

ASX Announcement

17 March 2014



ASX Code: VKA

New 38.3Mt resource for Merger Company's Mongolian coal project

A new coal resource of 38.3 Mt has been reported for one of the principal projects in Mongolia, owned by unlisted Auminco Mines Ltd (Auminco), the subject of an agreed merger with Viking Ashanti Limited (ASX: VKA).

Viking Ashanti announces the Indicated and Inferred coal resource estimate, classified in accordance with the JORC (2012) Code, for Auminco's 100% owned Berkh Uul coal project in northern Mongolia.

The resource estimate, completed for Auminco by internationally recognised consultancy RungePincockMinarco Ltd (RPM), totals **38.3 Mt of which 21.4Mt is Indicated and 16.9Mt classified as Inferred for the Berkh Uul deposit.**

Berkh Uul is located 400 km north of Ulaanbaatar in northern Mongolia in the Orkhon-Selege coal district and within 20km of the Russian border (Figures 1 and 2). The project is 40km from rail access to domestic and Russian off-take markets, in close proximity to water, infrastructure and transport.

The new resource estimate is based on geological, geophysical, drilling and coal quality information available up to February 2014. It includes results from 45 diamond drill holes, completed by Berkh Uul's previous Russian owners, and Auminco.

The resource model has outlined multiple shallow dipping sub-parallel coal seams on the eastern limb of a gently folded syncline, with individual seams varying from 0.6 to 4.5 metres thick over a strike length of 3km, extending to a maximum depth of 200 metres below surface (Figure 3).

The coal is bituminous in rank (ASTM classification) with average in situ quality as follows: Total Moisture 19.8%, Calorific Value 5,323 kcal/kg (air dried basis, adb), Ash 15.5% (adb), and Total Sulphur 0.37% (adb).

The Berkh Uul resource is reported by resource category and seam group in Table 1. The JORC Code reporting criteria and input parameters used for the resource estimate are summarised in Appendix A.

Viking Ashanti Chairman Mr Jack Gardner:

“Berkh Uul provides a perfect start up project in Mongolia for the merged entity, with anticipated low capital cost, low initial operating cost and no infrastructure needs. Close to the Russian border and with rail access within 40 km, the existing Mongolian and Russian markets for our good quality, unwashed coal are readily available. We expect that the resource will be increased by further step-out drilling, which would provide the basis for a long life open cut mining operation”.

Exploration Upside

The Berkh Uul deposit remains open along strike to the south and down dip to the west (Figure 4).

RPM has estimated an exploration target covering the area down dip beyond the current resource boundary, where future planned exploration drilling will be concentrated in the next 12 months. A further extrapolation of 1,000m from points of observation has been applied for estimating an exploration target range of zero up to 23 Mt. It is likely that the quality of the exploration target tonnages will be similar to that of the estimated resource. The potential quality and quantity of coal in this exploration target is conceptual in nature, there has been insufficient exploration to define a coal resource and it is uncertain if further exploration will result in the determination of a coal resource.

In addition, step-out drilling, planned to be completed in the next 12 months, along strike to the south will target near surface extensions of the current resource, where approximately 2 strike km of the prospective coal horizons have yet to be drill tested.

ENDS



Peter McMickan
Managing Director

Competent Persons Statement: The information in this Public Report that relates to the Exploration Results of Auminco Mines Limited is based on information compiled by Mr Matt Morgan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Morgan is a full time employee of Auminco Mines Ltd. Mr Morgan has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Morgan consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The information in this Public Report that relates to the Berkh Uul Coal Resource and Exploration Target of Auminco Mines Limited is based on information compiled by Mr Brendan Stats, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Stats is a full time employee of RungePincokMinarco Ltd. Mr Stats has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Stats consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Forward Looking Statements: This document may include forward looking statements. Forward looking statements may include, but are not limited to statements concerning Viking Ashanti Limited's planned exploration programs and other statements that are not historical facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward looking statements. Although Viking Ashanti Limited believes that its expectations reflected in these forward looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward looking statements.

