



**Australian Pacific Coal**

# **Coal Exploration Projects**

November 2014

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# Compliance Statement



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## ***Cooroorah (EPC1827/MDL453) Resource Estimate***

*'The information is extracted from the report entitled **EPC1827 "Cooroorah" Resource Estimate Update** created on 20 November 2013 and is available to view on [www.aqcltd.com/irm/content/asx-announcements.aspx](http://www.aqcltd.com/irm/content/asx-announcements.aspx). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*



# Company Overview



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## COMPANY FACTS

**ASX Code:** AQC

### Focus:

Metallurgical and thermal coal exploration and development in the Bowen Basin, Queensland

### Key Project Areas :

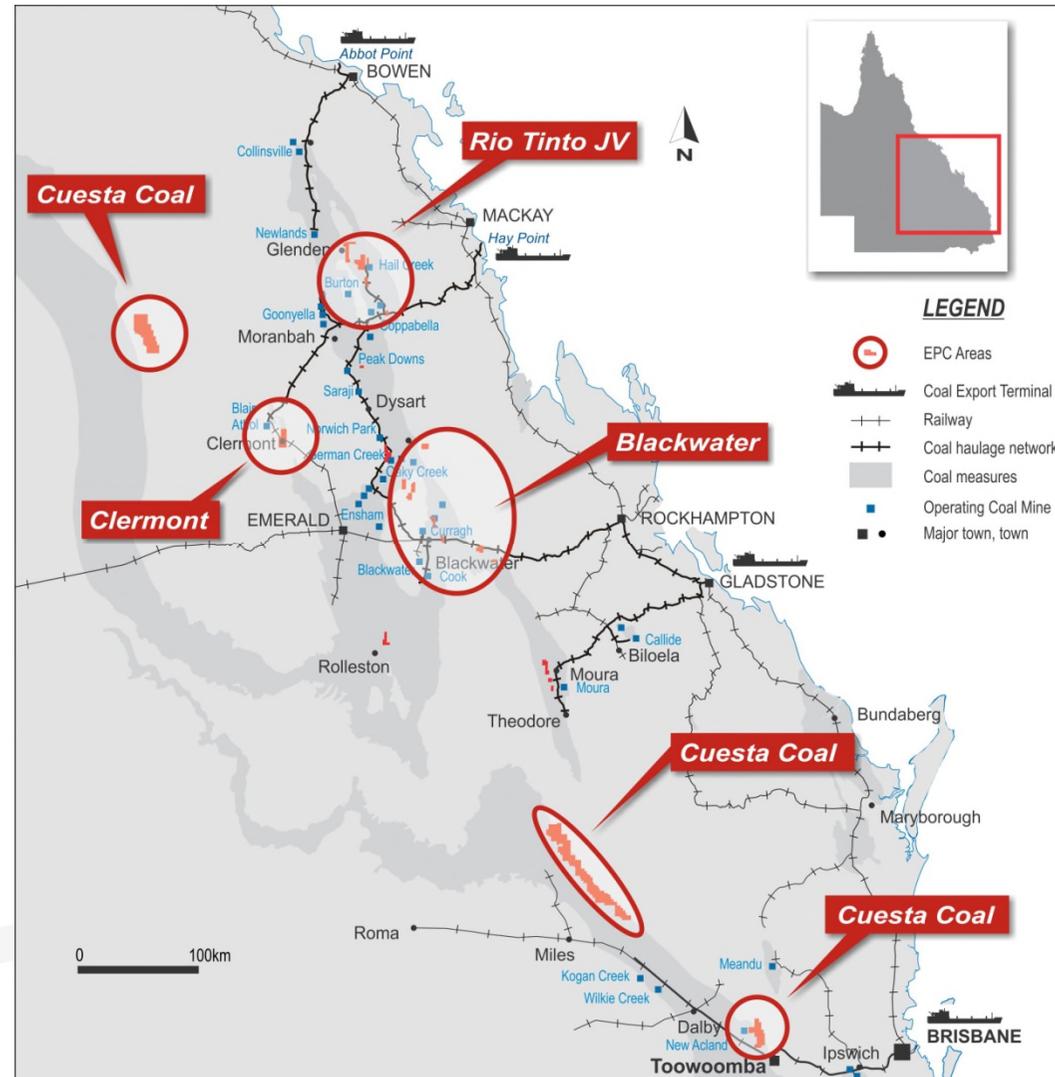
- Mt Hillalong (Rio Tinto JV)
- Blackwater
- Clermont

### Joint Venture Partners:

Rio Tinto Exploration  
Cuesta Coal

Australian Pacific Coal has interests in numerous coal tenements in the Bowen Basin, Queensland. These tenements cover metallurgical and thermal coal, exploitable by both open cut and underground mining.

