

QUARTERLY ACTIVITIES REPORT For the period ending 30 June 2013

HIGHLIGHTS

MOORLANDS PROJECT

- ✓ Cuesta's main operational and development activities focussed at Moorlands Project located 14km west of the now closed Blair Athol Coal Mine
- ✓ Mine Scoping Study almost finalised, centred on areas where average stripping ratios are <5:1
- ✓ Revised Resource Estimate of 146.1Mt of thermal coal announced during the quarter
- ✓ The proposed Moorlands South Pit coal quality and washability analysis results announced with excellent recoveries averaging 90%
- ✓ Baseline environmental studies commenced as part of the Environmental Management Plan for the project
- ✓ Preparations completed for Resource definition drilling and other works to commence in the upcoming quarter

CORPORATE

- ✓ Regulatory approvals received during the quarter for the \$12m Placement
- ✓ \$0.18 per share, \$12m Placement settled on 24th July 2013
- ✓ Appointment of Mr Hanping Liu as Non-executive Director on 19th July 2013
- ✓ Relocation of key operational staff to Brisbane Operations Office
- ✓ Cash on hand \$3.073m at 30th June excluding net proceeds from \$12m Placement

1. QUARTERLY OVERVIEW

The June 2013 quarter marked another busy period for Cuesta, with significant progress being made both corporately and operationally.

Cuesta successfully held an EGM, along with Beijing Guoli receiving Chinese Regulatory Approval, during the last quarter for the \$12m Placement.

Subsequent to the quarter Cuesta announced that it had settled the \$12m Share Placement at 18 cents per share with major shareholder Beijing Guoli. The purpose of the placement is to provide adequate funding to progress initial development plans for Moorlands, pay down \$5m of debt and assist with the Company's working capital requirements.

Development activities for the quarter were focused at Moorlands, with a revised resource estimate and coal quality results released to the market along with the commencement of background environmental studies and planning for the 2013 drill season. Cuesta is making good progress on its mine scoping study which is expected to be completed shortly.

Key development advantages of the Moorlands Deposit include:

- Shallow and thick coal seams allowing the Scoping Study to target a <5:1 strip ratio
- Primary coal seams consist of B4 averaging 6m, B8 averaging 10m and B9 averaging 4m in thickness
- Secondary coal seams consist of B5 and B7, both averaging 1.5m-2m in thickness
- Several coal seams and individual coal plies will not require washing, enhancing project economics
- Recently announced coal quality analysis at the South Pit produced encouraging results, notably the excellent washability recovery rates of 90%
- Located 14km from the existing infrastructure at the recently closed Blair Athol Mine.

Within the individual coal seams in the south pit, washability recovery rates vary from 87.1 – 96.8%, and it is estimated that 25% of the ROM feed will not require washing.

Importantly, the 10m thick B8 seam averages 88.3% recovery, producing a product coal containing 9.9% ash, energy content of 6139 k/cal adb and 0.53% sulphur.

In addition to this, the 4m thick B9 seam averages 90.4% recovery, producing a product coal containing 10.9% ash, energy content of 6,041 k/cal adb and 0.65% sulphur.

Cuesta continues to investigate infrastructure options principally for the Moorlands Project and is targeting to execute formal agreements in 2013.

Minor exploration programmes were completed at Yellow Jacket and West Emerald. Cuesta is collating and interpreting these results and will update shareholders in the near future.

During the quarter, Cuesta commenced an internal review of its projects and will seek divestment opportunities where appropriate for non-core assets.

At the end of June 2013, Cuesta had cash and cash equivalents of \$3.073m excluding net proceeds from \$12m placement.

MOORLANDS DEVELOPMENT ACTIVITY SUMMARY

- 146.1Mt Thermal Coal Resource (14.6Mt Measured, 36.4Mt Indicated and 95.1Mt Inferred Resource in accordance with JORC code (2004) guidelines) announced during the quarter
- Coal quality announced for Moorlands south pit with encouraging results achieved including excellent washability recovery rates averaging 90%
- A single product stream coal specification including:
 - Ash of 10.4%
 - Inherent moisture of 9.5%
 - Calorific value of 6,077 k/cal adb
 - HGI of 59
 - Ash fusion initial deformation of >1500oC
- Mine Scoping Study is nearing completion by Xenith Consulting, targeting areas with <5:1 stripping ratio
- Cuesta’s is preparing to commence field exploration activities at the Moorlands Project.

