ABN: 44 079 902 499

10 Abbotsford Street, West Leederville, Western Australia 6007
PO Box 1386, West Leederville Perth Western Australia 6901
Tel: 61 8 9318 5600 Fax: 61 8 9238 1380
Web: www.foxresources.com.au Email: fxr@foxresources.com.au

3 December 2020

Fox Resources Ltd Shareholder Update

Dear Shareholders**,**

Announcement - Fox Resources Limited

Fox Resources Limited (**Fox**) wishes to announce it has completed an update of the geological model and the estimate of resources on **EPC 2196 coking coal tenement**, at Bundaberg Queensland. As a result, the JORC Resources are now as follows:

- Indicated Resources 12.6Mt of high-grade coking coal
- Inferred Resources 46.4Mt of high-grade coking coal

The updated JORC Resource Model Report has been finalised, and the **total JORC Resources for MDLA 3040 and EPC 2196 are as follows:**

- Indicated Resources 76.9Mt of high-grade coking coal
- Inferred Resources 129.4Mt of high-grade coking coal
- Exploration Target[1] 25 to 80Mt

Fox owns 50% of the Bundaberg MDLA3040 and EPC 2196 tenements.

- Fox advises that a Memorandum of Understanding has been signed with a mining-credentialed renewable energy developer and constructor. They will investigate and report to Fox on an operation energised by 100% renewable energy.
- The auditors Grant Thornton have commenced the audit of the Financial Statements for the period, 30 June 2020. Once the audit is finalised the financial statements will be released.

Terry Streeter

Chairman and Non-Executive Director

Model and Resource Summary

The Bundaberg North Coal Project consists of EPC 1523, EPC 2195, EPC 2196, and MDL 3040. EPC 2195 and EPC 2196 were acquired in August 2020.

EPC 1523, MDL 3040, and EPC 2196 are held jointly 50:50 by Fox Coal Pty Ltd (a subsidiary of Fox Resources Limited) and Zimprops Coal Pty Ltd. The project is in the Maryborough Basin and lies approximately 8km to the north-west of the township of Bundaberg, on the central coast of Queensland and is located near the main East Coast railway line and good roads pass through the tenement, thereby allowing easy access to transport the coking coal to either Gladstone or the Port of Bundaberg.

In October 2019, a revision to the existing structural and coal quality models and an upgrade of the existing resource estimate was completed for EPC 1523 based on data provided by an extensive drilling program completed in August 2019. With the purchase of adjacent tenures EPC 2196 and EPC 2195 from Gen Resources, Fox Resources Limited has commissioned ROM Resources to update these geological models and Resource Estimates to now include EPC 2196. As no recent work has been carried out in EPC 2195, this tenure has not been included in these latest modelling and Resource Estimates.

No substantial exploration has been carried out in EPC 2196 since 2013 with the last Resource Estimate generated in 2014. The data sets from EPC 1523's 2019 model and EPC 2196's 2014 model (which were both to the standard of the 2012 JORC Code) have been combined, re-correlated, remodelled, and new resource tonnages estimated (See **Figure 1**)

Data and geological models generated have also formed the basis for a working section model that was used in a Scoping Study for the project, which is currently in progress and due for completion in December 2020.

The results of the recent exploration, modelling, and resource estimation (to the standard of the 2012 JORC Code) (**Table 1**) is summarised below:

- Indicated Resources of 76.9Mt of hard coking coal, (64.3Mt of which is in MDL 3040).
- Inferred Resources of 129.4Mt of hard coking coal (83Mt MDL 3040, EPC 2196 46.4Mt)
- Additional coal (mostly downdip), reported as an Exploration Target range of 25Mt to 80Mt (**Table 2)**

The 2019 drilling campaign revealed there were shallow coal intersections in addition to the previously reported deeper Inferred Resources in the south of the tenure. Subsequent laboratory testing confirmed that the quality of the coking coal is outstanding with clean coal composite results giving products at 10% ash, 8.5

crucible swell number, Geisler fluidity around 1,200ddm and total dilatation and contraction results as high as +240%.

Table 1: EPC 1523 and EPC 2196 Resource Quantities

EPC	Formation*	Seams	Inferred Tonnage (Mt)	Indicated Tonnage (Mt)	Raw Ash (% adb)	Raw Volatile Matter (% adb)	Raw Crucible Swell Number	Raw Total Sulphur (% adb)
1523	BCM	GU, GL1, GL2, H1	'-	64.3	29.3	23.5	8.5	0.78
2196	BCM	F, GU, GL1, GL2, H1	'-	12.6	32.8	23.9	8.5	0.83
1523	BCM	F, GU, GL1, GL2, H1	83.0	-	27.5	23.0	8.0	0.87
2196	BCM	E2, F, GU, GL1, GL2, H1, H2	46.4	-	28.4	22.9	8.5	0.69
			129.4	**76.9**				

Note: MDL3040 covers about 4/5 of the EPC1523, but none of EPC 2196. *BCM = Burrum Coal Measures

Details of the calculations pertaining to the Inferred and Indicated Resources are contained in Appendix 1 (JORC Table 1). Additionally, an Exploration Target[1] in the range of 25 to 80Mt was estimated (Table 2). This Exploration Target is in addition to the estimates tabled above and was based on the same Minescape model as the resources in Table 1, but which fell outside the limit of the masks, especially down dip to the east, or contained upper seams.