Australian Pacific Coal's tenements are well-located among mining majors in the region, and on the existing rail and road infrastructure. Near-term value-added drilling activity is being undertaken and is fully funded.



# Blackwater 100% owned



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## Cooroorah (MDL 453)

124.9 million tonne (69.6Mt Indicated & 55.3Mt Inferred) Coal Resource\*

Mineral Development Licence (MDL453) granted January 2014

Targeting PCI and coking coal. Located near rail network and developed infrastructure

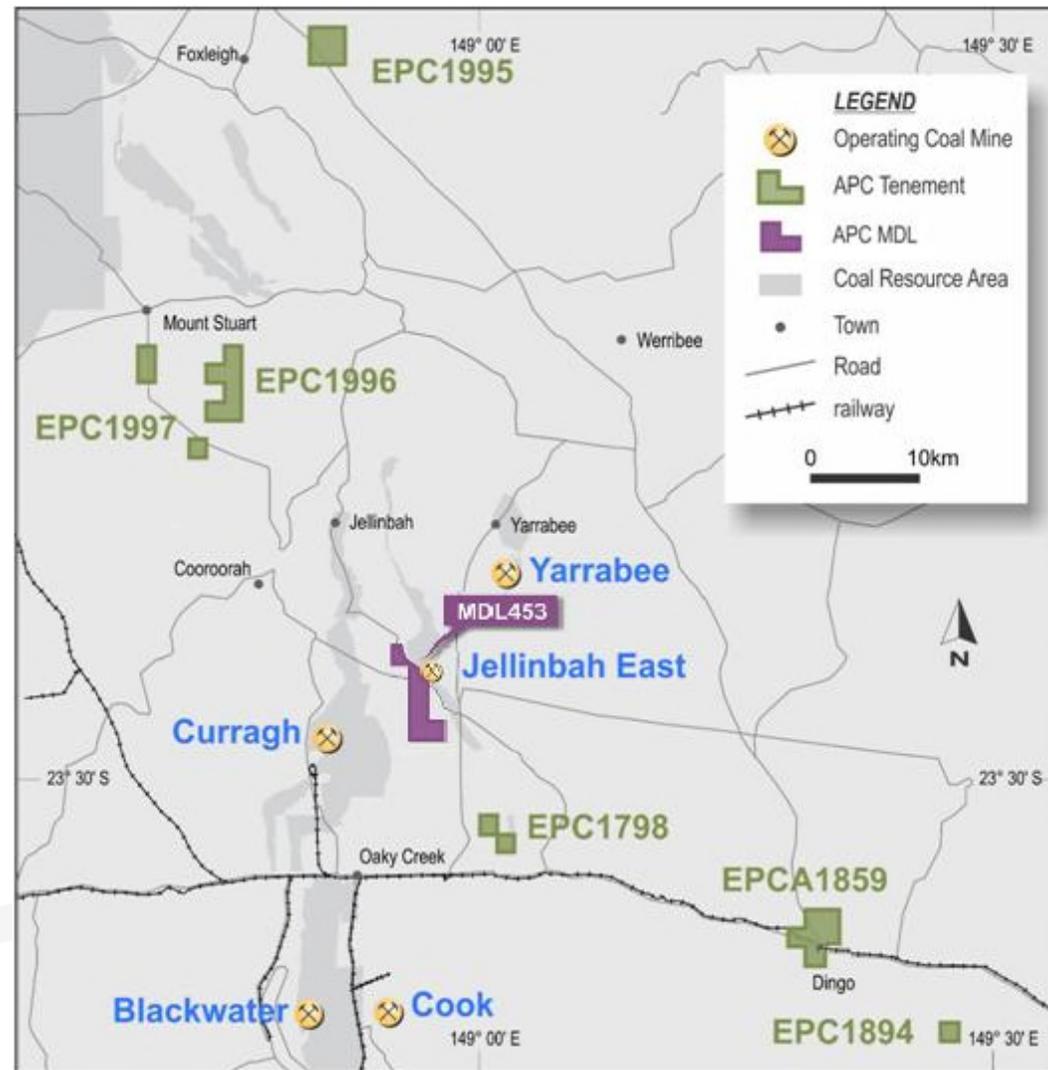
## Dingo (EPC 1859)

30 km east of operating Blackwater and Curragh mines, targeting Rangal Coal Measures.

Drilling program completed in Q2 2014. ULV PCI coal quality potential identified.

