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## ASX Announcement

# Geological Model and Resource Estimate Completed at Cuesta's Priority Moorlands Project

- **146.1Mt JORC Resource at the Moorlands Project with significant exploration upside identified**
- **Moorlands is an open cut thermal coal project containing;**
  - **Primary coal seams consist of B4 averaging 6m, B8 averaging 10m, B9 averaging 3m**
  - **Secondary coal seams consist of B5 and B7 both averaging 1.5 – 2m**
  - **Several coal seams and individual coal plies won't require washing, enhancing project economics**
- **Xenith Consulting have commenced the Mine Scoping Study, expected to be finalised in 3 – 4 weeks**
  - **Mine Scoping Study is targeting areas with average stripping ratios of <5:1**
- **Moorlands remains Cuesta's Priority Development Project with expectations of a robust thermal coal project**

**9 April 2013: Cuesta Coal Limited (ASX: CQC) ("Cuesta")** is pleased to announce the completion of Geological Modelling and Resource Estimate at the company's 100% owned Moorlands Project (EPCs 775, 776, 1738) in the Western Bowen Basin, Queensland (See Figure 1).

The Moorlands Project is Cuesta's flagship development project containing ~146Mt of export thermal coal with significant exploration upside. The Moorlands Project comprises EPCs 775, 776 and 1738 is located 14km to the west of the Blair Athol Coal Mine and rail access.

### Geological Model and Resource Calculation

The geological model was produced by combining geological data following the acquisition of EPCs 775, 776 with Cuesta's existing data base (notably on EPC 1738 where Cuesta has drilled 44 holes totalling 5,382m since 2011), creating a robust 3D geological model confirming the north / south continuity of the coal seams throughout the basin. The resource has been calculated at 146.1Mt with 86% of the resource is less than 150m from the surface. Details of the resource are shown in Table 1 and 2.

### Mine Scoping Study and Future Work

Cuesta has engaged Xenith Consulting (Xenith) to complete a Mine Scoping Study on the Moorlands Project and it is anticipated that this will be completed in the next 3 - 4 weeks.

The Geological Model has been provided to Xenith including the coal washability work indicating good washability characteristics with good to excellent recoveries. Importantly early indications are that several raw coal seams can bypass the requirement for washing, thus reducing capital and operating expenditure in the development and operation phase of the project.

Cuesta intends to drill the resource base to a JORC Indicated category in the lead up to commencing feasibility studies.

Cuesta looks forward to informing shareholders of the full outcomes of the Mine Scoping Study when completed.

