



**Australian Pacific Coal**

# **2011 Annual General Meeting**

30 November 2011

# Overview



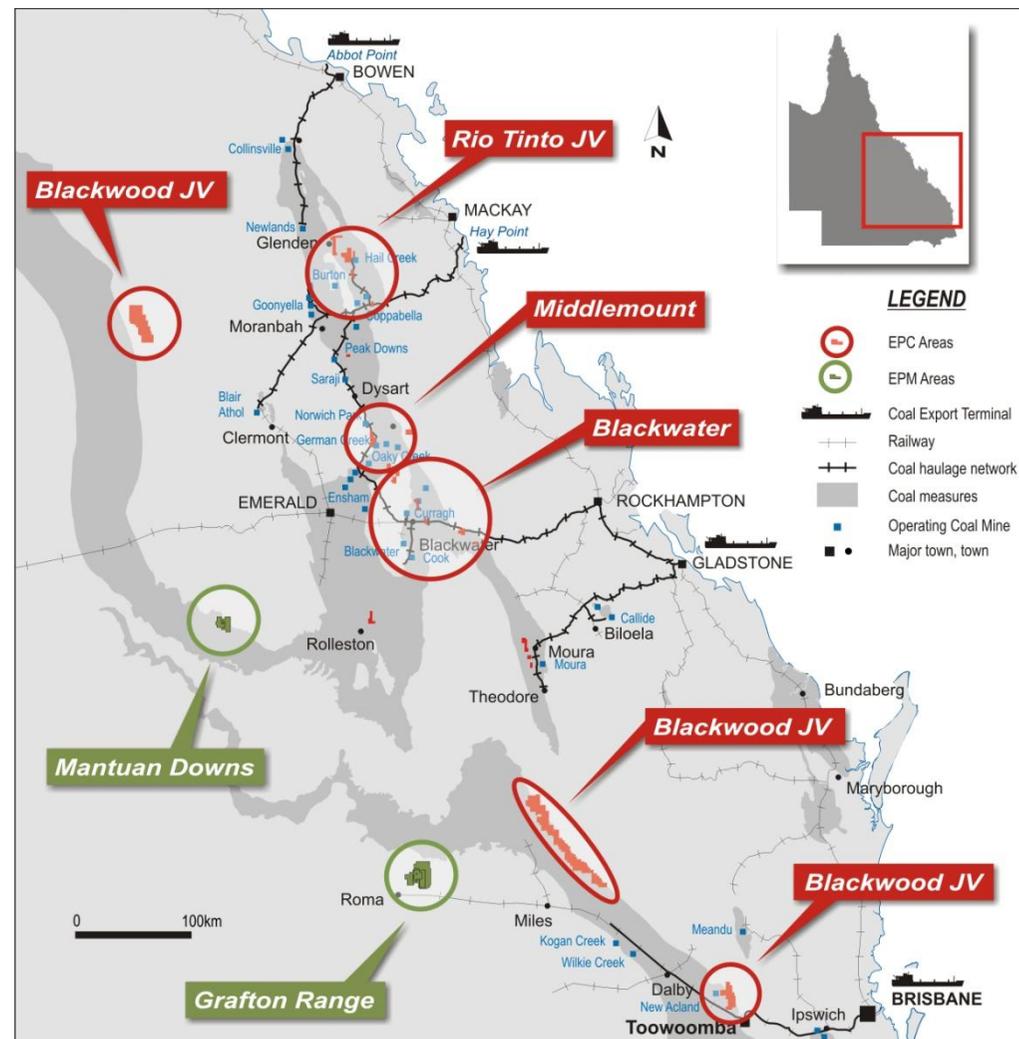
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## Coal

- AQC (100%) - 13 Granted EPC's
- Rio Tinto – JV (4 EPC's – 140.7 sqkm)
- Blackwood JV (4 EPC's – 1274 sq km)
- Blackwater area – exploration drilling focus in 2012

## Industrial Minerals

- Bentonite - Mantuan Downs ML & two EPMs
- Sodium Bicarbonate – Kokstad ML & two EPMs