Table 1: Berkh Uul Indicated and Inferred Resource Estimate (February 2014)

Berkh Uul JORC (2012) Coal Resource (million tonnes in situ)					
Resource type	Seam	Measured	Indicated	Inferred	Total
Open Cut	1	–	4.4	3.5	7.9
	2	–	2.6	0.3	3.0
	OC subtotal	–	7.0	3.9	10.9
Underground	1	–	8.2	8.3	16.5
	2	–	6.2	4.8	10.9
	UG subtotal	–	14.4	13.1	27.4
Grand Total		–	21.4	16.9	38.3

Sum of columns may not equal the total due to rounding

Berkh Uul JORC (2012) Coal Resource Quality										
Resource type	category	Seam	TM (%)	IM (%)	Ash (% adb)	VM (% adb)	FC (% adb)	TS (% adb)	CV (kcal/kg adb)	Rdis
Open Cut	Ind	1	20.8	13.5	14.4	32.6	39.5	0.34	5373	1.35
		2	21.0	13.7	9.8	34.9	41.6	0.35	5693	1.31
		subtotal	20.9	13.6	12.7	33.4	40.3	0.34	5493	1.33
	Inf	1	18.9	12.0	20.1	30.9	37.1	0.37	5011	1.39
		2	20.9	13.8	10.0	34.5	41.7	0.37	5684	1.32
		subtotal	19.1	12.1	19.2	31.2	37.5	0.37	5066	1.38
	OC subtotal		20.3	13.1	15.0	32.6	39.3	0.35	5342	1.35
Underground	Ind	1	18.9	12.2	18.8	31.3	37.8	0.34	5110	1.38
		2	20.9	13.7	10.3	33.9	42.0	0.42	5681	1.32
		subtotal	19.7	12.8	15.2	32.4	39.6	0.37	5355	1.35
	Inf	1	18.7	12.0	19.6	31.0	37.4	0.35	5050	1.39
		2	21	13.8	10.6	33.8	41.8	0.43	5657	1.32
		subtotal	19.6	12.6	16.3	32.0	39.0	0.38	5272	1.36
	UG subtotal		19.6	12.7	15.7	32.2	39.3	0.38	5313	1.36
Grand Total			19.8	12.8	15.5	32.3	39.3	0.37	5323	1.35

Sum of columns may not equal the total due to rounding

Note: Air Dried Basis(adb); TM- total Moisture; IM-Inherent Moisture; VM-Volatile Matter; FC – Fixed Carbon; TS- Total Sulphur; CV- Calorific Value; Rdis- in situ Relative Density.