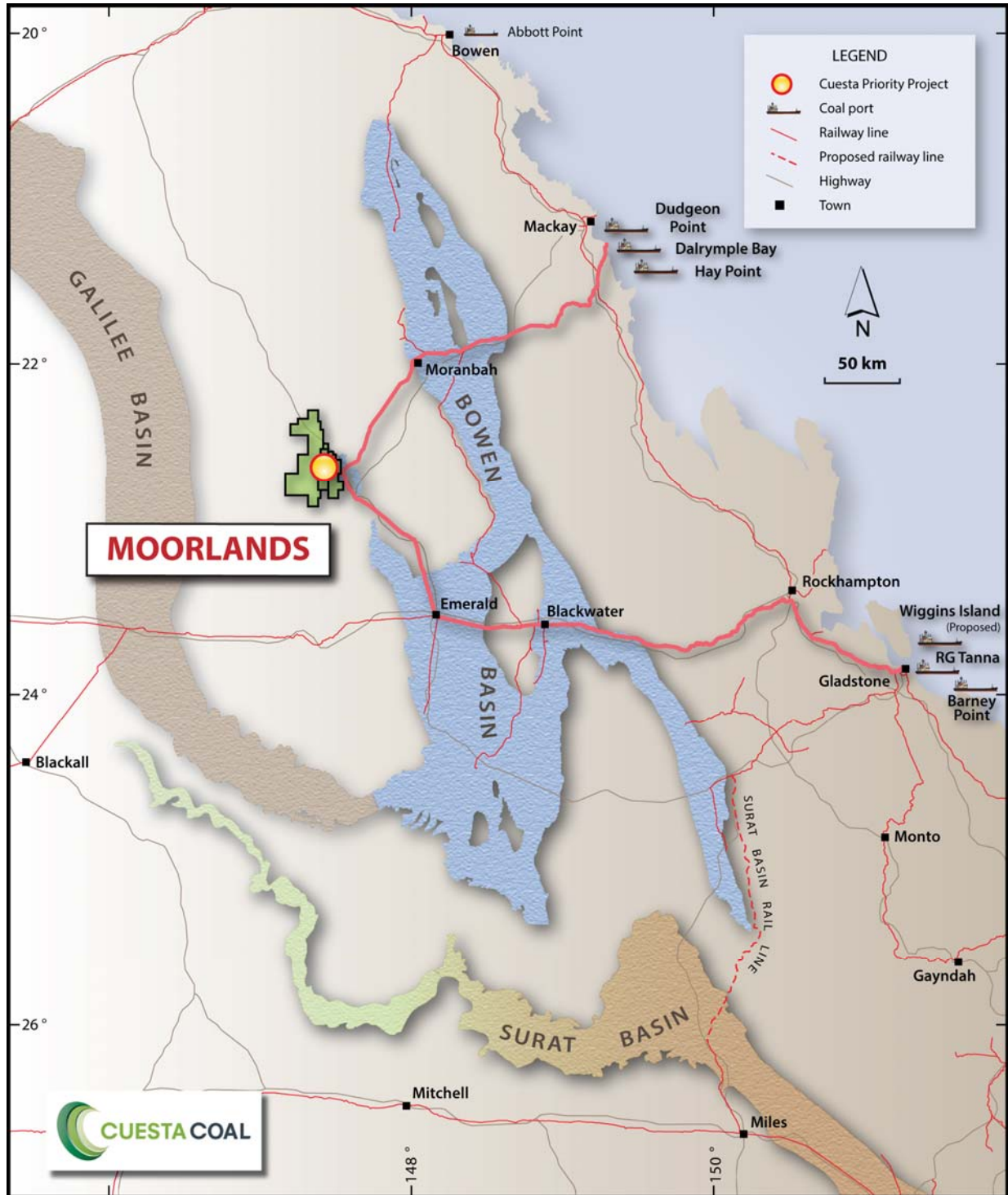