# EPC 1827- Cooroorah



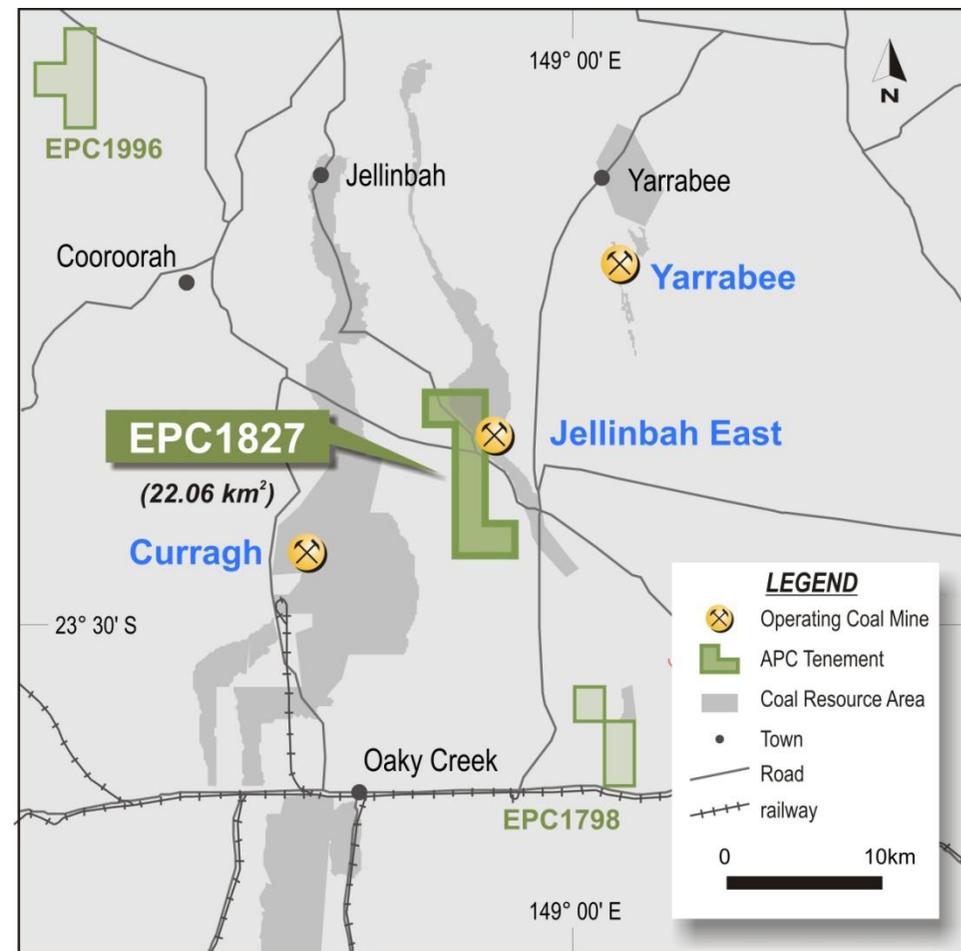
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## Proposed Work Program

- Proposed 5 - 15 chip/core holes
- Detailed lithology and structure logging
- Sampling of coal seams for coal quality analysis
- Geophysical wireline logging of all holes
- Upgrade of JORC status to 50% indicated & measured
- Planning 2<sup>nd</sup> round drilling to bring northern and eastern areas to indicated & measured