Figure 1: Auminco Project locations in Mongolia

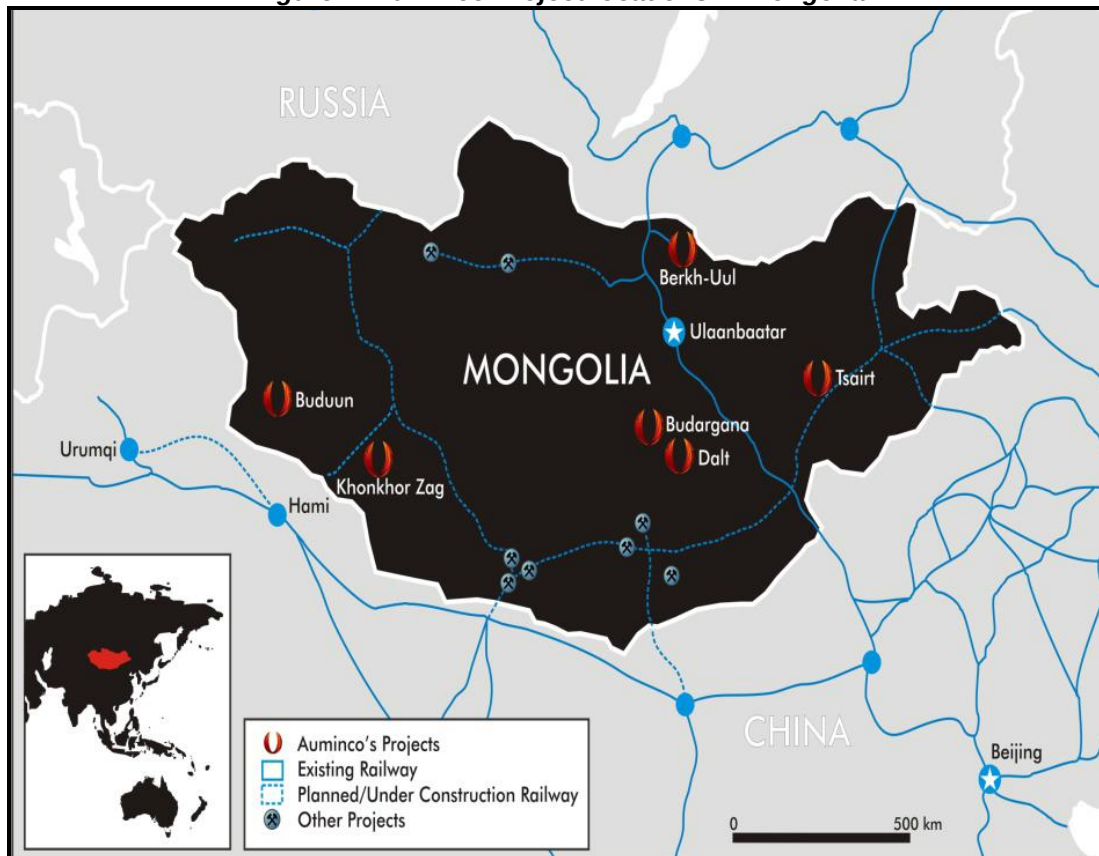


Figure 2: Berkh Uul Project Location