## Second tier EPC areas in region

At various stages of exploration



\*Statement of resource quantity is in accordance with the JORC Code Guidelines

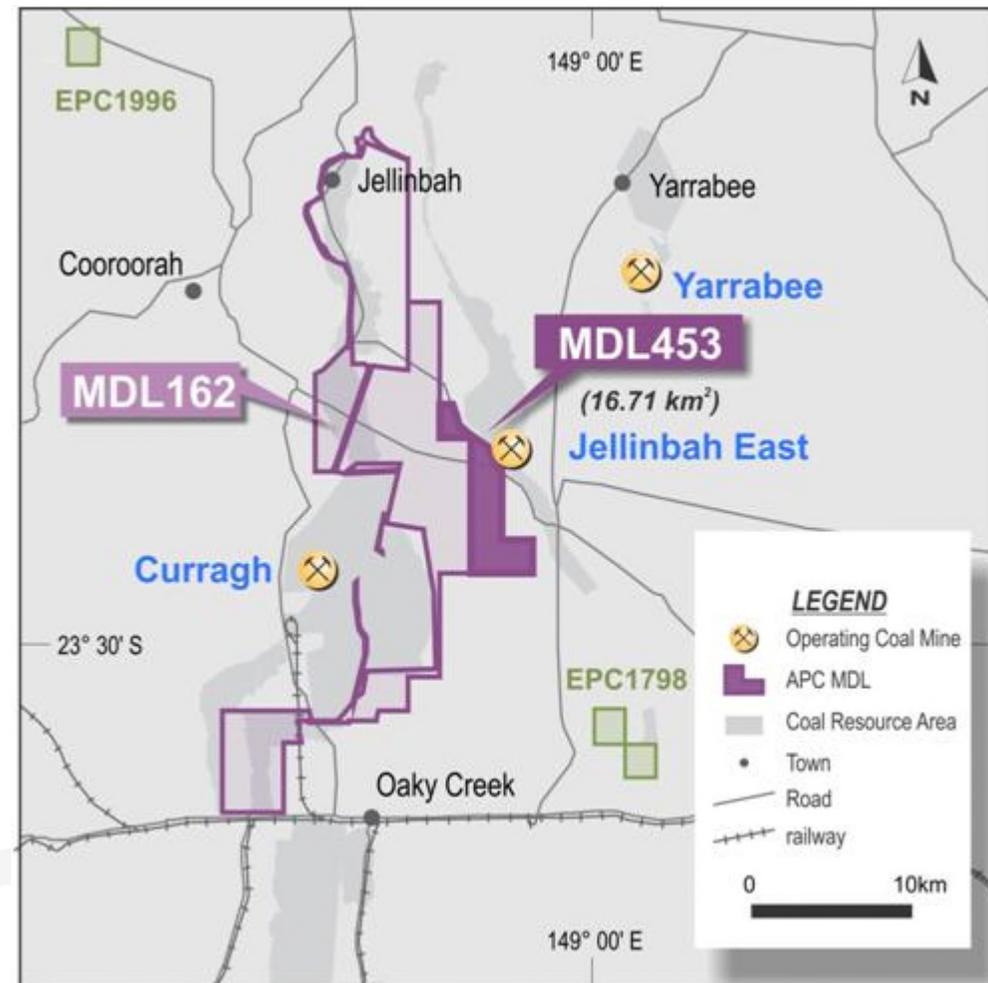
# Cooroorah



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## Cooroorah (MDL 453)

- **124.9 Mt Coal Resource\***
  - **69.6Mt Indicated**
  - **55.3Mt Inferred**
- PCI and Coking coal product potential
- Located near rail network and developed infrastructure, linking it to Gladstone and major coal ports
- Adjacent to Jellinbah, Currugh, Yarrabee and BMA opencut & underground mine
- Wesfarmers acquired adjoining MDL162 for \$70 million in January this year.