**TARGET:** Rangal Coal Measures (3 Seams)

**STATUS:** 107Mt JORC inferred, MDL in application phase



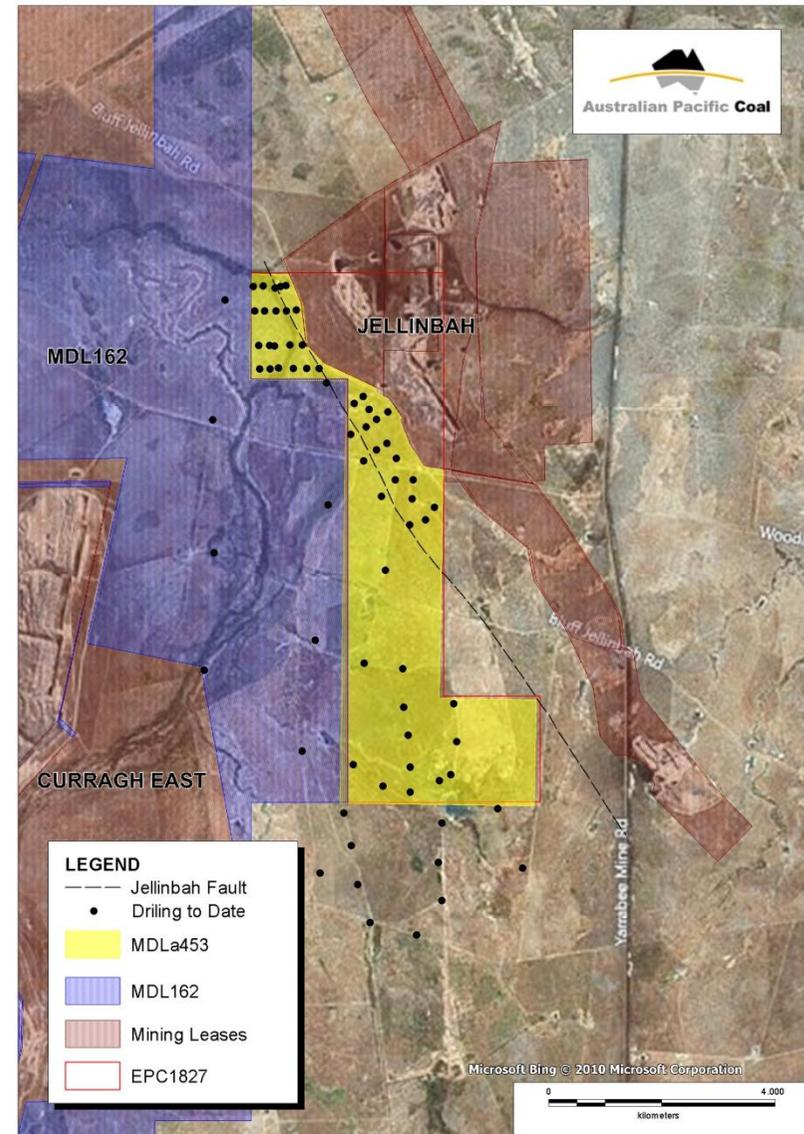
# Mineral Development Licence



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## Mineral Development Licence Application No. 453

- Application lodged 08-MAR-2011
- 16.7 sq km
- Macarthur Coal Ltd MDL162 to west
- Jellinbah Mine ML's to east



