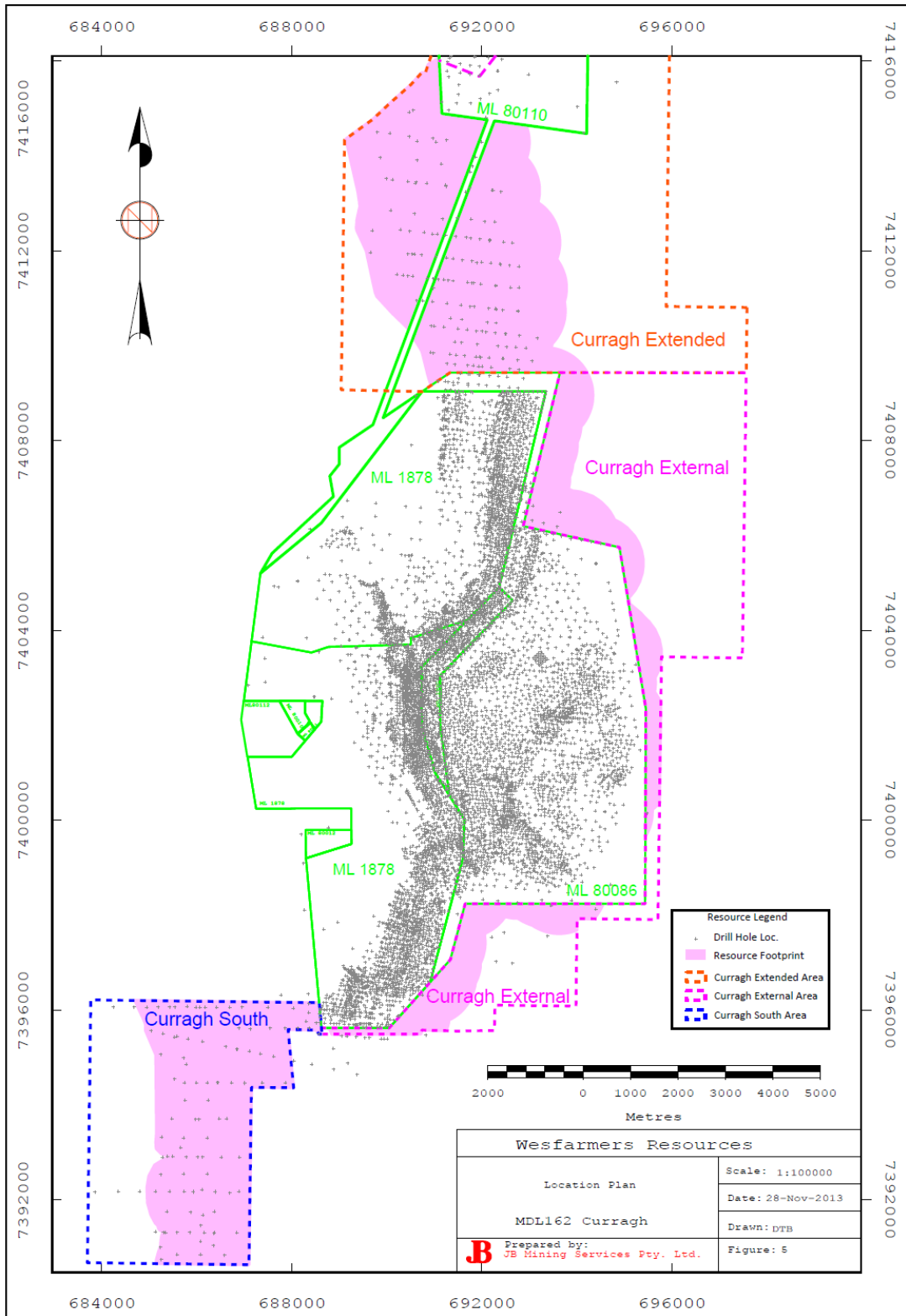
Criteria	JORC Code explanation	Competent Person Comments
	or accessed.	<ul style="list-style-type: none"> the relocation of existing power infrastructure the modification to the existing coal haulage conveyor construction of levees and other flood protection infrastructure provision of road access to the existing Curragh Mine has been allowed for in the development of the mine plans and sufficient land area allowed for this infrastructure to be constructed and operated <p>All licenses, permits, Government approvals etc. required will be sought as part of the Mining Lease application process.</p>
Costs	<ul style="list-style-type: none"> The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private. 	<p>The actual assumed mining costs are not disclosed in this document as they are commercially sensitive. The methodology for evaluating the mining costs assumed are set out below. The Wesfarmers Corporate Plan is an internal planning process spanning the Life-Of-Mine timeframes which has been utilised to incorporate MDL 162 Coal Reserves. Corporate planning assumptions form the basis of the evaluation model. Capital costs for the infrastructure development of MDL 162 have been estimated as part of the study process by Parsons Brinkerhoff. Equipment capital costs have been estimated within the project evaluation model based on the same methodology as used in the Corporate Planning process</p> <p>Cost estimates are based on historical onsite performance and forward estimates derived from internal analysis of market indices market analysts including AME and Wood Mackenzie. Supply contracts are in place at Curragh for many of the major items of input costs e.g. electricity, drilling, blasting, dozer bulk push, rail freight and port handling and a large portion of the truck-shovel prestrip waste removal. Internal costs are captured into cost centres to allow them to be effectively expressed as unit cost rates for the various onsite activities. They are also captured in a way so as to allow understanding of fixed vs variable costs, so that unit costs for varying levels of production can be validly estimated. Budget unit costs are thus derived from contract schedules of rates and actual internal costs and then used to inform forecasts. The Corporate Plan process uses the Budget unit rates. For estimation of Coal Reserves, unit cost rates have been derived from the