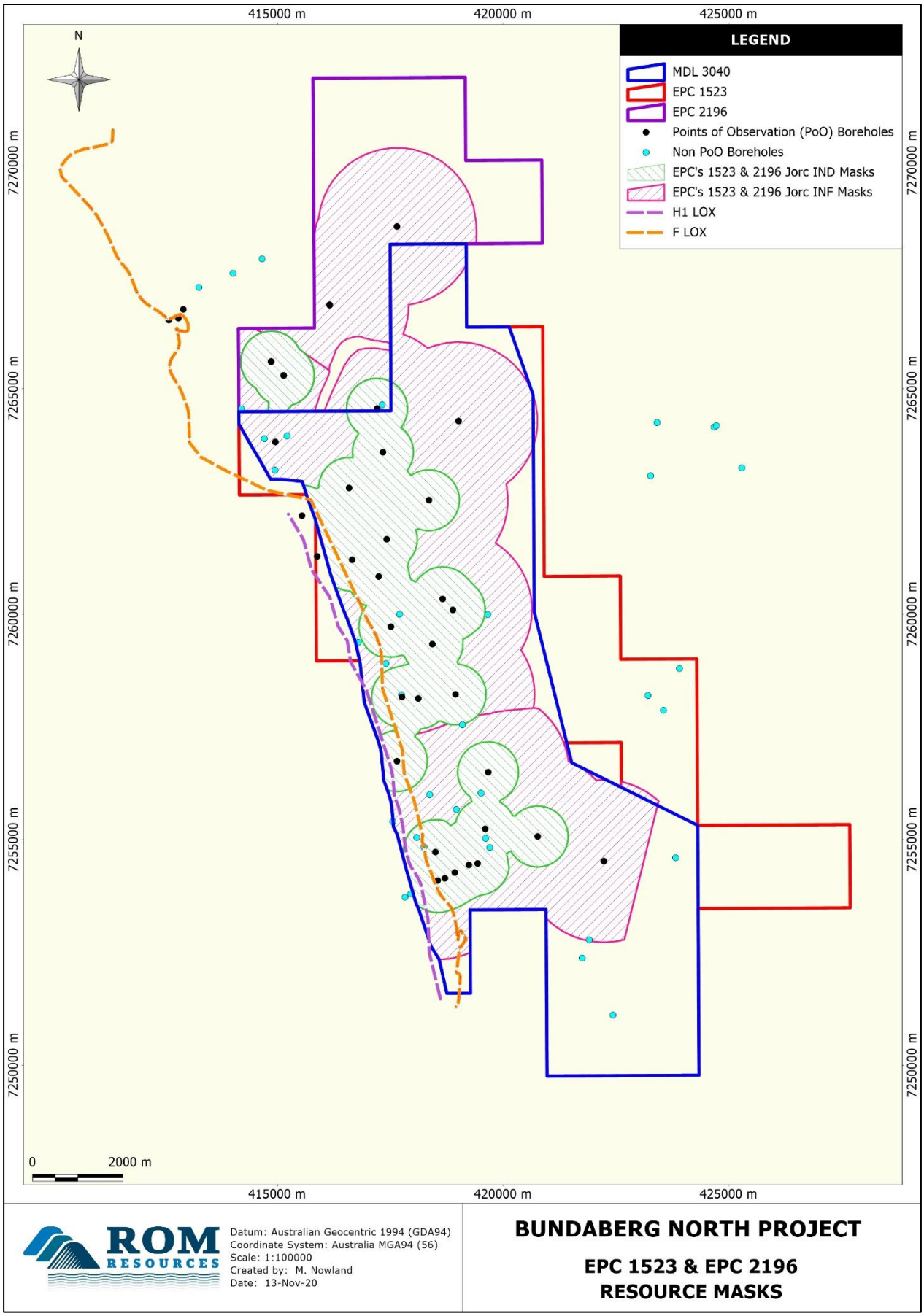
Table 2: EPC 1523 and EPC 2196 Exploration Targets

Tenement	Formation	Seams	Exploration Target Range (Mt)	Raw Ash (% adb)	Raw Volatile Matter (% adb)	Raw Calorific Value Kcal/kg GAD	Raw Crucible Swell Number
EPC 1523[a]	BCM	B1, B2, E2, E3, F, GU, GL1, GL2	5–35	18-30	22-25	6,500–7,000	6.5-8.0
EPC 2196[b]	BCM	B1, B2, E2, E3, F, GU, GL1, GL2	20-45	18-25	22-25	6,500-7,000	6.0-8.0
		Total	25-80				

Source: [a] Biggs (2019); [b] Biggs (2020) *BCM = Burrum Coal Measures

[1] It should be noted that the Exploration Target tonnage ranges quoted above are conceptual in nature and there has been insufficient exploration to define a coal resource. Although a preliminary analysis was undertaken, insufficient data exists to confidently correlate coal seams. It is uncertain whether further exploration may lead to the reporting of a JORC-standard resource however there is some evidence to support the current exploration tonnage calculations, and the sufficient coal thicknesses interpreted from historic drilling to warrant further investigation in some areas.

Figure 1 Location of Masks



Further drilling within EPC 2196 and potentially several west to east 2D seismic lines in MDL 3040 are required to convert the reported Inferred and Indicated Resources to a higher confidence level class. Any additional exploration data acquired could also be used to support an MDL application over EPC 2196.

Appendix 1: JORC CODE 2012 Table 1

Section 1: Sampling Techniques and Data Table

Criteria*JORC Code explanation*	**Commentary**
Sampling techniques *Nature and quality of sampling (e.g. 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 (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g 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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	Samples have mostly been taken from Diamond core of 61mm diameter, and for FXBU016L in EPC 1523 triple tube large diameter core of 100mm diameter. Mostly the interval from E1 to H1 seam was cored. In 2013-2014 Salva Resources cored from the A seam down in EPC 2196. For the higher seams chip samples have been obtained from the rotary chip drilling, except where they have been too contaminated or washed away by the high-water flows encountered in some holes. These were generally washed to CF1.45. Where core has been taken recoveries have exceeded 90%. Sample representatively was confirmed by the comparison between the Diamond Core samples and geophysical logs. In EPC 1523 core samples from the holes FXBU011, 13, 14, 15, 16, 18, 19, and 20 were taken and stored in a freezer and were dispatched to the Mitra PTS Laboratory in Gladstone for coal quality analysis. An RFA has been created and implemented along with a suitable analysis methodology. The same procedure was applied to chips collected for FXBU012 and FXBU022R.
Drilling techniques *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	In all but the 2019 program diamond core drilling was used for the twin of the initial chip hole. Standard HQ wireline core drilling was undertaken with core obtained from a diamond tail with the pre-collar drilled to approximately 250m. The pre-collar was drilled with open-hole rotary drilling. Large Diameter core from FXBU016L was obtained by using a 4C triple-tube (i.e. 102mm diameter).
Drill sample recovery *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.*	The core recovery was done on a drill run basis using the driller's depths and determining the recovery percentage from the drill run length and the length of core returned. Core recovery was excellent with recovery generally >90%. The calculation of sample mass recovery was also particularly good with recoveries mostly exceeding 85% against a theoretical sample mass calculation. Overall total recovery (core