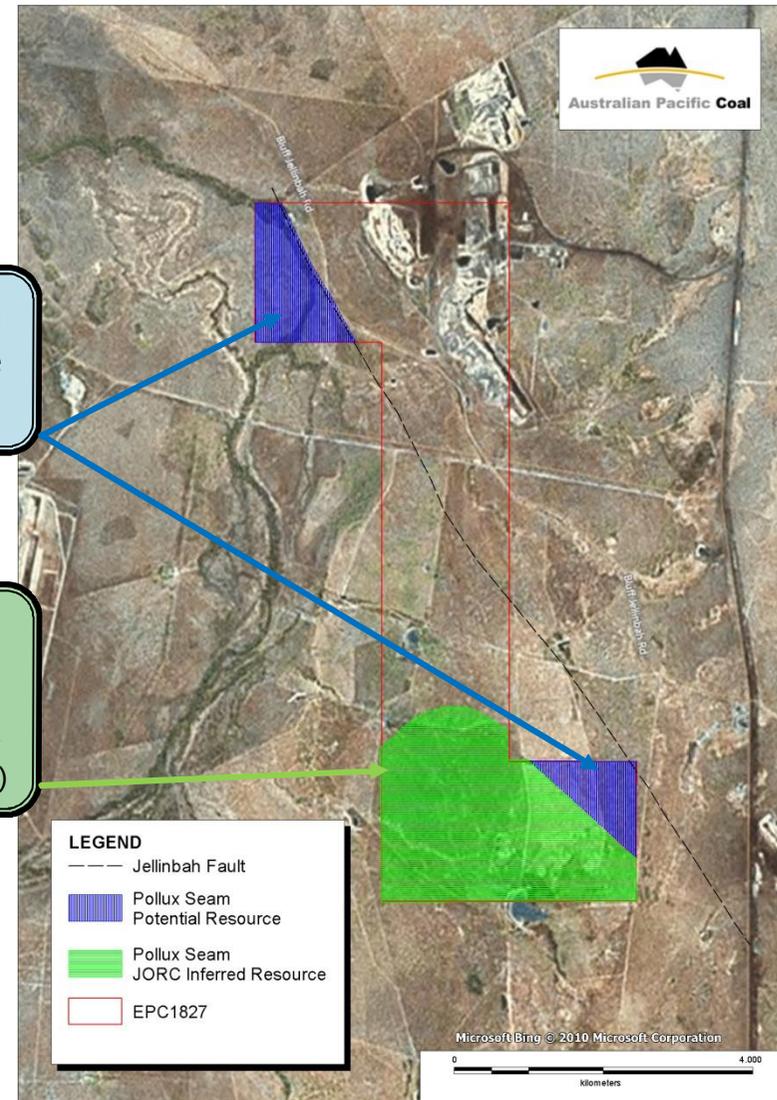
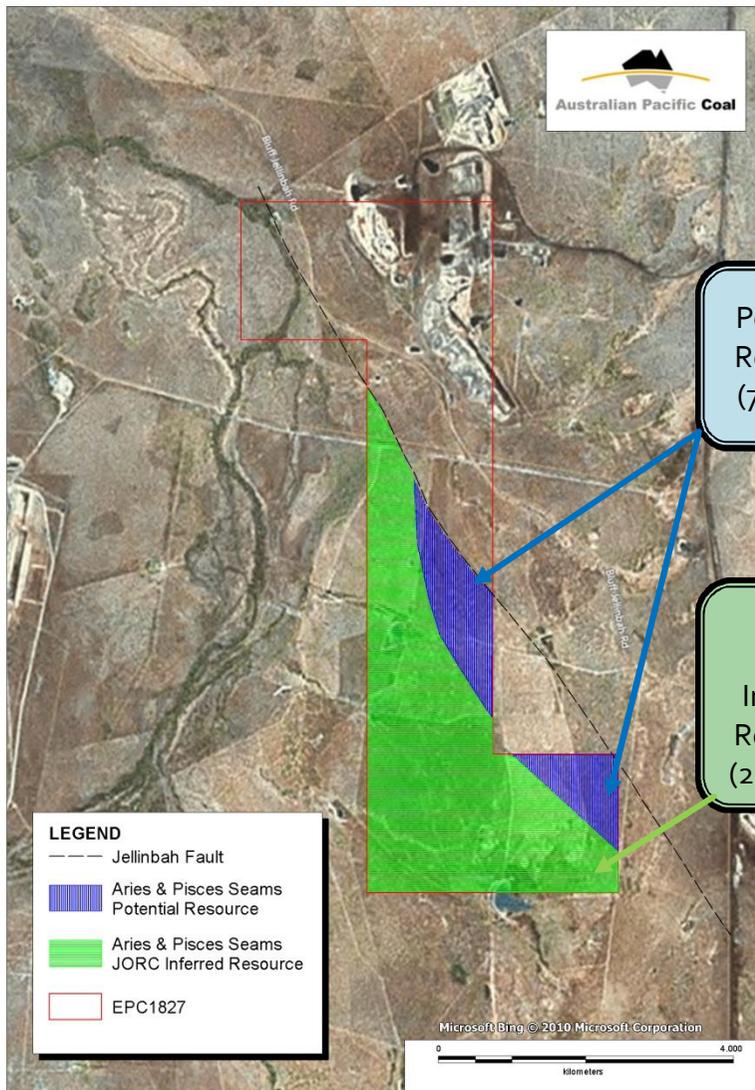
# Resource Potential



