

Coking coal mine could produce 1.5m tonnes a year

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A feasibility study on a proposed mine in central Queensland has found it could produce more than 1.5 million tonnes of coking coal each year for 25 years.

Aquila Resources is proposing a \$320 million open-cut mining operation 24 kilometres north-west of Blackwater in the Bowen Basin.

The Washpool Hard Coking Coal project is expected to yield four million tonnes of coal a year with 1.6 million tonnes of high-rank hard coking coal.

Aquila says the study shows the area is a major coking coal resource that would be economically and technically viable.

It says the project has a predicted internal rate of return of 30 per cent and a mine life of 25 years.

The company says construction of the mine could commence in 2012 with the first coal mined early the next year, subject to statutory approvals and further technical studies.

Aquila Resources says it is moving forward with the project, finalising the terms of reference for an environmental impact statement.

Under the plan, the coal would be exported from the proposed Wiggins Island Coal Export Terminal at Gladstone.

Washpool Coal, a wholly owned subsidiary of Aquila Resources, is also a foundation shareholder of WICET Holdings, which has approval from the State Government to develop the Wiggins Island facility.