

Aquila complete feasibility study for Washpool coal mine

Aquila Resources has estimated its Washpool hard coking coal project in Queensland's Bowen Basin region will cost around \$320 million to develop.

The subsidiary established to develop the project, Washpool Coal, yesterday completed a feasibility study, which proposed an open cut operation.

According to the study, the mine could produce up to four million tonnes of run-of-mine coal per annum and up to 1.6 million tonnes of high-rank hard coking coal per annum over a mine life of 25 years.

The total development figure includes \$136 million to construct surface infrastructure, \$53 million for the coal handling preparation plant and \$23 million for power facilities.

The company said the surface infrastructure costs include all coal handling and preparation infrastructure, rail logistics, buildings and roads.

The study has also provided for \$51 million for engineering, procurement and construction management costs and \$42 million worth of contingency expenditure.

According to the company, the results also indicate the mine would be able to produce coal at a cost of \$106 per tonne over the first ten years.

This includes \$87 for mining and processing costs and \$19 for rail and port expenses.

The project has a total measured, indicated and inferred resource of 185.5 million tonnes, although the company believes there is potential for an additional resource in the south-west area of the mine.

The project is located around 260 km west of Rockhampton and 24 km north-west of Blackwater, near the Curragh and Ensham operations.

The coal would be exported from the proposed Wiggins Island Coal Terminal in Gladstone.

The company hopes to commence construction in 2012 and mine the first coal in early 2013.

