

Aquila says Washpool to cost \$320m

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Iron ore and coal miner Aquila Resources Ltd says its Washpool hard coking coal project in central Queensland will cost \$320 million to develop.

The Perth-based company released the cost estimate after completing a feasibility study for the project.

Aquila has started a definitive feasibility study for Washpool and expects to start constructing the mine in 2012 and produce first coal in early 2013.

The company expects Washpool will be an open cut mine producing 1.6 million tonnes per annum of coal over a mine life of 25 years.

Aquila says potential additional resources in the southeast area of the mine may allow for a mine life of more than 25 years.

Coal will be exported through the proposed Wiggins Island coal terminal at Gladstone.

The project, which is west of Wesfarmers Ltd's Curragh coal mine, has a total resource of 185.5 million tonnes in the measured, indicated and inferred categories of Australia's mineral reporting code.

Shares in Aquila were down 36 cents, or 4.79 per cent, at \$7.16 at 1142 AEST.