

## Aquila could produce 1,6Mt/y from A\$320m Washpool coal mine

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PERTH (miningweekly.com) – Diversified junior Aquila Resources would need to spend A\$320-million to bring its four-million ton a year Washpool coking coal project, in Queensland, into production, the company reported on Monday.

The feasibility study for the Washpool project has found that the resource base would support a production rate of 1,6-million tons a year of hard coking coal, over a 25-year life-of-mine.

The coal product would be exported through the proposed Wiggins Island coal terminal, in Gladstone.

Aquila said that subject to statutory approvals and the completion of further technical studies, the construction of the Washpool mine could start as early

as 2012, with the first coal to be mined during 2013.

“The feasibility study confirms the status of the Washpool hard coking coal project area as a major coking coal resource and provides confirmation that this resource is economically recoverable with opencut mining methods,” said Aquila executive chairperson **Tony Poli**.

The feasibility study has found that the Washpool operation could produce at around A\$106/t, and offered a net present value of around A\$364-million, at a discount rate of 10% and an internal rate of return of 30%.

The project is further estimated to host 185,5-million tons of indicated and inferred resource, but this resource base could possibly be extended in the south-east, where further drilling was planned. This could allow for a life-of-mine in excess of the anticipated 25-years, Poli said.

The Washpool product would be hard coking coal with very strong coking coal properties, and a higher-than-specification ash content. Poli noted that while the market acceptability of higher ash coking coal was growing, the marketing strategy for the project would have to target end-users with a view to developing blends with weaker low-ash coking coal.

Poli said that the feasibility study has now recommended that the project be progressed towards the definitive feasibility study phase.