\*Statement of resource quantity is in accordance with the JORC Code Guidelines

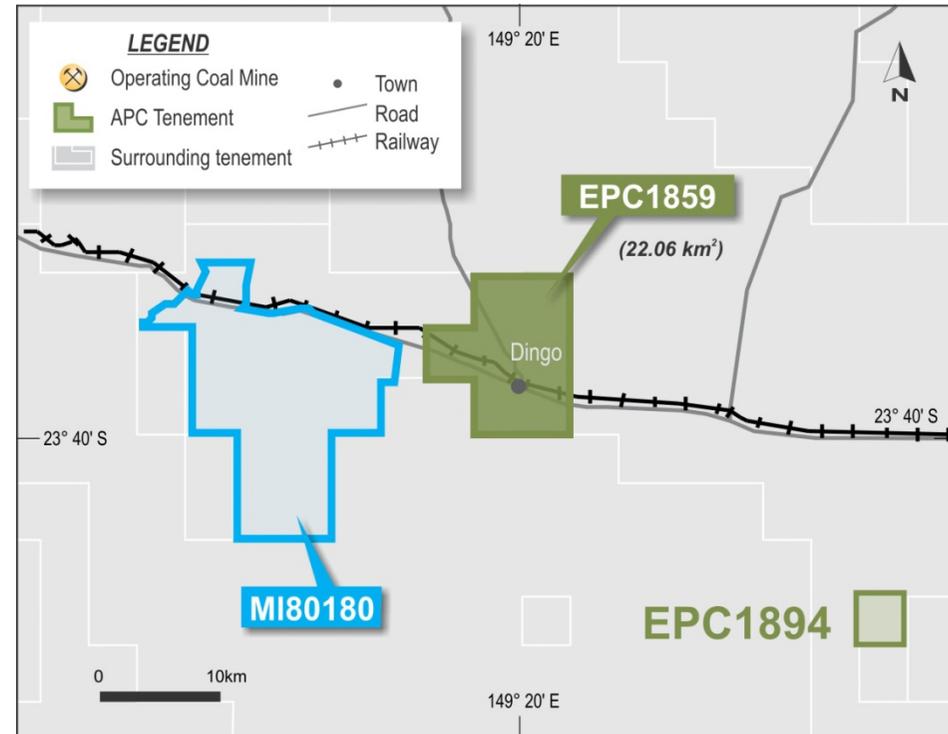
# Dingo



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## Dingo (EPC 1859)

- Seven-site drilling program completed in April 2014
- Multiple Rangal Coal Measures and Fort Cooper Coal Measures seams intersected
- Adjacent to Bandanna Energy ML80180 (Dingo West)
- Located on rail network 30km east of operating Blackwater and Curragh coal mines, and surrounded by Bandanna Energy, Peabody Energy (Macarthur Coal) and Aquila Resources



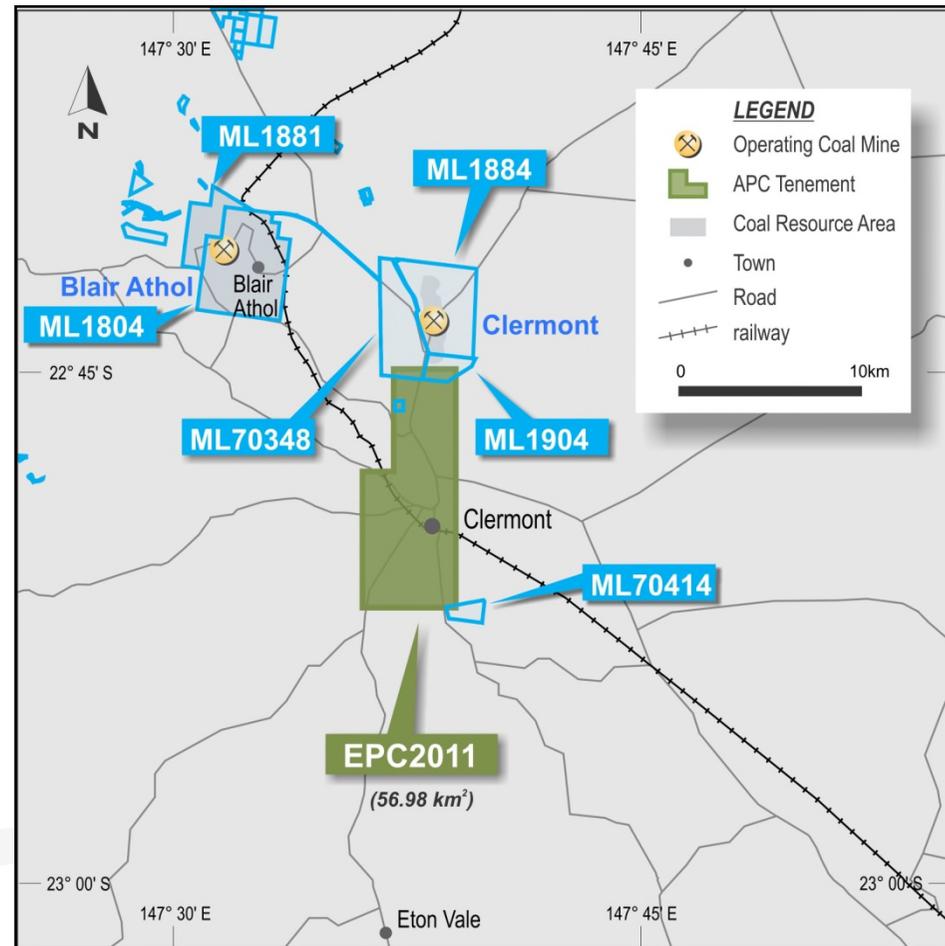
- Initial coal quality results indicate potential for high yielding, low volatile PCI coal type
- Modelling and coal quality assessment is currently ongoing