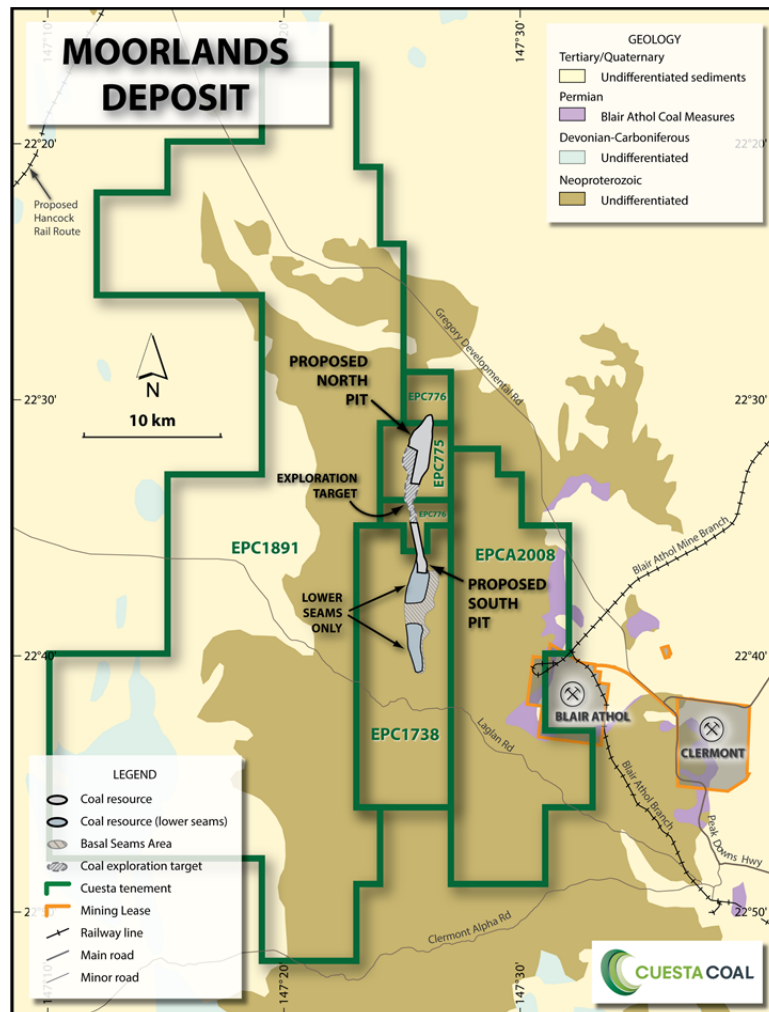


Figure 1: Map of the Moorlands Project

2. MOORLANDS PROJECT DEVELOPMENT ACTIVITY REVIEW

EPCs 775, 776 and 1738 (CQC: 100%)

The Moorlands Project is a ~146Mt (in accordance with the JORC code (2004) guidelines) open cut thermal coal project located 14km west of the historic Blair Athol Coal Mine in the Western Bowen Basin, Queensland.

The project offers Cuesta a long-life asset with significant resource upside potential within the area. It is anticipated that capital costs can be minimized with a staged start-up of the mine and the economics will be robust due to the following key attributes of the project:

- Target initial production rate of 1.5 - 2Mtpa to minimise CAPEX upon start-up
- Thick coal seams allowing the Scoping Study to target a <5:1 strip ratio
- Depth to first coal in the extreme south of the Moorlands Deposit is approximately 30-40m from surface
- Primary coal seams consist of B4 averaging 6m, B8 averaging 10m and B9 averaging 4m. Secondary coal seams consist of B5 and B7, both averaging 1.5m-2m in thickness
- Several coal seams and individual coal plies will not require washing, enhancing project economics
- Located 14km from the existing coal infrastructure at the Blair Athol Mine.

Quarterly Activities

During the quarter, the consolidated Geological Model and Resource Estimate was completed. Xenith, with assistance from Cuesta, continued to finalise the Mine Scoping Study at the Moorlands Project.

