

Aquila lifts Eagle Downs coal resource to 948Mt

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Published: 13th August 2010

PERTH (miningweekly.com) – Diversified miner Aquila Resources has upgraded the resource estimate at its Eagle Downs coking coal project, in Queensland, to 948-million tons.

This was up from the previously estimated 894-million ton resource.

The measured resource increased by 70% to 577-million tons while the measured and indicated resources has now increased by 52%, to 790-million tons, Aquila chairperson Tony Poli said on Friday.

A feasibility study for the Eagle Downs project has proposed an underground longwall operation, with an initial production of up to 4,6-million tons a year, increasing to eight-million tons a year once the second longwall is installed.

Aquila was currently in a dispute with Brazilian joint-venture (JV) partner Vale regarding the Eagle Downs project.

The mining companies' subsidiaries – Aquila Coal and Bowen Central Coal (BCC) – were disputing the capital works component of the proposed 2010/11 budget for the start of construction at Eagle Downs.

BCC wants the capital works component to be conditional on a feasibility study and the project participants making a decision to undertake mine development.

But Aquila Coal wants to include a clarification that the feasibility study should take into account port and rail logistics, in support of finance, while BCC is disputing the need to include this clarification.

The two companies are also arguing about the value of Aquila share in the Belvedere project, which Vale is acquiring, and were in court in March, when Aquila claimed for damages, after it issued a default notice to the Vale subsidiary in relation to the infrastructure arrangements for the Eagle Downs project.