Criteria*JORC Code explanation*	Commentary
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.	recovery x sample mass recovery) exceeded 81% for each sample analysed. For the GL1 and GL2 seams, where the initial core recovery was insufficient, these seams were redrilled.
Logging *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.*	All the samples have been geologically logged based on field observation and coding using the Australian industry standard CoalLog system. All holes have been geophysically logged with a deviation tool (for hole deviation), gamma, density, calliper, and resistivity probes. Geophysical logging of the core hole has also been undertaken once the hole is completed. Several holes had acoustic scanner sonde run. Geological logging is qualitative with samples of each metre collected into plastic chip trays and all samples have been photographed. All coal core has been retained and stored in a freezer prior to coal quality analysis. The total length of the borehole has been geologically logged. Drilling deeper in the stratigraphy thoughout the project has not intersected any coal seams below the seams correlated to drill holes on adjacent tenements.
Sub-sampling techniques and sample preparation *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.*	The core has been sampled using coal industry standard procedures. Samples have been stored in a freezer to retain the coal quality properties prior to the analysis. Up to 64 ply samples were taken in each hole, but typically 30 samples of chips and core were collected. An RFA (Request for Analysis) has been generated which outlines the sample collected and the proposed sampling of plies, instructions to make up composites once ply analyses are available and finally, requests for suitable float/sink washability testing.
Quality of assay data and laboratory tests *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.*	Both raw coal analytical sampling and clean coal composite laboratory analysis has been completed. Geophysical logging by deviation tool, gamma, density, calliper and resistivity has been conducted on the initial hole with this to be completed on the core hole once it is completed using calibrated sondes undertaking industry standard techniques, reading times and logging speeds. Laboratories used (Bureau Veritas, ALS, and Mitra PTS) are NATA accredited and each testing methodology adheres to the relevant Australian Standards. Deviations to the standard or local laboratory methods

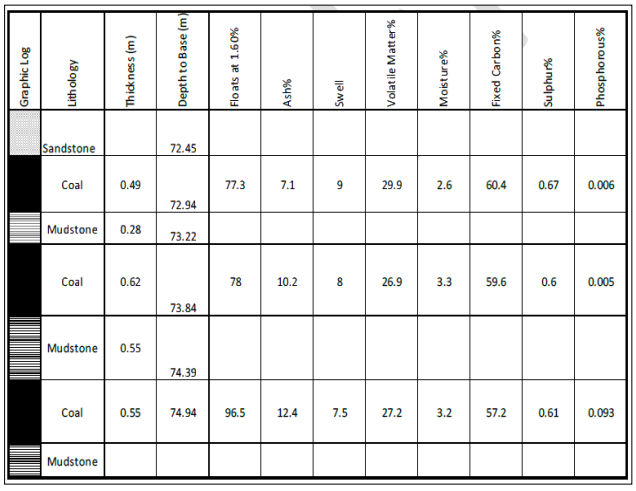
Criteria*JORC Code explanation*	Commentary
Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	are documented in each analysis report.
Verification of sampling and assaying *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.*	Field explorations was conducted by Salva HDR, Xplore Resources, and GeoConsult. Their geologist conducted field logging and sampling of core and chips and also corrected data to geophysics and updated sample depths. All partially-cored holes were HQ wireline diamond drilling (61mm) A twinned hole FXBU016L of an initial chip hole for FXBU016 was completed in EPC 1523. Drilling was completed by Wizard Drilling, Downforce, and Gladstone and Burnett Drilling. The geophysical logging was undertaken Walton Bore Geophysics, Geolog, Surtron. All the field data was then provided to ROM Resources, who validated the data prior to databasing and modelling.
Location of data points *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	The borehole collar of the exploration holes was initially surveyed using a hand-held GPS. The GPS integrated for an extended period therefore the accuracy is believed to be +/- 3m in easting and northing however the elevation is not considered accurate. Final survey was carried out by Walton Borehole Geophysics using a differential GPS system. The coordinate system used was GDA94. The grid system is Map Grid of Australia (MGA) 94 zone 56. Accuracies of +/- 0.15m are quoted.
Data spacing and distribution *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.*	Exploration drilling was completed on approximately a 1,200m spacing. ICX drilled a total of seven (7) holes in EPC 2196 and Fox Resources have drilled twenty-seven (27) holes in EPC 1523. There are insufficient holes in the project area to determine Measured Resource estimates currently, but by the end of the program there was sufficient drilling information to report Indicated and Inferred Resources. Average RMS borehole spacing for those holes used as PoO stands at 695m. Drilling confirmed that the main target seams in the Burrum Coal Measures are the F, GU, GL1, and GL2. Individual thicknesses ranged from 0.9 to 2.46M where the GL1 and GL2 had coalesced. Ply samples were composited on a full seam basis for raw and clean coal composite basis (washed to make a 10% clean cash product) for the F, GU, GL1, GL2 and H1 seams.
Orientation of data in relation to	Drilling to date has established that the regional strike is

Criteria*JORC Code explanation*	Commentary
geological structure *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.*	about 340° (degrees) and that the exploration plan was to drill boreholes on perpendicular section lines to assess dip and variability. Dips were found to vary between 3-12° to the east, with shallower dips in the south. No major faulting was observed during the drilling program to date, although a small fault was added at the modelling stage to account for a perturbation of structure contours around FXBU003R. A small fault was intersected in FXBU020R, but the throw is estimated to be <2m.
Sample security *The measures taken to ensure sample security*	The core was collected directly from the drill site by road courier who delivered it directly to the analytical laboratory. Tracking paperwork ensured efficient delivery and sample security.
Audits or reviews *The results of any audits or reviews of sampling techniques and data.*	No external audits have been performed however a review of the modelling was conducted by Agricola Pty Ltd in 2018 for a 2015 Valmin Code Valuation and the model was found to be 'fit-for-purpose'.