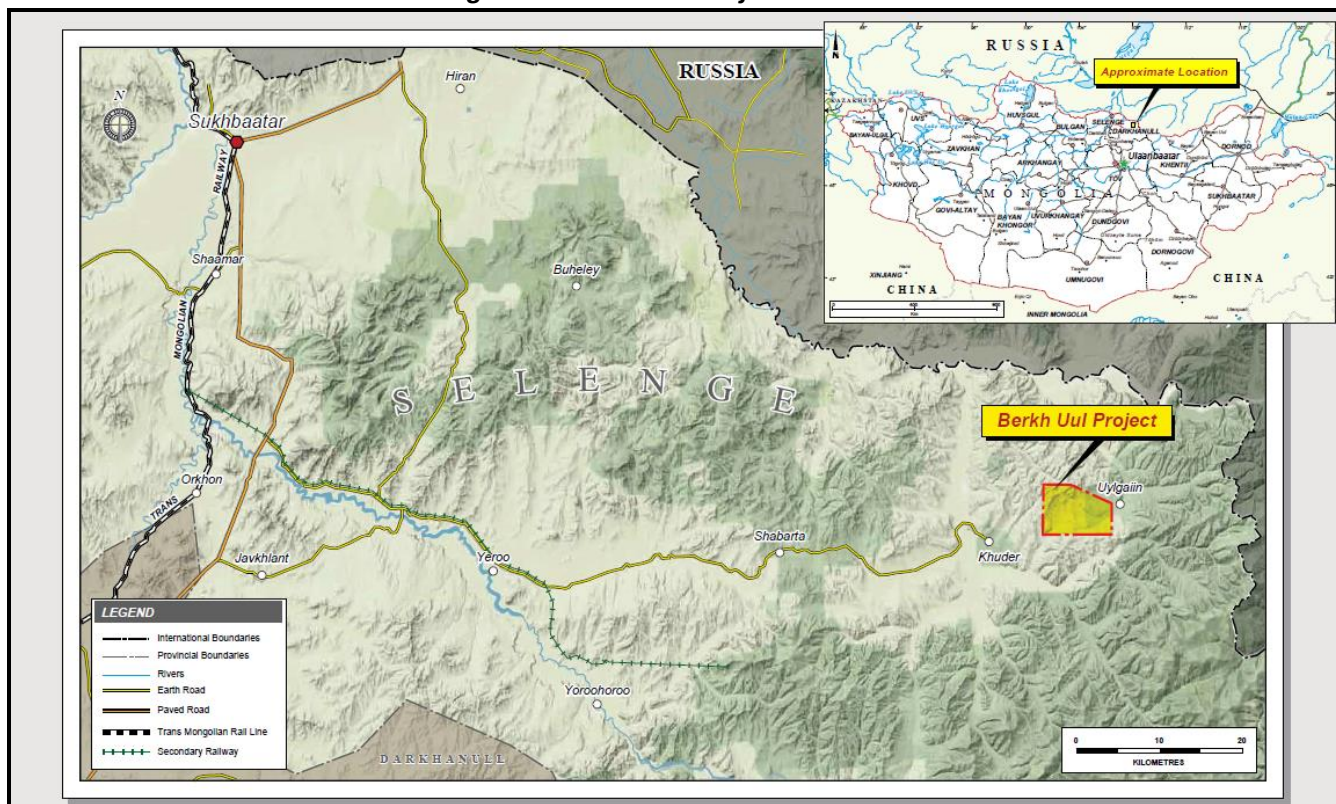


Figure 3: Berkh Uul Typical Cross Sections

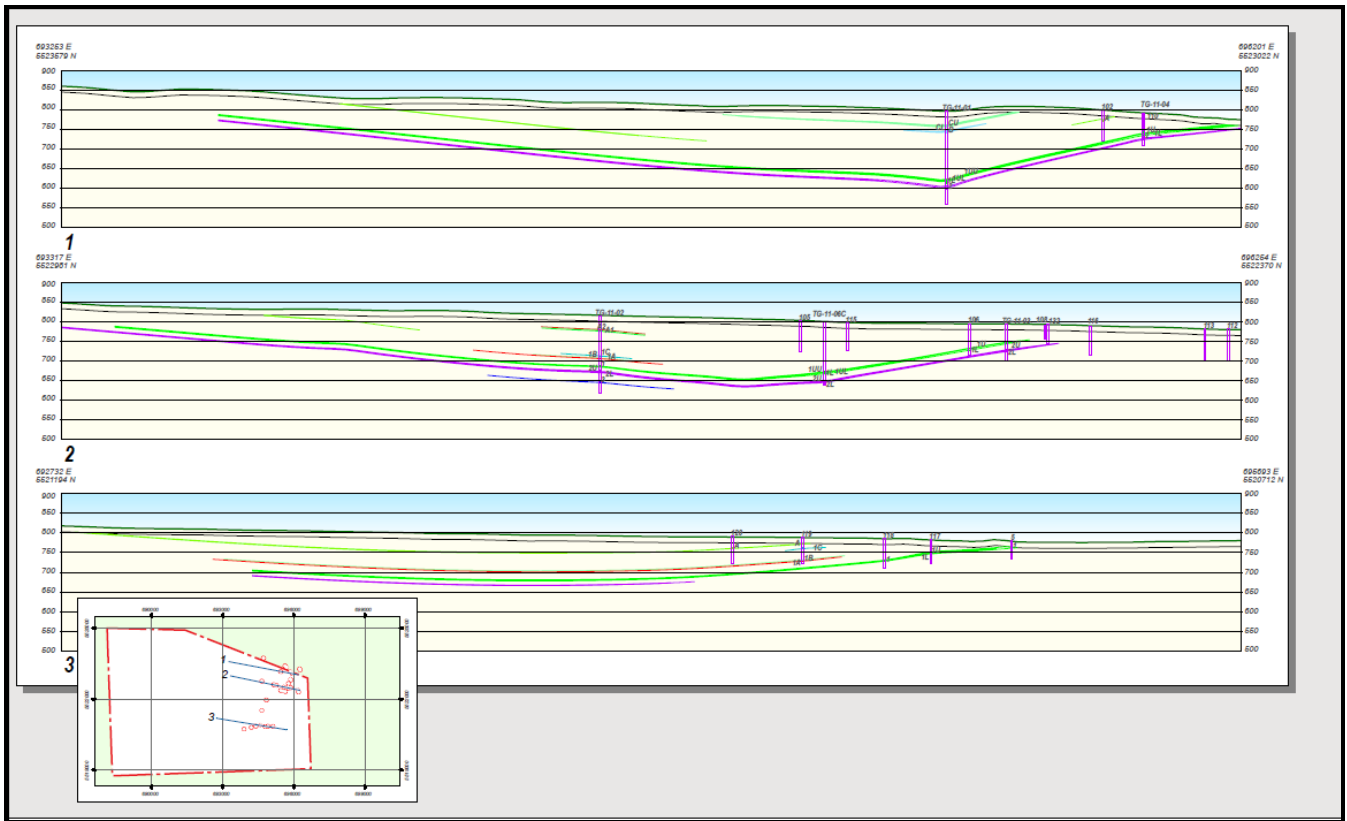
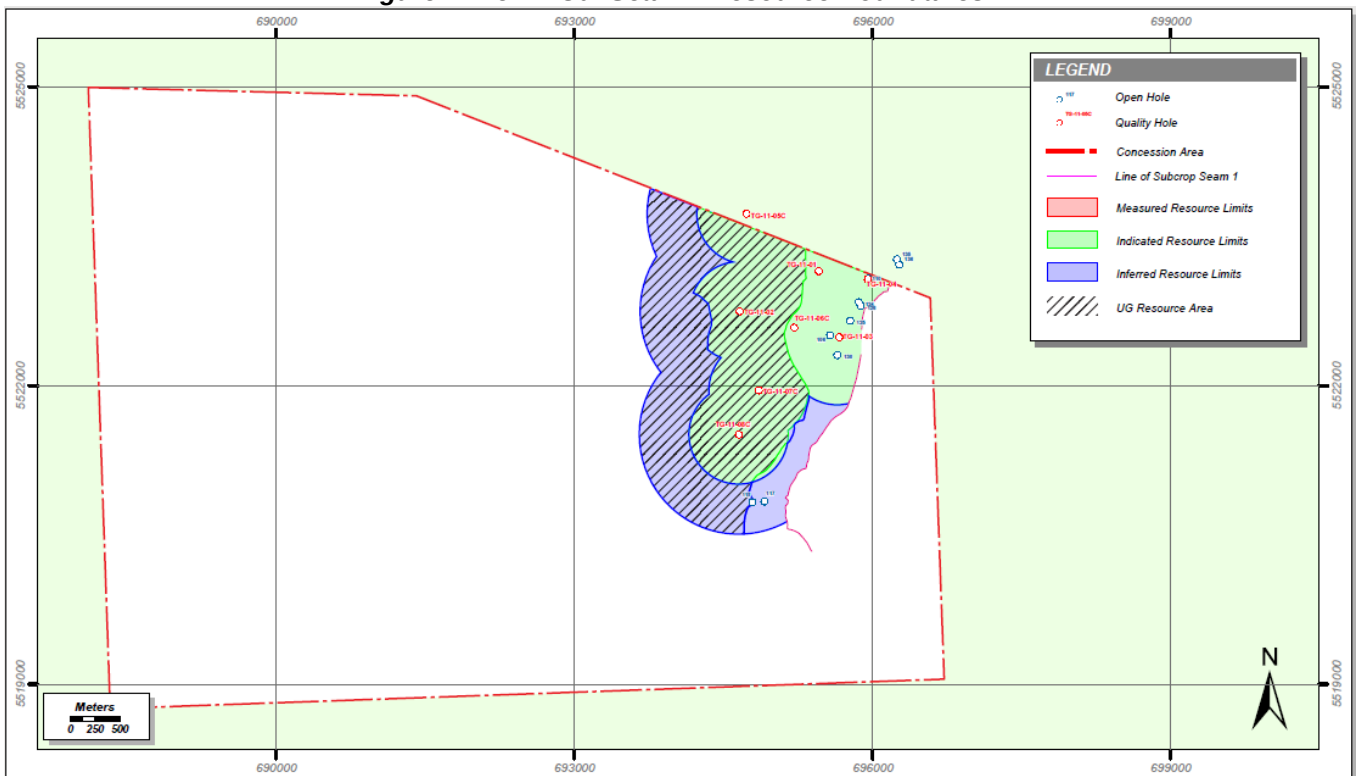