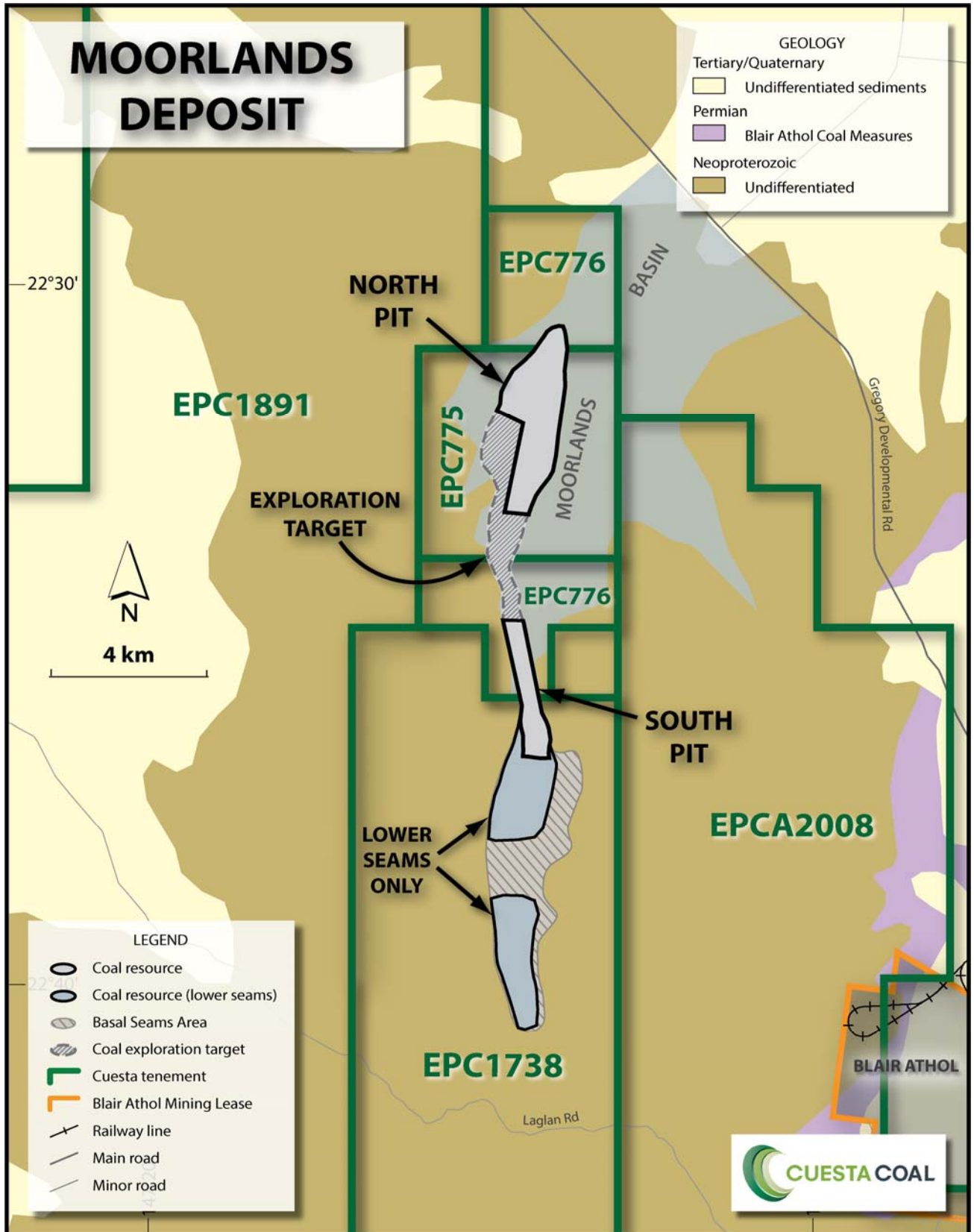
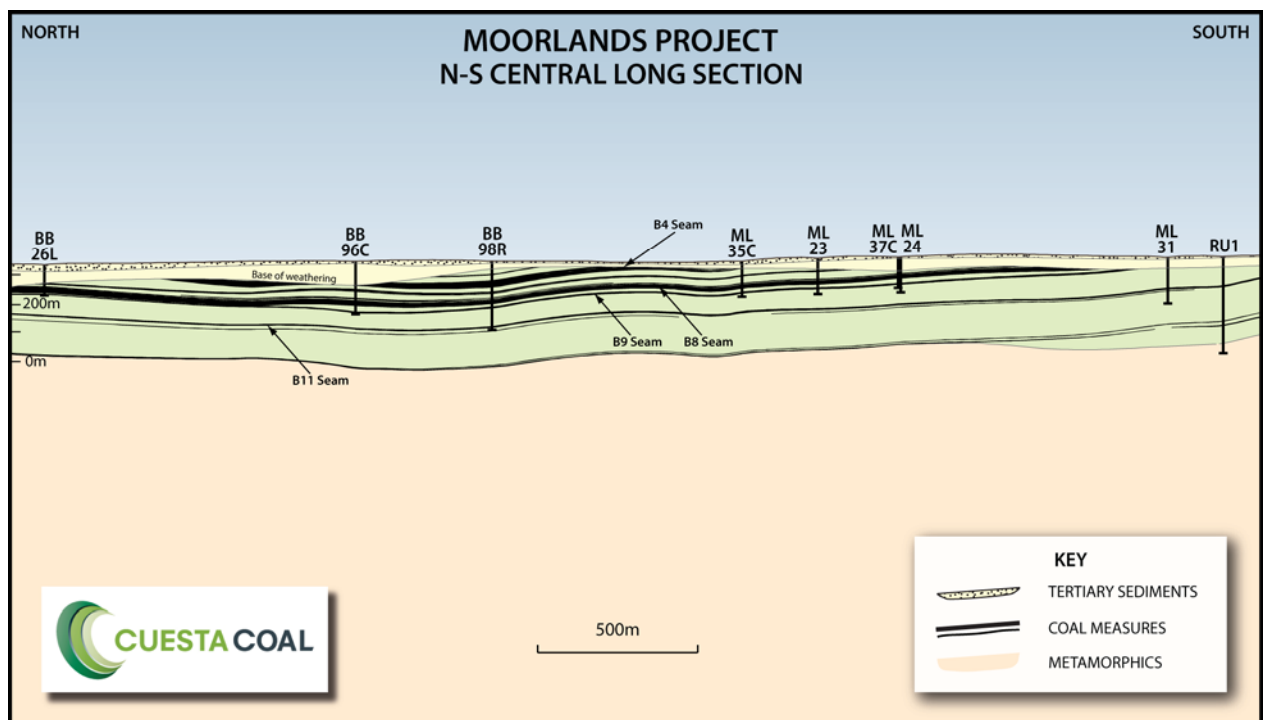