Section 2: Reporting of Exploration Results

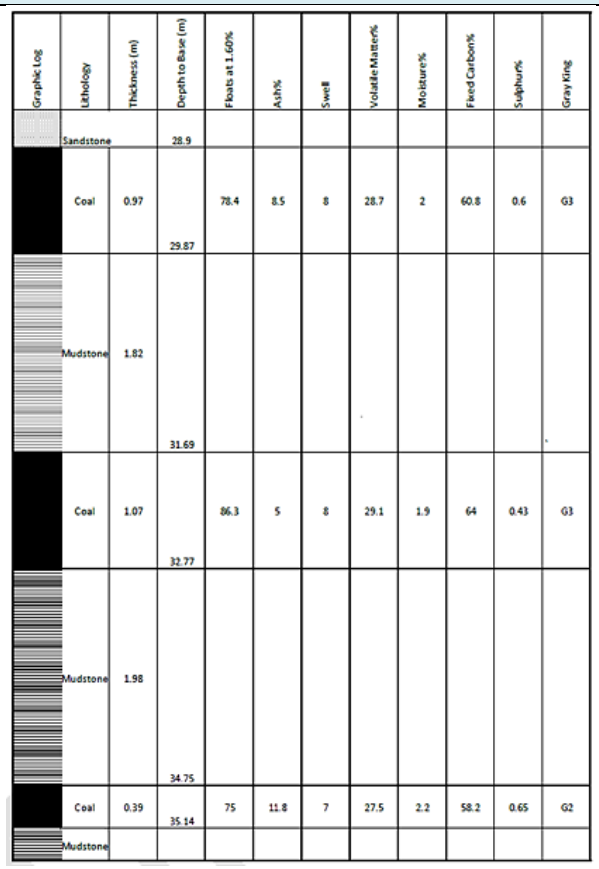
Criteria*JORC Code explanation*	Commentary
Mineral tenement and land tenure status: *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness 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*	Exploration Permit for Coal 1523 was granted to Conarco Minerals Pty Ltd on 20th July 2009 for a term of five (5) years and consisted of eighty-one (81) sub-blocks. In 2014 the tenement was renewed for five (5) years. The tenure was renewed again on the 20th July 2019 for a further five (5) years with the expiry due on 19th July 2024 (Table 3). After a series of relinquishments, the tenure currently consists of thirty (30) sub-blocks and covers an area of approximately 91.4km2. Conarco Minerals Pty Ltd assigned 100% interest in EPC 1523 to a joint venture partnership (JV) of Cliffs Australia Coal Pty Ltd (50%), Jacaranda Coal Limited (35%) and XLX Exploration Pty Ltd (15%). The joint venture partnership was operated under a management company, Currawong Coal Pty Ltd. In December 2012, 100% interest of the tenure was sold by the Currawong Joint Venture partnership to Fox Resources Limited. In November 2017 Fox Resources sold 50% share of EPC 1523 to Zimprops Coal Pty Ltd. The company is no longer publicly listed on the Australian Stock Exchange (ASX). In October 2019 Fox Coal Pty Ltd and Zimprops Coal Pty Ltd lodged an MDL application over EPC 1523 for a

Criteria/*JORC Code explanation*	Commentary
	term of five (5) years. MDL 3040 is currently awaiting approval of grant which is expected to be finalised late November 2020. In March 2020 Zimprops Coal Pty Ltd purchased 10% of Fox Coal Pty Ltd. On the 3rd August 2020 Fox Resources Limited and Zimprops Coal Pty Ltd purchased a 50% equal share of Gen Resources Pty Ltd who hold two (2) coking coal tenements EPC 2196 and EPC 2195 adjacent north and south respectively of MDL 3040 (Figure 2). EPC 2196 comprises of eight (8) sub-blocks adjacent MDL 3040 and is approximately 24km2 in area. One (1) sub-block is covered by the Urban Restricted Area RA384. EPC 2196 was renewed for a further five (5) years on the 27th of November 2019 and expires on the 24th February 2024. EPC 2195 comprises seven (7) sub-blocks adjoining to the south of MDL 3040 however it is totally covered by restricted areas (RA's) and all, but one (1) sub-block is covered by restricted area urban (RA 384). There are also two (2) restricted areas (RA 215 Kolan Weir over one (1) sub-block and RA 384 Urban Restricted Area over (1) sub-block) (Figure 1) in EPC 1523. EPC 2195 expires on the 28th April 2024. The Project area is located on the Queensland 1:250,000 scale geological series sheet SG56-2 Bundaberg, and on the Queensland 1:100,000 scale geological series sheet 9348 Bundaberg.
.	A native title claim has been lodged over the area by the Port Curtis Coral Coast Registered Native Title Claimants. A Cultural Heritage Management Agreement (CHMA) has been executed between Fox Resources Limited and Port Curtis Coral Coast Registered Native Title Claimants. There are no identified cultural heritage sites within the tenement. There are several environmental impediments and conditions that exist within the lease including several endangered regional ecosystems that require a 500m buffer around the identified sites. The accuracy or validity of the ERE's remains to be confirmed by modern mapping. The existing environmental Authority (EA) was successfully varied in March 2020 to allow some drilling within these buffers. The tenement is extensively covered by privately held farmland that is used for various crops including sugar cane and other vegetables along with small scale farming.

Criteria/*JORC Code explanation*	Commentary
Exploration done by other parties *Acknowledgment and appraisal of exploration by other parties.*	There has been coal exploration undertaken since the 1960s in the surrounding region which has targeted coal within the Burrum Coal Measures. Thiess Exploration in ATP79C (1969-CR2954) drilled core hole 76C-2 to a depth of 97.5m just outside the south-west corner of the area now covered by EPC 2195. This hole intersected two coal seams of 0.3m and 1.52m thickness at depths of 51.8m and 57.6m, respectively. No coal quality data was made available. Target Exploration in ATP82C (1970-CR3355) drilled sixteen (16) open and partly cored drill holes (TM series) within the area of EPC 1523. Coal seams between 0.21m and 1.68m thick were encountered however these thicknesses are based on non-geophysically logged open holes. Most drill holes intersected two (2) thin coal seams ranging from 0.09m to 1.58m apart. One of the cored holes, TM75K6 intersected three thin coal seams between 0.49 and 0.62m over an interval of 2.49m (Figure A2-1). The coal quality data indicates coking coal characteristics with the potential to be hard coking coal. Consolidated Gold Fields in EPC 88C (1971- CR3555) drilled three (3) open holes and two (2) core holes just outside the north-west corner of EPC 2196. Cored borehole CGA_3 was drilled to a depth of 67.8m intersected three coal seams as shown in Figure A2-2. The cumulative coal thickness is 2.44m. The coal quality data presented in this figure demonstrates the coking properties of the coal seams within the Burrum Coal Measures. ***Figure A2-1: Coal Quality for Borehole TM75K6***  *Source: modified after Target Exploration (1970)*

Graphic Log	Lithology	Thickness (m)	Depth to Base (m)	Floats at 1.60%	Ash%	Swell	Volatile Matter%	Moisture%	Fixed Carbon%	Sulphur%	Phosphorous%
	Sandstone		72.45								
	Coal	0.49	72.94	77.3	7.1	9	29.9	2.6	60.4	0.67	0.006
	Mudstone	0.28	73.22								
	Coal	0.62	73.84	78	10.2	8	26.9	3.3	59.6	0.6	0.005
	Mudstone	0.55	74.39								
	Coal	0.55	74.94	96.5	12.4	7.5	27.2	3.2	57.2	0.61	0.093
	Mudstone										