Figure 4: Berkh Uul Seam 1 Resource Boundaries



Appendix A- JORC Code Reporting Criteria (Table 1)

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- 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.	For the 8 drillholes completed in 2011 exploration drilling program: - Coal samples for coal quality testing have been collected from drill core on a sub-ply, ply and seam basis. - Samples comprised of the full recovered section of the ply or seam. - Sample depths were recorded and samples provided with unique hole and sample numbers. - Coal intervals are determined visually from lithological logging by qualified geologist(s) and cross referenced with down hole geophysics and coal quality test results. - The approach to coal sampling is considered industry standard for coal exploration in Australia and is suitable for this Project. The sampling techniques for drillholes completed in the 1980's cannot be confirmed. Subsequently samples from the older drilling program were not used in the Resources Estimate.
Drilling techniques	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).	- All 45 drillholes completed for the Project are fully cored drillholes. - Core has not been oriented.
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. - 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.	- To assess core recovery, drill core recovered is measured and recorded as a percentage of drilling depths. Core loss where observed is also recorded. The measured seam interval thickness is also reconciled with the interval thickness identified in the down hole geophysical logs which is used to confirm core recovery. - Core recovery for the drillholes completed as part of the 2011 exploration program is generally good and is not identified as a significant issue for the drilling program. However, samples from seam intervals with a recovery of less than 90% were excluded from being used as points of observations for Resources categorisation purposes as recommended in the '2003 Australia Guidelines for Estimation and Reporting of Inventory Coal, Coal Resources, and