Key highlights of the Moorlands activities and results are as follows:

- Resource increase to 146.1Mt following acquisition and consolidation of the Moorlands Deposit (EPC 1738) with the Orion Coal Project (EPC 775 and 776)
- 14.6Mt Measured, 36.4Mt Indicated and 95.1Mt Inferred JORC Resource in open cut target
- Coal Quality results at the south pit were released to the market, particularly encouraging is the excellent washability recovery rates averaging 90%
- Baseline environmental studies have commenced and will be ongoing for the next 8-12 months.

Geological Model and Resource Calculation

The geological model was produced by combining geological data following the acquisition of EPCs 775 and 776 with Cuesta's existing data base (notably on EPC 1738 where Cuesta has drilled 44 holes for 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 being less than 150m from the surface. Details of the resource are shown in Table 1 (Appendix A).

The Geological Model has been provided to Xenith including the coal washability analysis results. Importantly, early indications are that several raw coal seams can bypass the wash plant, therefore potentially 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. Drilling will commence in the coming weeks, with a detailed update to Cuesta's shareholders to be released shortly.

South Pit Coal Quality Results

During the quarter the company announced the detailed coal quality results for the Moorlands south pit. The work completed included washability analysis of individual coal seams and detailed analysis of the washed coal comprising proximate and ultimate analysis, ash analysis, ash fusion and HGI.

These results were from samples collected during the 2012 drilling campaign, where 6 cored holes in the Moorlands south pit were completed. Cored holes recovered samples from the B5, B7, B8 and B9 seams.

Product Recovery, Ash and Energy Contents

Particularly encouraging, is the product recovery rates on the washed coal samples which average 90% while producing a 10.4% ash product with an acceptable energy content of 6,077 k/cal adb, as shown in Table 2 (Appendix B).

Yield (%)	Inherent Moisture % (ad)	Ash % (ad)	Volatile Matter % (ad)	Fixed Carbon % (ad)	Calorific Value MJ/kg (ad)	Calorific Value Kcal/kg (ad)	Total Sulphur % (ad)	HGI
89.9	9.5	10.4	30.7	49.4	25.44	6077	0.72	59

The combination of the washability recovery rates and thick coal seams enhance the economics of future mining operations due to the high product coal ratio versus ROM Coal. Within the individual coal seams in the south pit, washability recovery rates vary from 87.1 – 96.8% and within the south pit area, 25% of the ROM feed will not require washing and will be run as bypass coal.

Importantly, the 10m thick B8 seam averages 88.3% recovery, producing a product coal containing 9.9% ash, energy content of 6139 k/cal adb and 0.53% sulphur.

In addition to this, the 4m thick B9 seam averages 90.4% recovery, producing a product coal containing 10.9% ash, energy content of 6,041 k/cal adb and 0.65% sulphur.

Detailed breakdown of the ash analysis, ultimate analysis and ash fusion are shown in Tables 2, 3 and 4 (Appendix B).

Hargrove Grindability

The HGI of the Moorlands coal averages 59 across the deposit. Within the individual seams, the hardest coal is rated with a HGI of 56 and the softest at 61, making it a relatively narrow band.

The HGI of this coal will be attractive to end users due to the mid-range nature of the coal. This coal has a superior HGI to that of the much harder Surat Basin coals and is typical of Permian aged coals in the region.

Summary of Laboratory Results

The detailed laboratory results are pleasing and will be a key input into the mine scoping study which is due to be finalised shortly. Encouragingly a single low ash, moderate energy coal specification can be generated from the south pit deposit.

3. PIPELINE PROJECTS

PIPELINE PROJECTS ACTIVITY SUMMARY

East Wandoan (Thorn Hill Deposit)

- A total of 44.6Mt of Thermal Coal Resource (22.5Mt Inferred Resource and 22.1Mt Indicated Resource, in accordance with JORC code (2004) guidelines).
- 8.2:1 stripping ratio open cut resource defined from near surface to a depth of 100m
- No exploration activities conducted in the previous quarter.

Amberley Project

- 54.7Mt of Thermal Coal Inferred Resource, in accordance with the JORC code (2004) guidelines
- Considering options to expand the resource or divest the project

Eastern Galilee (Yellow Jacket Project)

- In 2012 drilling coal was intersected over ~ 15km², at depths less than 130m from the surface, with two seams present across all the drilled area.
- Small drilling program was carried out last quarter to further test the extent of the resource area and obtain additional coal quality data, Cuesta is collating the data and will provide an update to the market on the results when completed.