# South Clermont EPC2011



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- Glencore's (formerly Rio Tinto's) Clermont Coal Mine purchased for \$1bn (50.1% share) - reserves of 172Mt in 2012 – producing at 10Mt + pa
- Located near two rail networks providing access to major coal ports at Mackay and Gladstone
- Target – Clermont Basin with potential for thick open cut mineable coal seams
- Average thickness of main seams in neighbouring mines:
  - Blair Athol – 29m
  - Clermont – 38m
- Gravity low target identified for drilling in Q4 2014

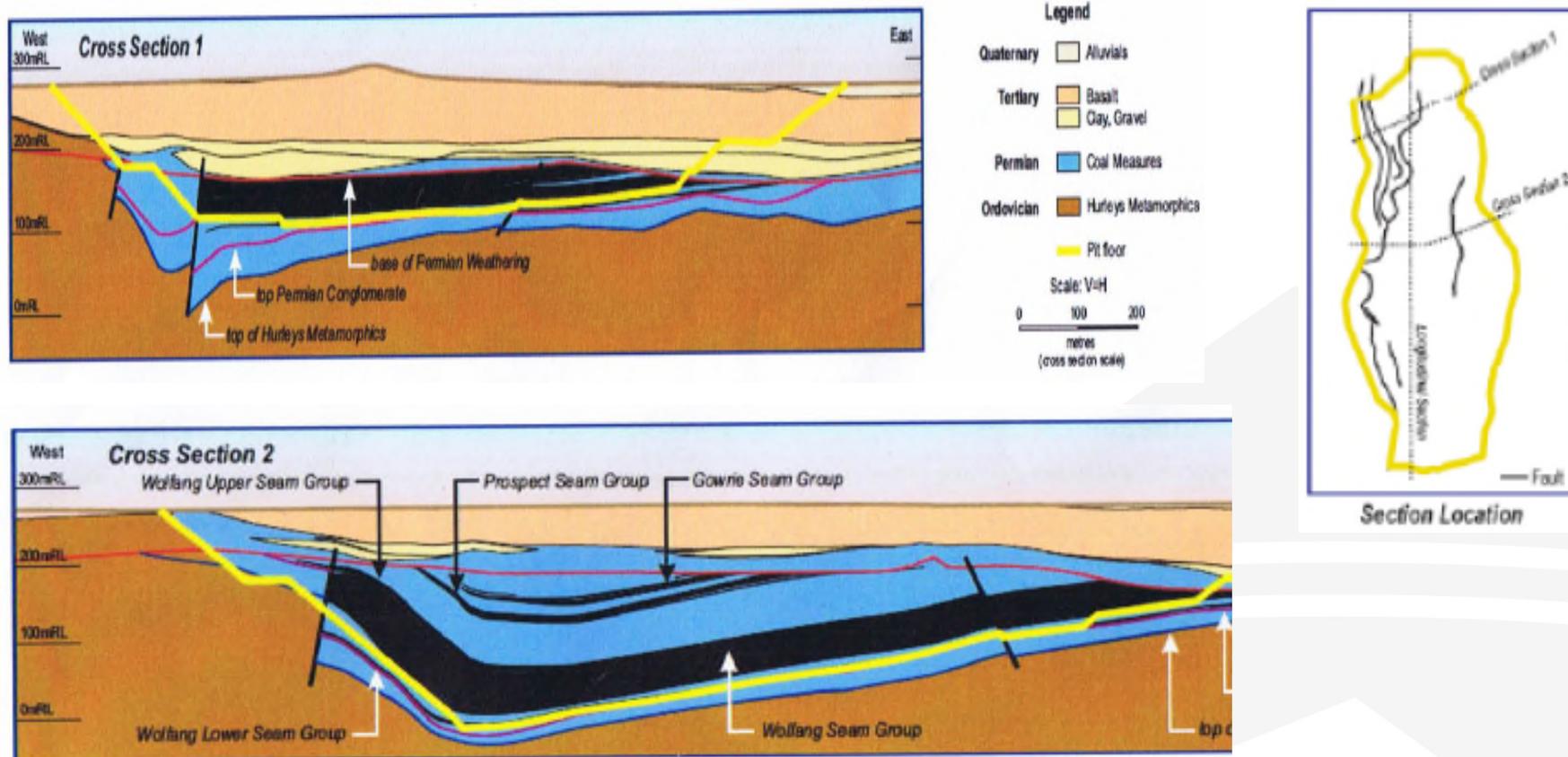


# South Clermont



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Proposed drilling of the South Clermont target area aims to define a southern extension of the Clermont Mine deposit, illustrated below.