Criteria	JORC Code explanation	Commentary
		Coal Reserves'.
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.	- Drill core has been logged to the centimetre scale in most core holes. Relevant geological information has been recorded and the level of detail is considered appropriate to support Mineral Resources Estimate and mining studies. - Lithological logging of drillcore is qualitative by nature as it is completed by individual geologist(s). - The total length of the drillhole is logged. More detail is collected in and around the coal intersections than non-coal interburden. - Logging standards are considered to be a reasonable standard.
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.	For the 8 drillholes completed in 2011 exploration drilling program: - The full coal interval has been sampled in all instances, as is industry standard practice for coal exploration. - Non-core samples have not been collected for testing as is industry standard practice for coal exploration. - After sampling, the coal samples are transported to a SGS coal quality testing laboratory and all sample preparation occurs at the laboratory. - Sample preparation and samples splitting for duplicate samples is completed by the laboratories using the appropriate industry standards based on the laboratories accreditation. - Sample sizes are appropriate for assessing raw coal qualities. To fully understand the product coal performance, large diameter or bulk samples are required for detailed washability, handling, sizing, and test burn.
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. - 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.	For the 8 drillholes completed in 2011 exploration drilling program: - All coal plies have been subjected to proximate analysis, which includes Ash, IM, VM, FC, and also standard RD, TS, and CV. The testing program is considered suitable for the assessment of coal qualities. - The assessment of coal quality is made exclusive from laboratory testing of core samples. Down hole geophysical surveys are not used to estimate coal quality. - Testing was completed at SGS laboratory in Ulaanbator to ISO17025 specifications. QAQC is completed to ensure coal quality results are suitable for JORC reporting.

Criteria	JORC Code explanation	Commentary
		The coal quality analysis is considered suitable for the purposes of estimating Coal Resources.
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.	- The 2011 Exploration program was carried out under the direction of Norwest Consulting. Drillhole records include downhole geophysics to verify the lithological logging. - Two drillholes from the 2011 exploration program were drilled adjacent to historical drillholes. The 2 drillholes support the reliability of the historical drilling in terms of seam position and thickness. Coal quality results from historical drilling were not relied upon. - Coal quality parameters are reported and stored on an air dried (ad) basis.
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.	- All drillhole locations used in the geological model were surveyed by Total Station. Drillhole coordinates were confirmed with hand held GPS during site visit by RPM geologists. - Spatial data stored in UTM coordinate system using WGS84 Datum Zone 48 north.
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.	- Drillhole spacing generally ranges from around 200 m to 600 m in the exploration area located in the north east corner of the license area. The closer spaced drilling is located near the seam subcrop. There is no drilling across most of the license areas. - The geology of the exploration area is reasonably well understood, with respect to the main seams although there are multiple thin intersections of coal that are not correlated between drillholes. - There is sufficient data for Resources estimation and Resources categorisation procedures to be applied.
Orientation of data in relation to 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.	- All drillholes have been drilled vertically. Based on the depth of historic drillholes typically being <80 m and recent holes generally <200m, any down hole deviation is not expected to be significant or affect the understanding of the geology materially. - The dip of the coal seams for the Project area is approximately 10° to the southwest, in the area where exploration had focussed. - Vertical drilling is considered the most suitable method of assessing the geology based on the current understanding of the deposit.
Sample	The measures taken to ensure sample security.	Sample security measures are not known by RPM. Sample security

Criteria	JORC Code explanation	Commentary
security		is not considered a significant issue.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	RPM reviewed the geological information and considers the 2011 exploration data to be suitable for the purposes of preparing a JORC compliant Resource estimate. The historical drillhole information can be used to help construct the structural model.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