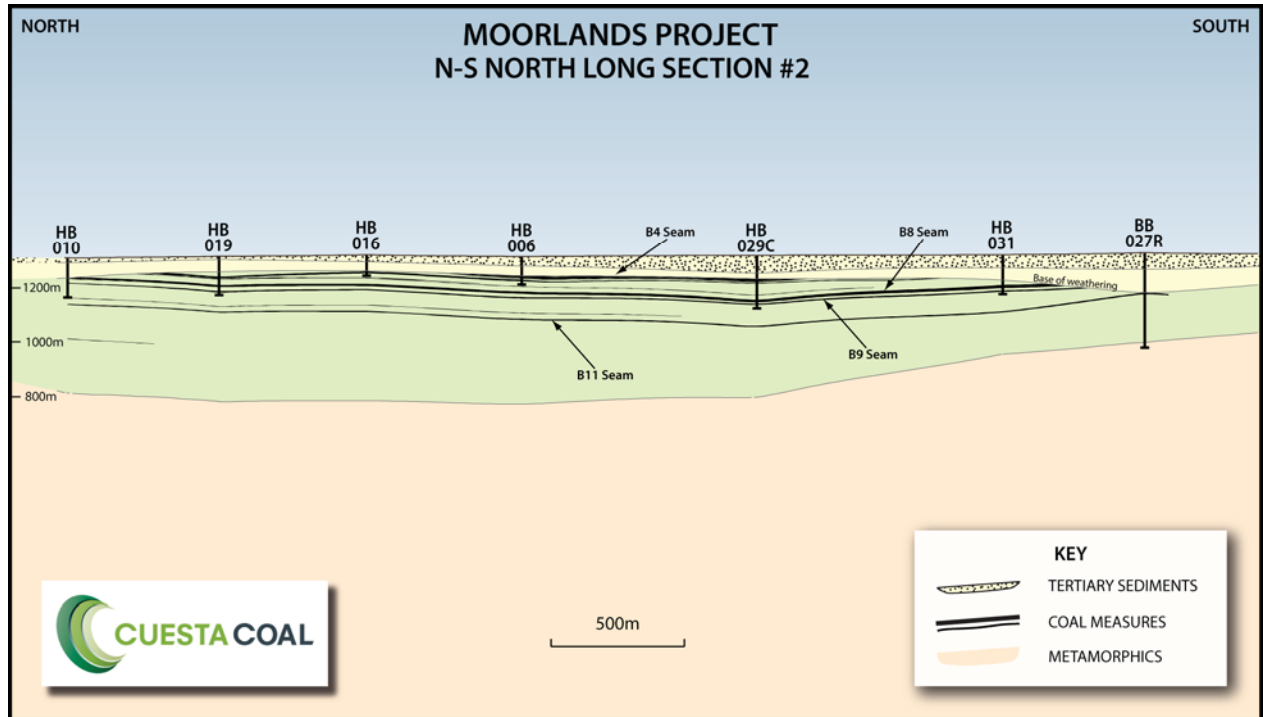