Criteria/*JORC Code explanation*	Commentary
	The Gray King Coke Index of G2 to G3 indicates the coal would be potentially suitable for coke manufacture. The second core hole CGA_5 drilled only 200 metres and down dip from CGA_3 also intersected three relatively thin coal seams. The cumulative coal thickness was 1.2 metres. This thickness variation was considered by Consolidated Goldfields to be due to the lenticular nature of the coal seams. Coal Exploration has also been carried out by Booyan Coal Pty Ltd (EPC 969), Waratah Coal (EPC 1268) and TerraCom Limited (EPC 1872), where mapping, drilling and laboratory analyses were carried out, however tenure Final Reports detailing exploration programs have yet to be made open file for EPC 969. ***Figure A2-2: Coal Quality for Borehole CGA_3***

Criteria/*JORC Code explanation*	Commentary
	 *Source: Modified after Consolidated Gold Fields (1971)*
Geology *Deposit type, geological setting, and style of mineralisation.*	The coal is hosted in the Cretaceous Burrum Coal Measures. Structure in the area is dominated by the Bundaberg Anticline, whose north-trending axis passes to the west of the EPC.
Drill hole Information *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth*	All information relating to the boreholes including the easting, northing, elevation, along with the total depth of the hole is contained within Table A2-1. ***Table A2-1: Borehole Collars*** **HOLEID** / **EASTING** / **NORTHING** / **RL** / **TOTAL DEPTH** BH76-2 / 422,432.00 / 7,251,118.00 / 36.65 / 97.54 BOO1C / 412,598.00 / 7,266,519.00 / 31.32 / 100.00 BR1 / 421,784.85 / 7,249,905.03 / 43.06 / 144.00 BUN001P / 415,139.41 / 7,265,286.50 / 10.45 / 348.51 BUN002P / 407,183.21 / 7,264,019.64 / 38.99 / 347.08 BUN003P / 405,589.79 / 7,268,240.63 / 45.53 / 299.94 BUN004P / 407,116.91 / 7,271,701.12 / 35.50 / 350.00

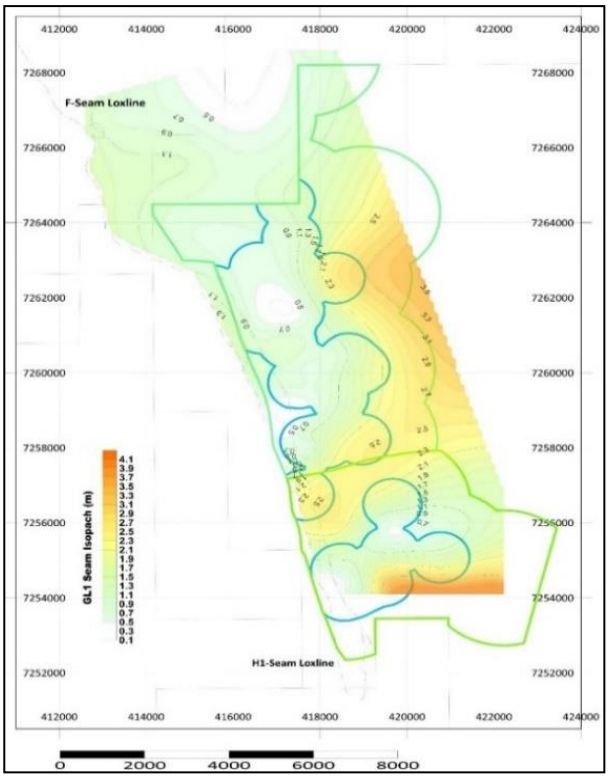
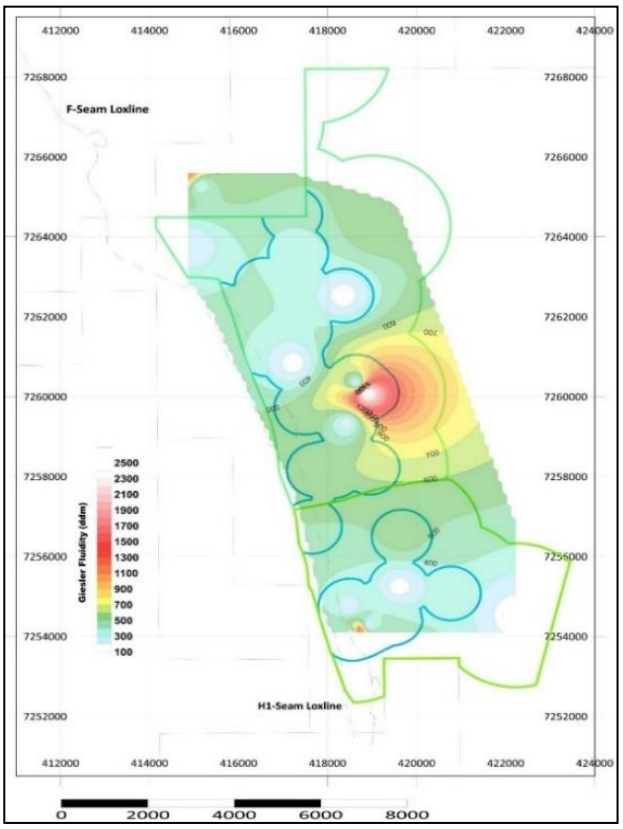
Criteria/*JORC Code explanation*	Commentary

- *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.