(Reference: N. September & R. Kirkwood, 2010. Clermont Coal Mine Project, Selection of Tailings Paste Thickener, AusIMM – Technical Meeting 17 February 2010, Sinclair Knight Merz)

# JV Agreement Details



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## Rio Tinto

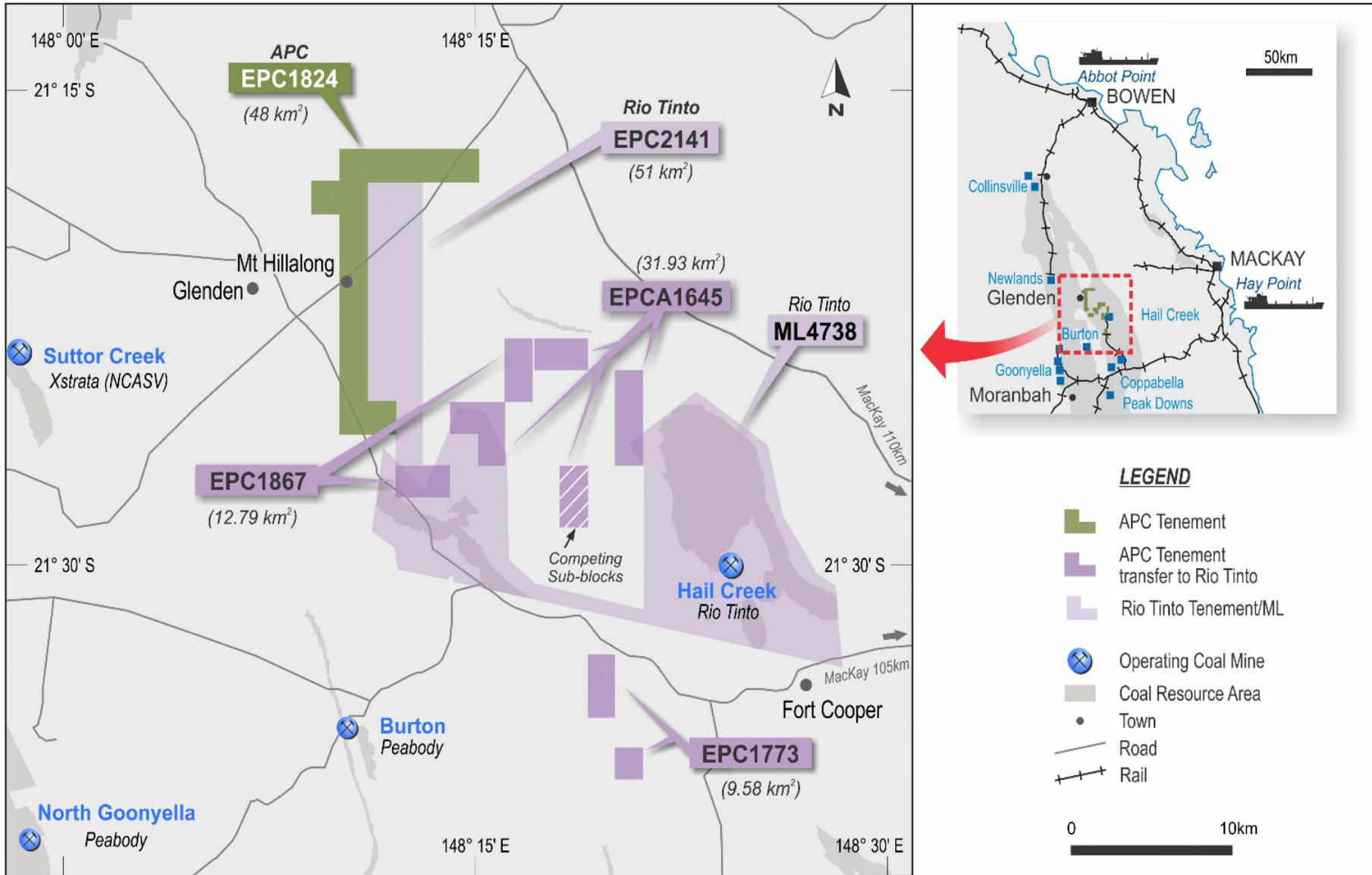
- Rio Tinto to solely fund and manage exploration program in EPC 1824 to exercise right to earn 75% working interest before August 2015.
  - Initial exploration phase completed in 2013. Two open holes and three 2D seismic lines. Elphinstone, Hynds and Fort Cooper seams intersected.
  - Ground magnetics and mapping planned for 2014. Follow-up drilling in late 2014.
  - In close proximity to Rio Tinto's Hail Creek Mine, producing 8Mtpa of hard coking coal, and part of Rio Tinto's main coal hub
- 
- AQC has a 10% free carried interest through to bankable feasibility