Figure 1: Moorlands Location Map



**Figure 2: Moorlands Project Resource Areas**



**Table 1: Moorlands Project (EPC 1738, 775 and 776) Resources – Resource Classification in Accordance with JORC Code (2004)**

Resource Category	Value	Moorlands Project								Total Tonnes (Mt)
		B4	B5	B7	B8	B9	B11	B12	B13	
Measured	Volume (Mm <sup>3</sup> )	-	-	-	7.5	2.2	-	-	-	
	Thickness (m)	-	-	-	7.99	2.35	-	-	-	
	Relative Density (t/m <sup>3</sup> )	-	-	-	1.51	1.49	-	-	-	
	<b>Sub-total Tonnes (Mt)</b>	-	-	-	<b>11.3</b>	<b>3.3</b>	-	-	-	<b>14.6</b>
Indicated	Volume (Mm <sup>3</sup> )	-	0.85	0.74	15.09	7.63	-	-	-	
	Thickness (m)	-	1.84	0.87	5.86	2.57	-	-	-	
	Relative Density (t/m <sup>3</sup> )	-	1.42	1.53	1.51	1.48	-	-	-	
	<b>Sub-total Tonnes (Mt)</b>	-	<b>1.2</b>	<b>1.1</b>	<b>22.8</b>	<b>11.3</b>	-	-	-	<b>36.4</b>
Inferred	Volume (Mm <sup>3</sup> )	9.8	0.14	2.16	35.16	8.17	3.85	3.6	11.9	
	Thickness (m)	4.62	1.22	1.61	4.62	2.71	2.25	0.67	2.15	
	Relative Density (t/m <sup>3</sup> )	1.47	1.42	1.51	1.51	1.48	1.50	1.50	1.50	
	<b>Sub-total Tonnes (Mt)</b>	<b>14.4</b>	<b>0.2</b>	<b>3.3</b>	<b>36.0</b>	<b>12.1</b>	<b>5.8</b>	<b>5.4</b>	<b>17.9</b>	<b>95.1</b>
<b>Grand Total Tonnes (Mt)</b>	<b>14.4</b>	<b>1.4</b>	<b>4.4</b>	<b>70.1</b>	<b>26.7</b>	<b>5.8</b>	<b>5.4</b>	<b>17.9</b>	<b>146.1</b>	

- Notes:
- \* Volumes and tonnages have been rounded.
  - \* Coal tonnes stated are on an in situ basis using estimated default in situ relative densities.
  - \* The project area is within EPC 1738, EPC 775 & EPC 776.
  - \* The target mineralisation is the Late Permian coal measures within the Moorlands & Bendemeer Basins.
  - \* The coal is found in ten seam groups – Bendemeer Seams (B4, B5, B6, B7, B8, B9, B10, B11, B12, B13). Resources have been estimated only for the B4, B5, B7, B8, B9, B11, B12 & B13 seam groups.
  - \* A minimum seam thickness of 0.3 metres has been used.
  - \* A depth cut off of 250 metres has been used to limit resources.
  - \* A stratigraphic model generated in Minescape has been used. Gridded seam surfaces, base of tertiary and weathering surfaces have been created on a 25 m by 25 m grid cell size. All seams are clipped to the base of weathering.
  - \* As of the 5<sup>th</sup> April 2013, the Moorlands Project is estimated to contain a total Resource of 146.1 Mt, being composed of 14.6 Mt of Measured, 36.4 Mt Indicated and 95.1 Mt Inferred resource.
  - \* The coal present is a sub-bituminous coal with moderate ash (adb), moderate specific energy (adb) and low to moderate sulphur (adb).
  - \* Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and quality. This classification was completed in accordance with the guidelines as set out in the JORC Code (2004).