BUN005P	405,461.21	7,254,002.85	50.19	143.00
BUN006C	415,139.35	7,265,289.71	10.26	271.51
BUN007P	406,076.82	7,244,689.54	41.68	350.00
BUN008P	416,153.55	7,266,851.99	1.47	420.00
BUN009P	414,863.90	7,265,598.23	8.55	348.00
BUN010C	414,862.02	7,265,593.42	8.83	269.95
BUN011C	416,157.21	7,266,855.71	2.72	431.64
BUN012PR	417,651.90	7,268,589.00	6.80	800.00
BUN013P	417,206.00	7,264,553.00	10.42	375.00
CGA_3	412,806.03	7,266,561.92	30.78	67.06
CGA_5	412,914.84	7,266,751.55	30.18	85.34
FX1P	418,946.73	7,258,220.58	29.80	236.00
FX2P	418,354.73	7,262,525.90	11.54	349.18
FX3P	419,012.10	7,264,283.17	24.17	468.63
FXBU001R	416,587.00	7,262,798.00	27.00	251.00
FXBU003	416,431.00	7,261,651.00	29.60	298.73
FXBU004	416,760.84	7,261,386.65	29.80	134.00
FXBU005	415,984.85	7,261,467.65	31.50	304.00
FXBU006	419,002.22	7,260,282.56	28.80	406.00
FXBU006Q	418,886.00	7,260,091.00	28.90	292.21
FXBU010	415,644.85	7,262,373.65	32.40	232.00
FXBU011	417,246.88	7,260,834.56	10.74	156.33
FXBU012	420,764.25	7,255,072.82	47.34	203.00
FXBU013	414,939.35	7,263,844.74	51.25	121.25
FXBU014	417,336.87	7,263,592.71	10.30	342.31
FXBU015	418,695.44	7,260,348.79	51.96	306.40
FXBU016	418,430.83	7,259,335.51	32.77	192.19
FXBU016L	418,435.00	7,259,340.00	32.00	177.80
FXBU017	417,645.15	7,256,742.32	22.44	60.00
FXBU018	419,624.59	7,256,462.29	9.22	192.30
FXBU019	418,711.52	7,254,149.63	27.85	84.16
FXBU020	419,418.58	7,254,493.38	30.57	138.18
FXBU020G	419,408.00	7,254,485.00	30.00	114.13
FXBU021	417,930.90	7,253,746.24	13.04	50.00
FXBU022R	422,228.84	7,254,528.19	47.33	270.00

Criteria/*JORC Code explanation*	Commentary
	FXBU023 | 423,818.61 | 7,254,604.09 | 47.31 | 343.00 TM57K5 | 419,237.79 | 7,254,437.76 | 37.77 | 121.92 TM58K5 | 418,924.55 | 7,254,274.87 | 38.76 | 85.34 TM62K5 | 418,552.84 | 7,254,095.28 | 40.28 | 60.96 TM64K5 | 419,605.32 | 7,255,239.65 | 36.15 | 152.40 TM67K5 | 418,497.61 | 7,254,731.36 | 30.00 | 64.00 TM71K6 | 418,122.44 | 7,258,128.94 | 30.00 | 140.20 TM73K6 | 417,512.49 | 7,259,723.07 | 31.27 | 128.02 TM75K6 | 417,760.22 | 7,258,162.64 | 34.03 | 74.98
Data aggregation method *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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.*	Geological logging of the core generally has confirmed the thickness of the geophysically interpreted coal seams. There has been only a raw coal quality model constructed previously. Data from EPC 2196 (BUN006C, BUN010C, BUN011C) has been combined into the existing model, and a new clean coal composite quality model was constructed using historical and Fox Resources holes. Seam ply data was composited using a set of rules but generally the composites are based on mass x thickness.
Relationship between mineralisation widths and intercept lengths *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 (e.g 'down hole length, true width not known').*	The boreholes in this program were planned to be vertical holes and based on the interpreted strike and dip of the geological units from the drilling in the adjacent tenement and the stratigraphic correlation diagram presented in the previous ASX release suggests that the true width west-northwest is interpreted as being >95% of the down hole intersection width. Borehole deviation tools have been run and shown that all boreholes deviate by amounts varying between 1-7 degrees from vertical, with most deviations having a dip direction of northwest.
Diagrams *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*	Please refer to Figure A3-1 in Section 3 for map of Borehole Locations. Figure A2-4 shows a thickness Plot for the GL1 seam. Figure A2-5 display contours for the clean coal composite of Geisler fluidity for the GL1 seam.

Criteria/*JORC Code explanation*	Commentary
limited to a plan view of drill hole collar locations and appropriate sectional views.	***Figure A2-4 GL1 Seam – Thickness Isopach (m)***  ***Figure A2-5 GL1 Seam – CCC Geisler Fluidity (ddm)*** 

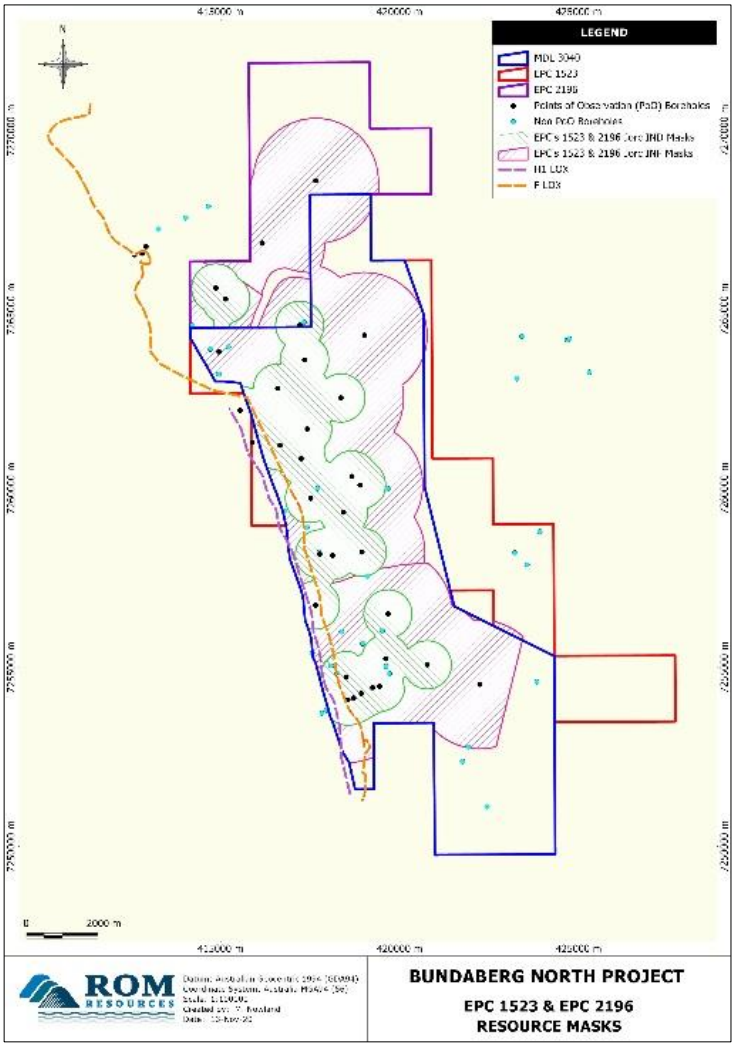
Criteria*JORC Code explanation*	**Commentary**
Balanced reporting *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.*	All exploration results within the Bundaberg area have been reported. Most historical holes have been used in the construction of the geological model however only historical holes that contain coal quality analysis have been used as Points of Observation in the resource estimation.
Other substantive exploration data *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.*	The modelling report (Biggs 2019) contains all the data and assumptions used. A major dataset was provided by the 2019 Exploration Program in EPC 1523 which included: 1. Lithological Logging to CoalLog standards. 2. Downhole geophysics. 3. Coal quality – raw ply and clean coal composite analyses. 4. Geotechnical analyses. 5. Desorbable gas content and composition. 6. Spontaneous combustion. 7. Water sampling (pH, EH and major cations).
Further work *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further drilling and several 2D seismic survey lines are required within the Bundaberg North Project to convert the reported Inferred and Indicated resources to a higher confidence class. Enough information existed to create a working section model in April 2020 which has input into mining design studies and a Scoping Study which is inprogress.