# Rio Tinto JV - Mt Hillalong



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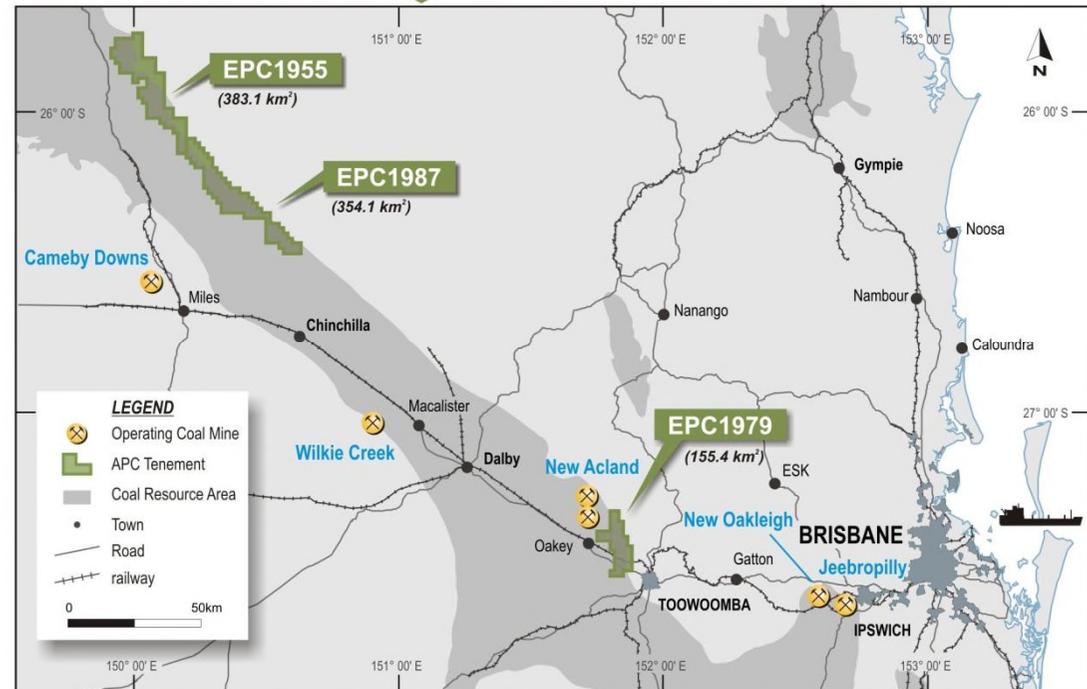
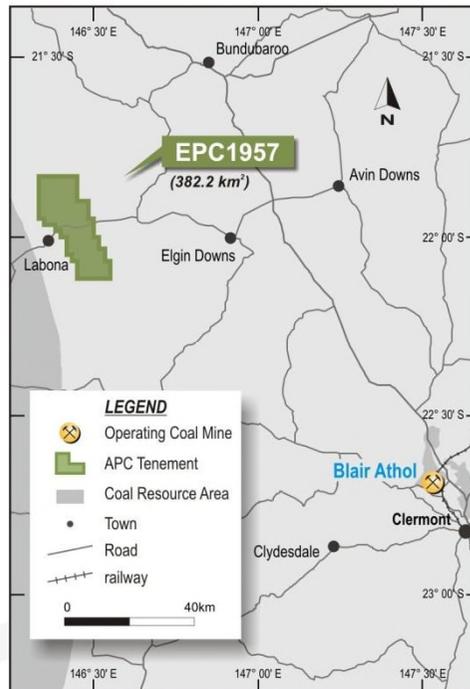
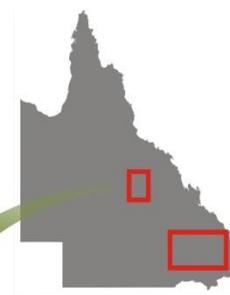
# Cuesta Coal JV Projects



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- Joint venture with Blackwood Resources (acquired by Cuesta Coal)