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.	- Berkh Uul Project is located in the Khuder Soum, Selenge Province, in Northern Mongolia, 220 km to the north of the Mongolian capital Ulaanbaatar. - Berkh Uul consists of a single exploration license. The Mineral Resource Authority of Mongolia on behalf of the Mongolian Government initially granted exploration license 14753X to Mega Mines Mongolia LLC on the 24th of February 2009 and ownership was transferred to BRX on the 3rd of April 2012. The exploration license continues to be held by this company and is valid until the 24th of February 2015, with the option to extend for a further three years. Aumenco has acquired 100% ownership of BRX. - An independent review of site access issues was not conducted by RPM; however Aumenco has advised that there are no current significant land access issues, related to land compensation or forestry permits, which could impact on the Resources. An independent review of project permits was also not carried out; however Aumenco has advised that it has in place all the necessary regulatory permits for its operation.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	- Russian geologist completed 37 drillholes within the Project area in the 1980's. - Eight drillholes were drilled in 2011 by the Project owners under the direction of Norwest Consulting.
Geology	Deposit type, geological setting and style of mineralisation.	- Berkh Uul is a bituminous coal deposit occurring in the Orkhon-Selenge Coal Basin. - The deposit occurs within the Upper Jurassic - Lower Cretaceous age Shariin Gol Formation.
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 - hole length.	A total of 45 drillholes have been drilled in the Project area to February 2014 and used in this Resources Estimation. A summary of the drillhole information is presented in the Appendix 2 of the 2014 Berkh Uul Project Resource Report. Due to the number of drillholes and the number of seams, it is not practical to provide the seam intercepts in a report format. However, drillhole statistics are provided in the report which summarise the drillhole information on a seam basis. Also the drillhole information has been used to generate the geological model which is graphically represented in the Resource Report as a series of seam floor and thickness

Criteria	JORC Code explanation	Commentary
	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.	contours plots as well as cross sections.
Data aggregation methods	- 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.	Exploration results have been not reported. The available information has been used to produce a Resources estimate. Information material to the Resources Estimate is contained in the 2014 Resources Estimate Report.
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 (eg 'down hole length, true width not known').	The relationship between drillhole intercepts and seam thickness is understood from drilling that has been completed and from the construction of a geological model. Seam geometry is shown on seam floor contour plans in Appendix 3, and all drillholes are drilled vertical. Therefore the difference between apparent and true thickness of drillhole intercepts is immaterial and is taken into account in the geological model.
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 limited to a plan view of drill hole collar locations and appropriate sectional views.	- All drill hole locations and drillhole types are presented in Figure 1.2 of the 2014 JORC Resources Estimate Report. - Floor contours for each of the Seam Groups with Resources estimate are presented in Appendix 3 of the 2013 JORC Resource Estimate Report. - Cross Sections showing the geological interpretation of the deposit are shown in Figure 2.2.

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 information used to build the geological model was reviewed against original drillhole records in order to verify the geological data used as the basis of the Resources Estimate. - The lithological logs, down hole geophysical surveys and quality information were compared with the data in the database and no material errors were identified. - Basic drillhole and coal quality statistics tables were generated and reviewed. Simple regression analysis between coal qualities were completed on the coal quality data, and proximate results were reviewed for completeness. - The geological data is considered to be of a suitable standard and no material issues were identified.
Site visits	- 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.	- A site visit was not conducted by Mr Brendan Stats, the Competent Person for this report. RPM geologist Ganzorig Vanchig (Mongolian Geologist) and Merryl Peterson (Executive Consultant Geologist and Competent Person – Coal) previously conducted a sit visit to Berkhi Uul on the 15th of December 2011 in order to complete a 2012 Resources Estimate for the Project. - RPM understands that no further work has been completed on the Project subsequent to the site visit conducted on the 15th December 2011.
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.	- There is a reasonable confidence in the geological interpretation of the Project area with respect to the main seams included in the Resource Estimate. - There are numerous thin coal bands intersected in some drillholes which have not been correlated across the deposit. - Only a small area in the north east of the exploration license has been explored. - The area that has been explored appears to be a synclinal structure however the eastern flank is reasonable well explored but the western flank requires further exploration.
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 main seams are considered relatively consistent. There are broad trends in both seam thickness and quality that can be identified on the seam thickness contour and seam ash plans.
Estimation and modelling	The nature and appropriateness of the estimation technique(s)	Coal seams were identified from exploration drillholes by lithological logging by a competent geologist and cross referenced with down