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## Aries & Pisces Seams

## Pollux Seam



Potential Resource (7 sq km)

107Mt JORC Inferred Resource (25 sq km)

# EPC1859 Dingo



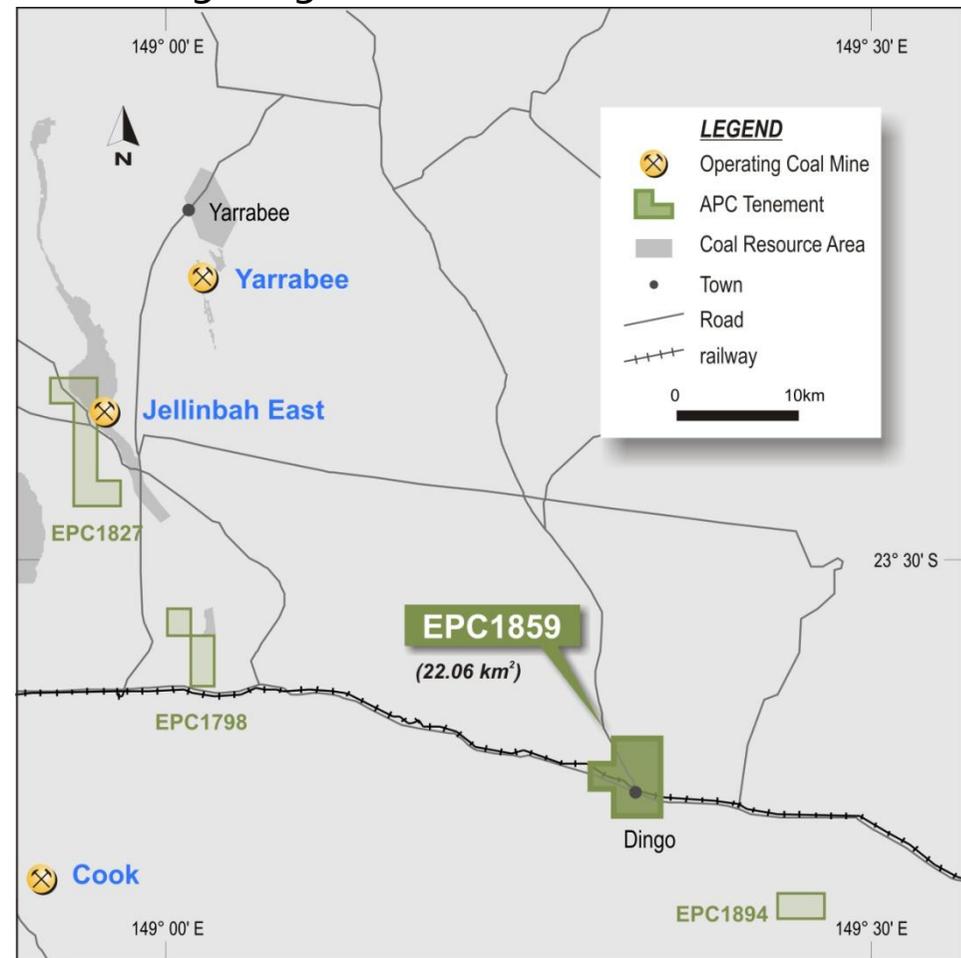
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## Proposed Work Program

- Chip/core holes
- Multiple seams – 16m to 150m depth
- Lithology and structure logging
- Sampling / Analysis of coal
- Geophysical wireline logging
- Remodelling and JORC assessment
- Assess area for seismic survey