average of those in the first 5 years of the Corporate Plan (for Curragh) and expressed in 30 November 2013 terms. No allowances for deleterious elements are necessary or have been made. Coal product specifications include limits for these, and coal is produced and sold within specifications. Estimates for transportation charges, Government royalties and private royalties have been obtained from Government legislation or from long-term agreements with the relevant parties. All of these charges are currently in place and form part of the overall knowledge basis obtained from operating history. No export penalties (e.g. ash penalties) have been included in the estimate of Coal Reserves.</p>
Revenue factors	<ul style="list-style-type: none"> The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products. 	<p>The actual assumed coal prices are not disclosed in this document as they are commercially sensitive. The methodology for evaluating the coal prices assumed are set out below. Coal sales pricing is based in the first instance on contract rates for Curragh Mine. These are adjusted as appropriate based on internal aggregation of market forecasts drawn from a number of reputable market analysts including CRU, AME and Wood MacKenzie.</p> <p>The long term AUD/USD exchange rate assumed is commercially sensitive and is not inconsistent with actual long term historical average exchange.</p> <p>Coal product qualities have been estimated based on the previously described modelling techniques and further informed by operating history.</p>
Market assessment	<ul style="list-style-type: none"> The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract. 	<p>Product tonnage forecasts are primarily driven by forward contract requirements and internal analysis of market trends as described by market analysts including Wood MacKenzie, AME and CRU. Curragh product coals of similar quality to those originating from the MDL 162 Coal Reserves have been sold by Curragh continuously under contract to leading steel mills globally for over 20 years. This stable situation has been assumed to continue for the purposes of estimating Coal Reserves. For export thermal coal the pricing has been based on guidance obtained from the market analysts relating to a Newcastle thermal coal price index. Consensus amongst analysts is that worldwide demand for metallurgical and thermal coals will continue to increase over the</p>