Criteria	JORC Code explanation	Commentary
techniques	- 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.	- hole geophysical surveys and coal quality sample results. - Seam correlation across the drill holes was completed by RPM and the information was used to develop a geological model using Ventyx Minescape software by RPM in 2012. The geological model was used as the basis of the Resources estimation. - The geological data and geological model was reviewed and validated by RPM. - Resources were estimated by defining Points of Observation on a seam group basis and by defining resource confidence polygons around the Points of Observation for each seam group. - Points of Observation for Resources categorisation were defined as cored drill holes from the 2011 exploration program that recovered >90% of the seam sample and proximate coal quality data was available. - The distances between Points of Observation used to define the corresponding Resources categorisation polygons was based on the understanding and confidence in the geology of the site and the '2003 Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves'. The following distances between Points of Observation were used to define the resource categorisation: - Inferred Resources – up to 2000 m apart - Indicated Resources – up to 1000 m apart - Measured Resources – up to 500 m apart - Resources were then estimated from the geological model using areas defined by the Resources categorisation areas on a seam group basis. - This method is considered to be standard industry practise for estimating and reporting Coal Resources for Australian coal projects.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Resources are reported on an estimated in-situ moisture basis. The Preston Sanders equation (using Total Moisture for Total Moisture in-situ) was used to estimate in-situ Relative Density.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	- A minimum ply/seam thickness of 0.3 m for open cut and 1.2 m for underground was used for estimating Resources. - No cut off quality grades were applied as it was considered that the in-situ properties of the coal could be marketable.

Criteria	JORC Code explanation	Commentary
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 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.	- Open Cut Resources were identified where the cumulative strip ratio (coal tonnes/waste bcm) to the 2 seam was <10. Underground Resources were identified where the cumulative strip ratio to the 2 seam was >10. - A strip ratio of 10 was used to define potential underground and open cut resources based on a simple assessment of general revenue and mining costs for similar deposits in Mongolia. Further more detailed engineering studies would be required to determine potential mining methods employed. - Minimum ply/seam thickness criteria are based on the assumed mining method. - No dilution has been added to the Resources Estimate. Intra-seam partings >0.1m have not been included in the estimate of Resources.
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.	No washability data was available from exploration. The coal is considered marketable based on the insitu quality of the coal; however, it is recommended that washability data be collected in the future to determine the potential beneficiated product.
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 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.	An independent review of environmental issues was not conducted by RPM; however Auminco has advised that there are no current significant land access issues, related to land compensation or forestry permits, which could impact on the Resources. An independent review of project permits was also not carried out; however Auminco has advised that it has in place all the necessary regulatory permits for its operation.
Bulk density	- 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	Standard RD values are measured from coal samples at the coal testing laboratory. Samples are ground to -212 micron size thereby removing fissures and some pores, and air dried (i.e. retaining some but not all of its in situ moisture) and measuring the amount of liquid displaced by the coal, and relating it to the original weighed mass.

Criteria	JORC Code explanation	Commentary
	- 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.	- Standard RD values do not reflect the in-situ density of coal - Resources are reported on an estimated in-situ moisture basis, by correcting standard RD values to in-situ RD by using a variation of the Preston Sanders equation (using Total Moisture for Total Moisture in-situ). This results in a slightly lower RD value and corresponding Resources Estimate.
Classification	- 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.	- Mineral Resources have been classified based on suitable distances from Points of Observation. Points of Observation were defined as cored intersection of seams where core recovery was >90% and proximate testing was completed. Distances from Points of Observation used were based on the understanding of the geology. - The Competent Person is confident in the reliability of geological data and in the understanding of the geology including the continuity of the geology and coal quality. The estimate appropriately reflects the Competent Person's view of the deposit. The Resources identified can technically be mined using methods employed in the current mining industry however detailed consideration is required to effective resource recovery and economic extraction.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	Shaun Aysford, Principal Coal Geologist with RPM and a Competent Person for Coal Resources Estimation, peer reviewed the Resources estimation and found it to be satisfactory with no fatal flaws.
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 relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	- The geological data used in the Resources Estimate is considered to be of a suitable standard and has been validated by the Competent Person. - The geological model used for the Resources estimation has been built using industry standard software to a high standard and has been reviewed by the Competent Person. - Resources estimation has been completed using standard coal estimation methods which are considered appropriate for this deposit. - Resources have been categorised based on distances from Points of Observation. The Resource categories reflect the underlying confidence in the Resources over the Project area.

Criteria	JORC Code explanation	Commentary
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	

Section 4 Estimation and Reporting of Ore Reserves and Section 5 Estimation and Reporting of Diamonds and Other Gemstones of Table 1 are not completed in this report as they are not appropriate as no Ore Reserves have been reported and the deposit does not relate to Diamonds or other Gemstones at any point.

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