- Covering over 1200 km<sup>2</sup>



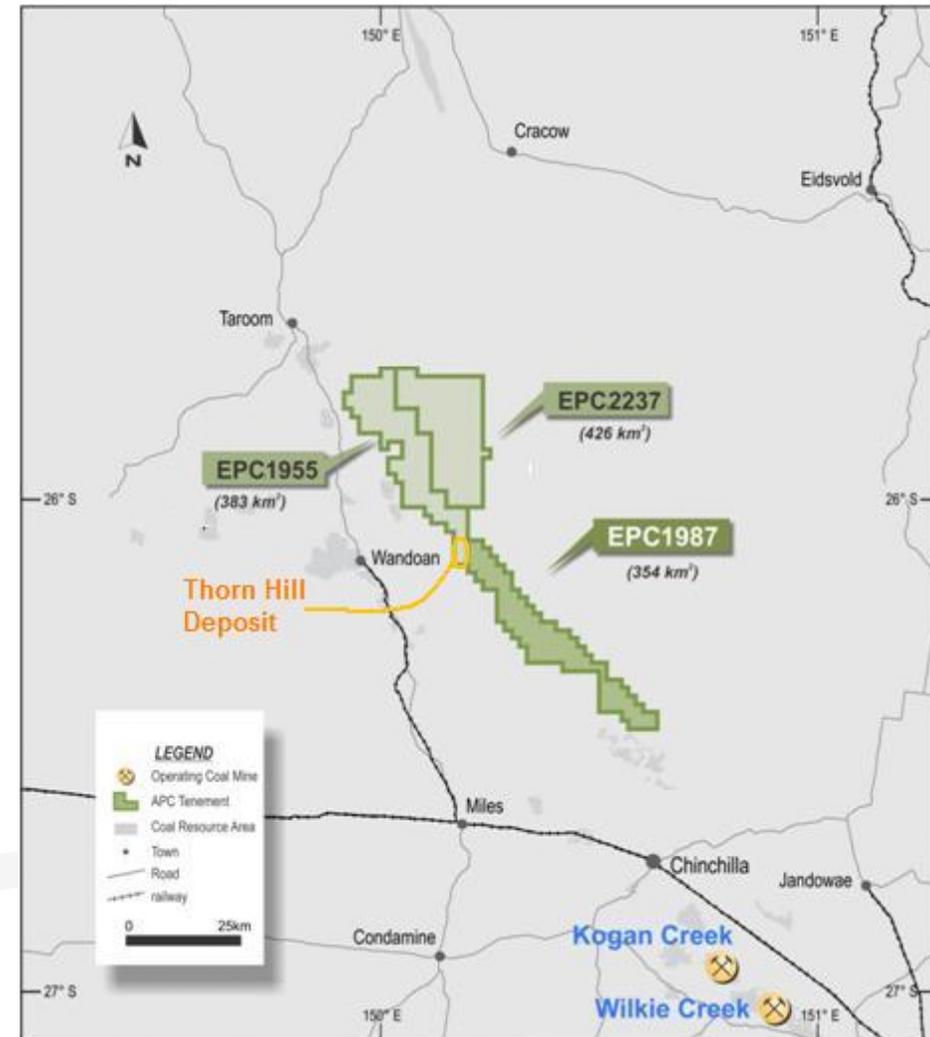
# Cuesta Coal JV Projects



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## East Wandoan (Cuesta JV)

- 3 quality EPCs – covering acreage in the Clarence-Morton and Surat Basins, prospective for shallow thermal coal
- AQC has 10% free carry to feasibility study stage
- Cuesta Coal has announced it's Thorn Hill Deposit containing a **44.6Mt coal resource** (22.1Mt Indicated and 22.5Mt Inferred Coal Resource\*) on EPC1955



\*Statement of resource quantity is in accordance with the JORC Code Guidelines



## WHY INVEST IN AQC?

- **Portfolio of highly prospective coal tenements** in a proven region for coal production for export and domestic markets. Targeting metallurgical coal
- Projects located in **proximity to producing coal mines** and existing infrastructure network – Bowen Basin, the coal hub of Queensland
- **Joint ventures with major mining company** and industry leader Rio Tinto Exploration covering 4 EPCs in the Hail Creek area and Cuesta Coal covering 4 EPCs
- **Advanced exploration program** on 100% owned flagship Cooroorah project. MDL453 – 124.9 Mt (69.6Mt Indicated & 55.3Mt Inferred) resource estimate in accordance with the JORC Code.
- **Drilling program** on prospective target – Clermont drilling scheduled
- **Strict investment criteria** for assessing acquisitions that match business model
- **100% ownership** of highly prospective exploration permits
- **Significantly undervalued relative to underlying assets**



## **Australian Pacific Coal**

**ASX code:** AQC

**Board of Directors:**

Peter Ziegler	Chairman
Paul Byrne	Executive Director and CEO
Paul Ingram	Non-executive Director
Paul Ryan	Non-executive Director

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