West Emerald

- 50-200Mt Coking / PCI / Thermal Coal Exploration Target
- Small wide spaced exploration program commenced in the last quarter and was recently completed in the southern portion of the project area. Cuesta is collating the data and will provide an update to the market in the near future on the results when completed.

Montrose Project

- 0-70Mt Exploration Target for Metallurgical Coal of the Permian Age Back Creek Group.
- Desktop Study completed by SRK Consulting. SRK have defined a small exploration program which will test target areas.

4. JOINT VENTURES

The Joint Venture with QCI (Galilee) Pty Limited is pending the granting of EPCA 2079. EPC 2080 was granted on 11 February 2013.

5. INFRASTRUCTURE

As stated previously, Cuesta has engaged Balance Resources Pty Ltd to investigate potential infrastructure options, including port, rail, power and water, for its key projects. A full report has been generated outlining options and strategy.

Cuesta Coal is working closely with Balance Resources to identify secondary market port and rail opportunities for the Moorlands Project. Cuesta Coal is in negotiations with a number of parties and has agreed indicative terms with one party. Cuesta Coal will continue negotiations with these parties with the aim to execute formal agreements before the end of 2013.

6. HEALTH & SAFETY

Cuesta is pleased to report that it continues to maintain its strong commitment to health and safety. There were no LTIs or incidents in the quarter.

Cuesta maintains a policy of continuous improvement for its Health & Safety Management System and has reviewed and improved a number of its safety management plans and procedures.

7. CORPORATE

7.1 Financial

Cuesta announced that it had settled the \$12m Share Placement at 18 cents per share with major shareholder Beijing Guoli subsequent to the quarter end. The funds from the Share Placement have been used to repay \$5,000,000 of the Convertible Note liability arising as part of the Orion Coal Project Acquisition. The remaining \$7,000,000 has been added to the Company's existing cash reserves to fund initial development plans for Moorlands and the Company's working capital requirements.

During the quarter, Cuesta received a BAS refund of \$93k and paid \$789k in administrative expenses. Cuesta made payments of \$1.303m for exploration activities undertaken in the June 2013 quarter.

At the end of the June 2013 quarter Cuesta had cash and cash equivalents of \$3.073m.

An amount of \$389,189 payable to ACN Mining Pty Ltd and an amount of \$87,500 (GST exclusive) payable to Mining Investments One Pty Limited have been paid.

The amount of \$1,832,433 (GST exclusive) is payable upon the granting of tenements to ACN Mining Pty Ltd.

8. CONTACTS

For further information, please contact:

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1230

9. COMPETENT PERSONS STATEMENT

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.

A report entitled 'East Wandoan Project JORC Resources dated June 2012' and 'Amberley Project (EPC 2127) – Resource Estimate' dated 4th September 2012', have been compiled by Lyndon Pass of Encompass Mining, and it reflects his current view of the Moorlands, East Wandoan and Amberley coal deposit resources. In the future, as additional information may become available, this view could be subject to modification. The full reports contain detailed information regarding the Moorlands, East Wandoan and Amberley deposit.

Lyndon Pass is a Member of the Australasian Institute of Mining & Metallurgy (AusIMM). Lyndon Pass consents to the inclusion in the current document of the matters concerning Coal Resources at Moorlands, East Wandoan and Amberley based on his information in the form and context in which they appear. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' published by the Joint Ore Reserves Committee (JORC).

Sections of information contained in this report that relate to all Exploration Results 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 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.

Sections of information contained in this report that relate to Exploration Results and Targets were compiled or supervised by Brice Mutton, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is Technical Director of Cuesta Coal Limited. Mr Mutton 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 Mutton consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

All statements contained in the announcement as to exploration targets are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement as to exploration targets has been made consistent with the requirements of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' published by the Joint Ore Reserves Committee (JORC).

10. ABOUT CUESTA COAL LIMITED (ASX CODE: CQC)

Cuesta Coal Limited ("Cuesta") is an ASX listed coal exploration company with a pipeline of coal projects ranging from development to greenfield exploration. Cuesta has a JORC Resource of 245Mt and is targeting a significant increase in 2013.