**TARGET:** Rangal Coal Measures

**STATUS:** Detailed modelling for drill targeting



# EPC1996 Church-yard Creek

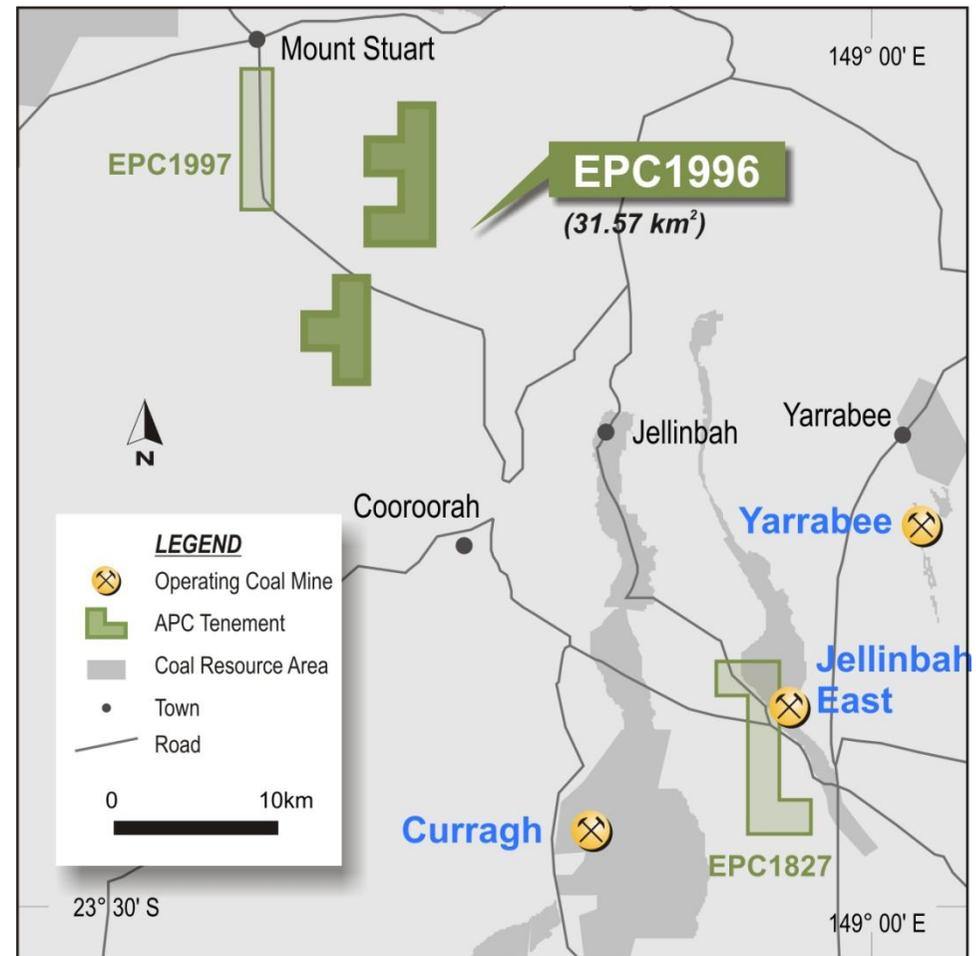


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## Proposed Work Program

- Two chip holes
- Coking coal - Tieri Seam (~2m thick)
- 250m – 350m depth with potential for shallower upthrust fault blocks
- Lithology and structure logging
- Sampling / Analysis of coal
- Geophysical wireline logging
- Remodelling resource assessment

**TARGET:** German Creek Coal Measures  
**STATUS:** Modelled, Proposed drilling



# Proposed Drilling Program



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AQC Drilling Schedule 2012	2012			
	Q1	Q2	Q3	Q4
First Pass Drilling EPC's 1996				
Infill Drilling EPC1827				
Infill Drilling EPC1859, 1894				