Section 3: Estimation and Reporting of Mineral Resources

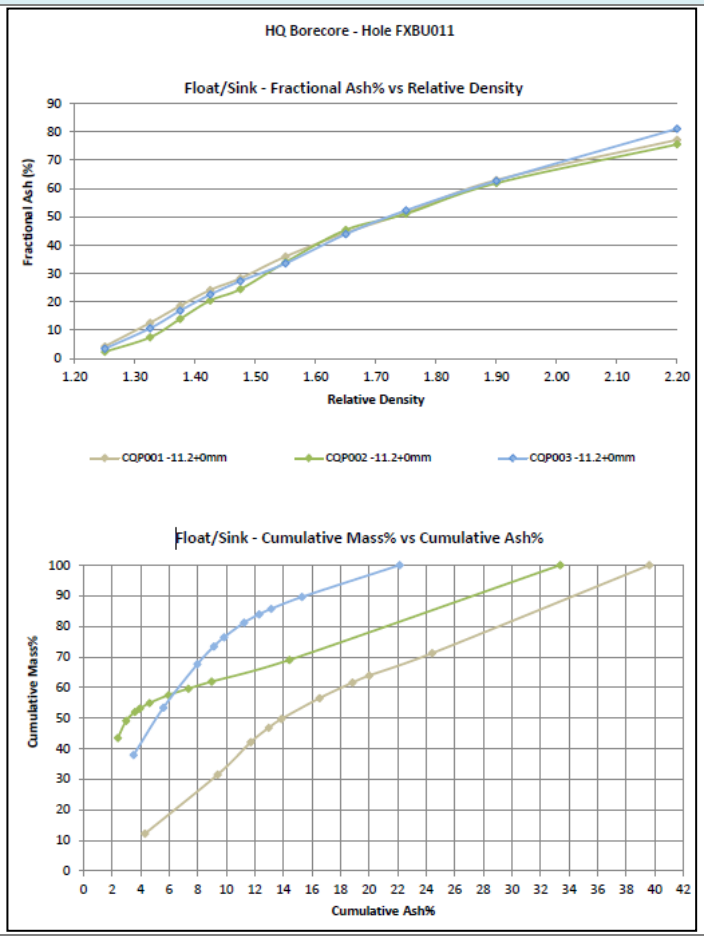
(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

CRITERIA / JORC Code Explanation	COMMENTARY
Database integrity *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 relevant borehole data has been loaded into a Datamine Minescape GDB database prior to modelling. Database inbuilt validation processes and pre-set parameters were applied to the dataset. All errors identified were corrected prior to loading or during the loading process to the software.
Site visits *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	Mark Biggs visited the site in 2013 for the purposes of drill planning reconnaissance. He has previously modelled coal seams in the Burrum Coal measures for other companies exploring in this area.
Geological interpretation *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.*	A methodology for modelling the deposit appropriately to meet the 2012 JORC Code was devised and involved identifying "coaly" piles out of the full geological sequence, based on the long and short–spaced down-hole geophysical density logs and assigning a composite relative density to each ply. Stringent cut-off parameters were applied to the coal plies thus: • <0.5m excluded (for reporting). • >1.75kg/m^3 relative density (air dried basis) excluded. • >55% raw ash excluded. • Plies above the base of weathering excluded • >520m depth below the ground surface excluded. From the cross correlations established (e.g. wet insitu relative density vs raw volatile matter) it is objectively possible to estimate a range of raw coal quality parameters, based on correlations of tenement laboratory data. This data was loaded into Minescape mine planning system software from which geological grid models were constructed. Validation of the compiled data, and models, was completed at the relevant stages. Initial coal quality modelling was on a raw ply basis. A full set of completed clean coal analysis were later loaded in November 2019. The geological model was progressively updated to match the existing borehole data. Modelling cut-offs applied were seam thickness greater than 0.05m and the maximum search distance was 5000m. Seam structure and thickness contours were generated using standard modelling algorithms and methodologies. Inferred masks were generated from base circles drawn 3,500m between Points of Observation, and for Indicated base circles of 1,300m diameter were used.
Dimensions *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 coal extends along approximately 5,000m along strike and approximately 3,000 m perpendicular to strike with an approximate average cumulative thickness of 7m across three working sections. The depth of first coal ranges from 36 m in the west and 560 m in the east. Different levels of variability in seam thickness and raw coal quality are seen in the different seams estimated.