The Company is supported by a strong cornerstone investor and is targeting coal production from its Moorlands Project in a 3 year timeframe. The Moorlands Project is an open cut thermal coal project with a resource of 146Mt, with significant exploration upside identified.

Cuesta's Board and Senior Management has extensive experience in the domestic and international coal industry. It has proven technical and management ability in large bulk commodity development projects, which is demonstrated by senior roles with major companies.

APPENDIX A

Table 1 - Moorlands Project (EPC 775, 776 and 1738 Resources)

Appendix A

Table 1: Moorlands Project (EPC 775, 776 and 1738 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 ³)	-	-	-	7.5	2.2	-	-	-	
	Thickness (m)	-	-	-	7.99	2.35	-	-	-	
	Relative Density (t/m ³)	-	-	-	1.51	1.49	-	-	-	
	Sub-total Tonnes (Mt)	-	-	-	11.3	3.3	-	-	-	14.6
Indicated	Volume (Mm ³)	-	0.85	0.74	15.09	7.63	-	-	-	
	Thickness (m)	-	1.84	0.87	5.86	2.57	-	-	-	
	Relative Density (t/m ³)	-	1.42	1.53	1.51	1.48	-	-	-	
	Sub-total Tonnes (Mt)	-	1.2	1.1	22.8	11.3	-	-	-	36.4
Inferred	Volume (Mm ³)	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 ³)	1.47	1.42	1.51	1.51	1.48	1.50	1.50	1.50	
	Sub-total Tonnes (Mt)	14.4	0.2	3.3	36.0	12.1	5.8	5.4	17.9	95.1
Grand Total Tonnes (Mt)		14.4	1.4	4.4	70.1	26.7	5.8	5.4	17.9	146.1

- 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 5th 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).



APPENDIX B
Moorlands Coal Quality Results

Appendix B

Table 2: Ash Analysis %

SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	TiO ₂	P ₂ O ₅	Mn ₃ O ₄	CaO	MgO	Na ₂ O	K ₂ O	SO ₃	V ₂ O ₅	ZnO	BaO	SrO
55.81	5.66	32.83	1.76	0.22	0.07	0.89	0.82	0.61	0.19	0.32	0.06	0.03	0.07	0.04

Table 3: Ultimate Analysis (%daf)

C	H	N	S	O (by diff)
78.07	4.98	1.86	0.95	14.14

Table 4: Ash Fusion °C (Reducing)

Initial Deformation	Spherical	Hemispherical	Flow
1538	1563	1568	1578

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Cuesta Coal Limited

ABN

36 153 351 994

Quarter ended ("current quarter")

June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(1,303)	(6,042)
(b) development	-	-
(c) production	-	-
(d) administration	(789)	(2,606)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	45	645
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 GST Refund	93	1,003
R & D Tax Refund	-	205
Net Operating Cash Flows	(1,957)	(6,798)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(477)	(9,154)
(b) equity investments	-	-
(c) other fixed assets	(4)	(121)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(481)	(9,275)
1.13 Total operating and investing cash flows (carried forward)	(2,438)	(16,073)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,438)	(16,073)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other- Share issue costs	(107)	(107)
	Net financing cash flows	(107)	(107)
	Net increase (decrease) in cash held	(2,545)	(16,180)
1.20	Cash at beginning of quarter/year to date	5,618	19,253
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,073	3,073

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	248
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of Directors' Fees, Executive Directors salaries and consultancy fees payable to Directors' related entities.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,490
4.2 Development	-
4.3 Production	-
4.4 Administration	614
Total	3,104

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,073	394
5.2 Deposits at call	-	5,224
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,073	5,618

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Exploration Permit for Coal ("EPC")		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

EPC 1825	Exploration Permit for Coal ("EPC") Application granted during the period	0%	100%
EPC 1868		0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	219,622,713	150,891,074		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	10,000,000	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,035,718		<i>Exercise price</i> \$0.20 per Option	<i>Expiry date</i> 31 December 2015
	59,763,237 600,000		\$0.25 per Option \$0.25 per Option	31 December 2015 29 October 2015
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

7.11	Debentures <i>(totals only)</i>	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 July 2013

(CFO/ Company Secretary)

Print name: Megan McPherson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.