**Table 2: Moorlands Project – Resources by Depth of Cover (Mt)**

Seam	Resource Categories	0-50 metres	50-100 metres	100-150 metres	150-200 metres	200-250 metres	Total
B4	Measured+Indicated	-	-	-	-	-	-
	Inferred	-	3.7	9.1	1.6	-	14.4
B5	Measured+Indicated	0.2	1.0	-	-	-	1.2
	Inferred	0.2	-	-	-	-	0.2
B7	Measured+Indicated	0.1	0.9	0.1	-	-	1.1
	Inferred	-	1.5	1.8	-	-	3.3
B8	Measured+Indicated	0.9	14.7	18.5	-	-	34.1
	Inferred	1.0	11.1	18.3	5.6	-	36.0
B9	Measured+Indicated	-	6.4	8.2	-	-	14.6
	Inferred	-	2.1	4.7	5.2	0.1	12.1
B11	Measured+Indicated	-	-	-	-	-	-
	Inferred	0.6	1.9	2.4	0.9	-	5.8
B12	Measured+Indicated	-	-	-	-	-	-
	Inferred	0.2	1.7	2.3	0.7	0.5	5.4
B13	Measured+Indicated	-	-	-	-	-	-
	Inferred	0.7	3.7	8.6	3.2	1.7	17.9
<b>Total</b>	<b>Measured+Indicated</b>	<b>1.2</b>	<b>23.0</b>	<b>26.8</b>	<b>-</b>	<b>-</b>	<b>51.0</b>
	<b>Inferred</b>	<b>2.7</b>	<b>25.7</b>	<b>47.2</b>	<b>17.2</b>	<b>2.3</b>	<b>95.1</b>

Note: Values have been rounded and may not total

**Table 3: Moorlands Project – Average Raw Coal Quality by Seam**

Seam Name	No. of Quality Holes	Total Moisture % (ar)	Moisture % (ad)	Ash % (ad)	Volatile Matter % (ad)	Fixed Carbon % (ad)	Specific Energy MJ/kg (ad)	Total Sulphur % (ad)	Relative Density gm/cc (ad)
B4	1	-	12.2	20.7	28.1	39.1	20.85	0.49	1.47
B5	3	19.9	9.5	12.8	34.1	43.5	24.97	2.25	1.42
B7	5	19.7	9.6	22.2	27.1	41.1	21.28	0.52	1.51
B8	11	18.0	9.3	19.4	27.4	44.0	22.42	0.49	1.45
B9	9	18.1	10.0	14.7	31.3	44.0	23.79	0.74	1.41
B11	2	-	11.4	11.3	30.9	46.4	24.63	0.72	1.40
B12	7	-	8.2	14.1	34.3	43.5	25.29	1.13	1.48

## ENDS

### **About Cuesta Coal**

Cuesta Coal Limited (“Cuesta”) is an ASX listed coal exploration company with a pipe line of coal projects ranging from development to greenfield exploration. The Company is supported by a strong cornerstone investor and is targeting coal production from its Moorlands Project in a 3 – 5yr timeframe.

Cuesta has a diverse portfolio of thermal and coking coal exploration prospects within the Bowen, Surat and Galilee basins, the Company’s core projects are well situated geographically.

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### **Competent Persons’ Consent**

*The information in this report/statement relating to the resource of EPCs 1738, 775 & 776 is based on information reviewed by Blair Richardson, who is a member of the Australasian Institute of Mining and Metallurgy. He is a full time employee Cuesta Coal Limited.*

*Blair Richardson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a ‘Competent Person’ as defined in the 2004 edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Blair Richardson consents to the inclusion in this report of matters based on this information in the form and context in which it appears.*

*Sections of information contained in this report that relate to Exploration Results for EPCs 1738, 775 & 776 were compiled or supervised by Blair Richardson, who is a Member of the Australasian Institute of Mining and Metallurgy and is General Manager of Exploration and Development for Cuesta Coal Limited. Mr Richardson has sufficient experience which is relevant to the style of mineral deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Richardson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*