CRITERIA / JORC Code Explanation	COMMENTARY
Estimation and modelling techniques *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 (e.g. 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.*	Constraints on the Resource Estimates are as follows. • Coal seams not intruded or outside the tenement boundaries of EPC 1523 and EPC 2196. • Coal Thickness <0.5m excluded. • The Depth range of the estimation was from the base of weathering to 350m below surface. • Coal seams >55% adb from coal quality or estimated from downhole density logs (in g/cc) excluded from the calculations. • Points of Observation (Table A3-1 and Figure A3-1) were defined as those boreholes that had known surveyed positions, detailed lithological logs and coverage of the target coal seams with a suite of downhole geophysical logs that must include density in units of Kg/m^3. • Tonnages are calculated as seam area x thickness x density over the extent of the mask for the seam. ***Table A3-1: Bundaberg North – Points of Observation*** Borehole | Easting | Northing | LAS | CQ | Lab | Date Reported BOO1C | 412598 | 7266519 | N | Y | CCI | 30/7/2007 BUN001P | 415139.4 | 7265286.5 | Y | N | - | - BUN006C | 415139.4 | 7265289.7 | Y | Y | BV | 18/01/2013 BUN008P | 416153.6 | 7266852 | Y | N | - | - BUN009P | 414863.9 | 7265598.2 | Y | N | - | - BUN010C | 414862 | 7265593.4 | Y | Y | BV | 22/02/2013 BUN011C | 416157.2 | 7266855.7 | Y | Y | BV | 26/03/2013 BUN012PR | 417651.9 | 7268589 | Y | N | - | - BUN013P | 417206 | 7264553 | Y | N | - | - CGA_3 | 412806 | 7266561.9 | N | Y | ACIRL | 20/11/1970 CGA_5 | 412914.8 | 7266751.6 | N | Y | ACIRL | 20/11/1970 TM57K5 | 419237.8 | 7254437.8 | N | Y | ACIRL | 21/12/1970 TM58K5 | 418924.6 | 7254274.9 | N | Y | ACIRL | 21/12/1970 TM62K5 | 418552.8 | 7254095.3 | N | Y | ACIRL | 21/12/1970 TM64K5 | 419605.3 | 7255239.7 | N | Y | ACIRL | 21/12/1970 TM67K5 | 418497.6 | 7254731.4 | N | Y | ACIRL | 21/12/1970 TM71K6 | 418122.4 | 7258128.9 | N | Y | ACIRL | 21/12/1970 TM73K6 | 417512.5 | 7259723.1 | N | Y | ACIRL | 21/12/1970 TM75K6 | 417760.2 | 7258162.6 | N | Y | ACIRL | 21/12/1970 FXBU001 | 416589.23 | 7262799.66 | Y | N | - | - FXBU003 | 417422.43 | 7261656.39 | Y | N | - | - FXBU004 | 416651.78 | 7261202.53 | Y | N | - | - FXBU005 | 415877.23 | 7261277.01 | Y | N | - | - FXBU006Q | 418886.36 | 7260089.65 | Y | Y | BV | 20/08/2018 FXBU010 | 415538.59 | 7262184.38 | Y | N | - | - FXBU011 | 417246.88 | 7260834.56 | Y | Y | Mitra PTS | 20/08/2019 FXBU012 | 420764.25 | 7255072.82 | Y | N | - | - FXBU013 | 414955.21 | 7263817.23 | Y | Y | Mitra PTS | 20/08/2019 FXBU014 | 417336.87 | 7263592.71 | Y | Y | Mitra PTS | 15/07/2019 FXBU015 | 418656.13 | 7260339.66 | Y | Y | Mitra PTS | 20/08/2019 FXBU016 | 418430.83 | 7259335.51 | Y | Y | Mitra PTS | 16/08/2019 FXBU017 | 417645.15 | 7256742.32 | Y | N | - | - FXBU018 | 419665.6 | 7256497.1 | Y | Y | Mitra PTS | 16/08/2019 FXBU019 | 418711.52 | 7254149.63 | Y | Y | Mitra PTS | 16/08/2019 FXBU020 | 419432.8 | 7254478.75 | Y | Y | Mitra PTS | 16/08/2019 FXBU022 | 422228.84 | 7254528.19 | Y | Y | Mitra PTS | 01/08/2019 FXP1 | 418946.73 | 7258220.58 | Y | N | - | - FXP2 | 418354.73 | 7262525.9 | Y | Y | PREPLAB | 30/10/2018 FXP3 | 419012.1 | 7264283.17 | Y | Y | PREPLAB | 31/10/2018

CRITERIA / JORC Code Explanation	COMMENTARY
	Figure A3-1: Bundaberg North – New Resource Masks 
Moisture *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	As no Moisture Holding Capacity (MHC) has yet been analysed, a derived moisture, based on coals from similar basins and rank in Australia was used.
Cut-off parameters *The basis of the adopted cut-off grade(s) or quality parameters applied.*	Maximum Raw Ash Percentage - A maximum raw ash percentage of 55 %, air dried basis, has been applied to the Resource Estimate.
Mining factors or assumptions *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*	At this stage of project development there are no limiting environmental factors. It is also too early in the evaluation process to discuss mining methods and mining dilution. However preliminary investigations suggest that a viable underground mining working section is possible from varying combinations of the GU, GL1 and GL2 seams, which infers that parting of 0.3-0.7m will be included in the working section.

CRITERIA / JORC Code Explanation	COMMENTARY
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.	Mining by bord and pillar methods is possible; but at this early stage it is not possible to speculate on the economic, technical, or environmental aspects for potential longwall mining. A Scoping Study addressing those issues is in progress.
Metallurgical factors or assumptions *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.*	Washability testing suggests that for primary product yields for a 10% ash product vary between 50-65% depending upon the amount of non-coal parting material contained within the seam. A typical ash-yield curve is shown below, in Figure A3-2): ***Figure: A3-2 Ash Yield Curves for FXBU011, seams GU, GL1, GL2***

CRITERIA / JORC Code Explanation	COMMENTARY
	
Environmental factors or assumptions *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 green fields 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.*	Not applicable, too early in the project.
Bulk density *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the*	Due to the lack of Total Moisture and Moisture Holding Capacity analysis for the project it was decided to use a standardised insitu (wet) relative density lookup table for each seam. These were based on averages of the air-dried laboratory analyses of relative density x 0.85 to approximate a

CRITERIA / JORC Code Explanation	COMMENTARY
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.*	Preston and Sanders calculation of insitu relative density.
Classification *The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (i.e. 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.*	Only two (2) Resource categories have been identified in the Bundaberg North deposit area due to the level of confidence in the seam structure and continuity plus the level of variability in the coal quality data. The only seams in the tenure that exceed 1m thickness, in places are the Y2, B1, B2, B3, E3, F, GU, GL1, GL2 and H1 seams. The Y2 and B2 seams are excluded due to insufficient points and the remaining seams have less variability in their structure and continuity, and raw coal quality data, leading to a moderate to high confidence in the seam data. Notwithstanding this, distances between Points of Observations were set conservatively, especially for the Inferred Resource category, as follows: • Inferred – 3,500 m (distance between PoO's). • Indicated - 1,300m (distance between PoO's).
Audits or reviews *The results of any audits or reviews of Mineral Resource estimates.*	An audit of this Resource Estimate was conducted as part of a 2015 Valmin Code Valuation carried out by Castle (2018).
Discussion of relative accuracy/ confidence *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*	No detailed geostatistical studies have carried out yet on the Bundaberg North deposit, but nearest neighbour and other univariate statistical studies of the GL2 Floor data highlighted that the RMS nearest-neighbour spacing was 575m and that likely relative errors on the volumes calculated likely to be in the range of 30 -40%, which is consistent for Inferred Resources. There has been no production to compare the estimate to.

CRITERIA / JORC Code Explanation	COMMENTARY
relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	