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Economic	<ul style="list-style-type: none"> The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs. 	<p>long term. The price forecasts from market analysts take into account the forecast relationship between supply and demand on regional and worldwide bases.</p> <p>Net present values are not reported in this document. As described elsewhere in this Table 1, margin ranking has been used to estimate Coal Reserves, with key inputs for the margin ranking drawn from the same inputs used for Wesfarmers Corporate Plan Life-of-Mine financial planning process for its existing Curragh mine operations.</p> <p>The economic footprint of the proposed mine has been based on a "Free-on-Board" cash margin ranking process. The validity of this approach has subsequently been supported by Life-Of-Mine financial analysis as part of the Wesfarmers Corporate Plan process. The overall Corporate Plan process is not part of the actual process by which Coal Reserves have been estimated, other than to note that both processes rely in part on a Life of Mine schedule. The margin ranking process, while not directly utilising scheduled quantities, does use waste allocation logic drawn from a Life of Mine schedule consistent with that used in the Corporate Plan. The input assumptions for the Corporate Plan process are consistent with those used in the estimation of Coal Reserves.</p> <p>This procedure has been supported by Project financial analysis as part of the acquisition process.</p>
Social	<ul style="list-style-type: none"> The status of agreements with key stakeholders and matters leading to social licence to operate. 	<p>Additional agreements will be sought as part of the Mining Lease application process for the MDL 162 area and it is expected that agreement would be reached subject to similar conditions as that applied to Curragh Mine.</p> <p>Agreements are currently in place for all key stakeholders relating to the Curragh Mine site. There are no outstanding impediments, and the mine is in operation. This is reported in the Wesfarmers Corporate Sustainability Report annually.</p>
Other	<p>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</p> <ul style="list-style-type: none"> Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent. 	<p>The material naturally-occurring risks to the Curragh Mine operation expected to also impact MDL 162 are:</p> <ol style="list-style-type: none"> Floods – resulting from particularly high-rainfall events. Levees are in place to protect the mine from flood levels up to a "1 in 1000 year" event. Water shortage from droughts – Curragh has not yet been affected by this risk, due to water supply agreements (from the Bedford Weir), onsite water storage capacity and the availability of groundwater. <p>All legal agreements and marketing arrangements are in place for Curragh. Supplier agreements are in place for critical items like fuel, explosives, tyres, railing, port handling, accommodation and electricity.</p> <p>Government approvals (including Environmental Approval and Mining Lease) are expected to be sought as part of the next stage of development.</p> <p>Some small areas of the Measured Resource have been included in the Probable rather than Proven Reserves category due to the potential presence of land with higher environmental values.</p>
Classification	<ul style="list-style-type: none"> The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). 	<p>The Coal Reserves are classified as Probable or Proved Coal Reserves based on the JORC (2012) Code. The basis for classification of Coal Reserves is the Coal Resource category polygons for each seam, in conjunction with the calculated cash margin and other modifying factors.</p> <p>Some small areas of the Measured Resource have been included in the Probable rather than Proven Reserves category due to the potential presence of land with higher environmental values. The result appropriately reflects the Competent Person's view of the deposit.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Ore Reserve estimates. 	<p>The Coal Reserves estimate has been prepared by an external independent mining consultancy (Xenith Consulting Pty Ltd) and the Competent Person is an employee of that organisation. No external audits have been conducted on the Coal Reserves estimate, however the client (Wesfarmers) has undertaken a review.</p> <p>Xenith Consulting were also actively involved in the estimation of Coal Reserves for the Curragh Mine site (as at 1 July 2013).</p>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a 	<p>No statistical or geostatistical procedures have been used in the estimation of Coal Reserves themselves.</p> <p>The MDL 162 deposits have been assessed in the context of the surrounding Curragh deposit being well understood, with a long operating history. The area has been mined since 1983. Coal yields and qualities, in particular, are monitored on a continual basis as coal washing occurs through the onsite plants. In</p>

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	<p>qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</p> <ul style="list-style-type: none"> • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<p>addition, coal product qualities are monitored as a normal part of coal sales. This historical experience is used to inform coal modelling activities whenever the geological model is updated and also to inform stripping, mining and washing assumptions. The estimate of Coal Reserves relates to the area of MDL 162. There are no remaining areas of material uncertainty relating to modifying factors that could have an impact on Coal Reserve viability.</p>

Supporting figures:

- i. Location Plan (with drill hole locations)



MAPTEK VISUAL