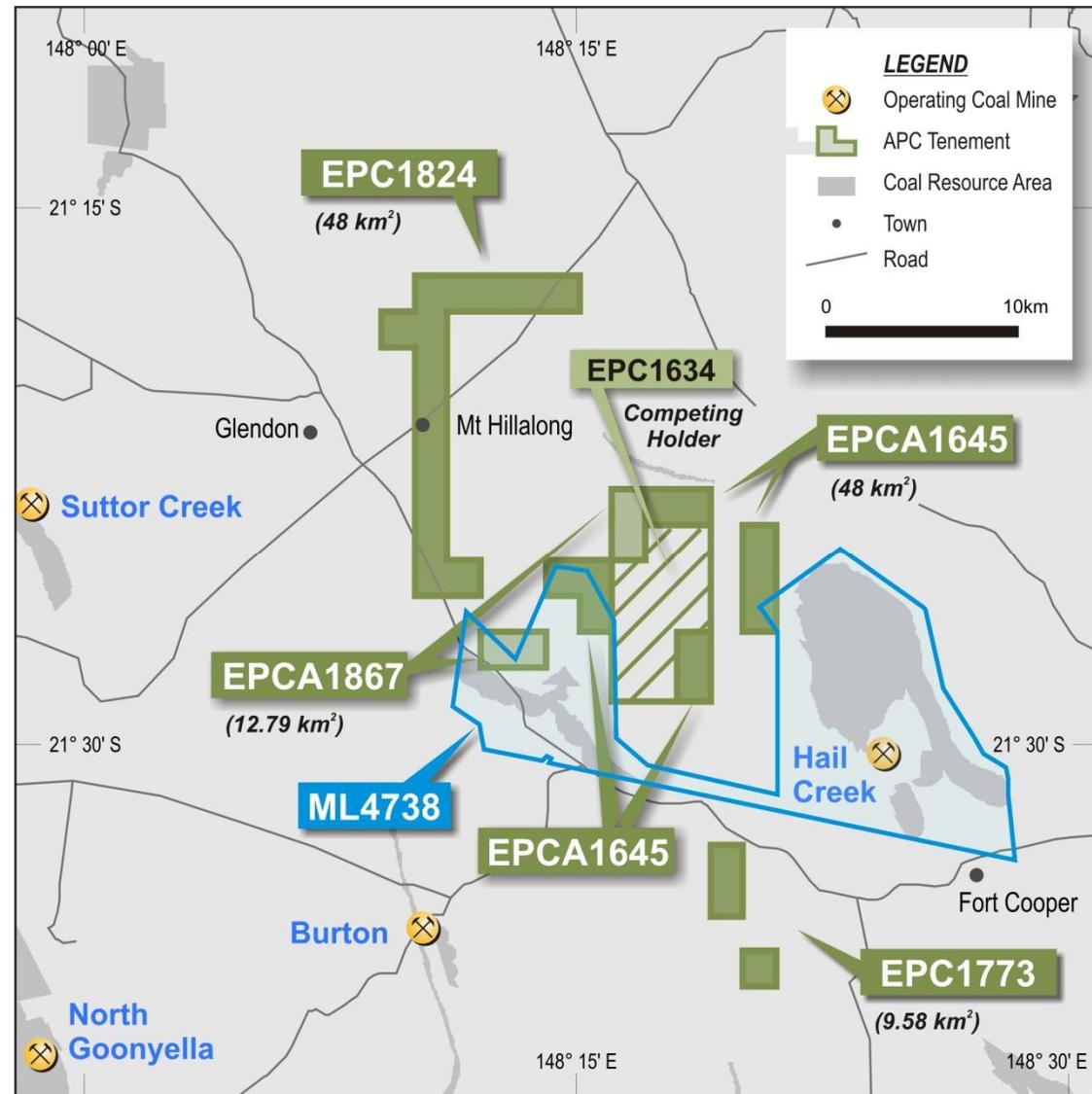
# Rio Tinto – JV



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- \$2.3 M initial payment
- \$700,000 exploration program in 24 months
- Rio Tinto option to acquire 75% interest in EPC1824
- Area Coal put option to sell 25% interest to Rio Tinto
- Sale option calculated on resource tonnage

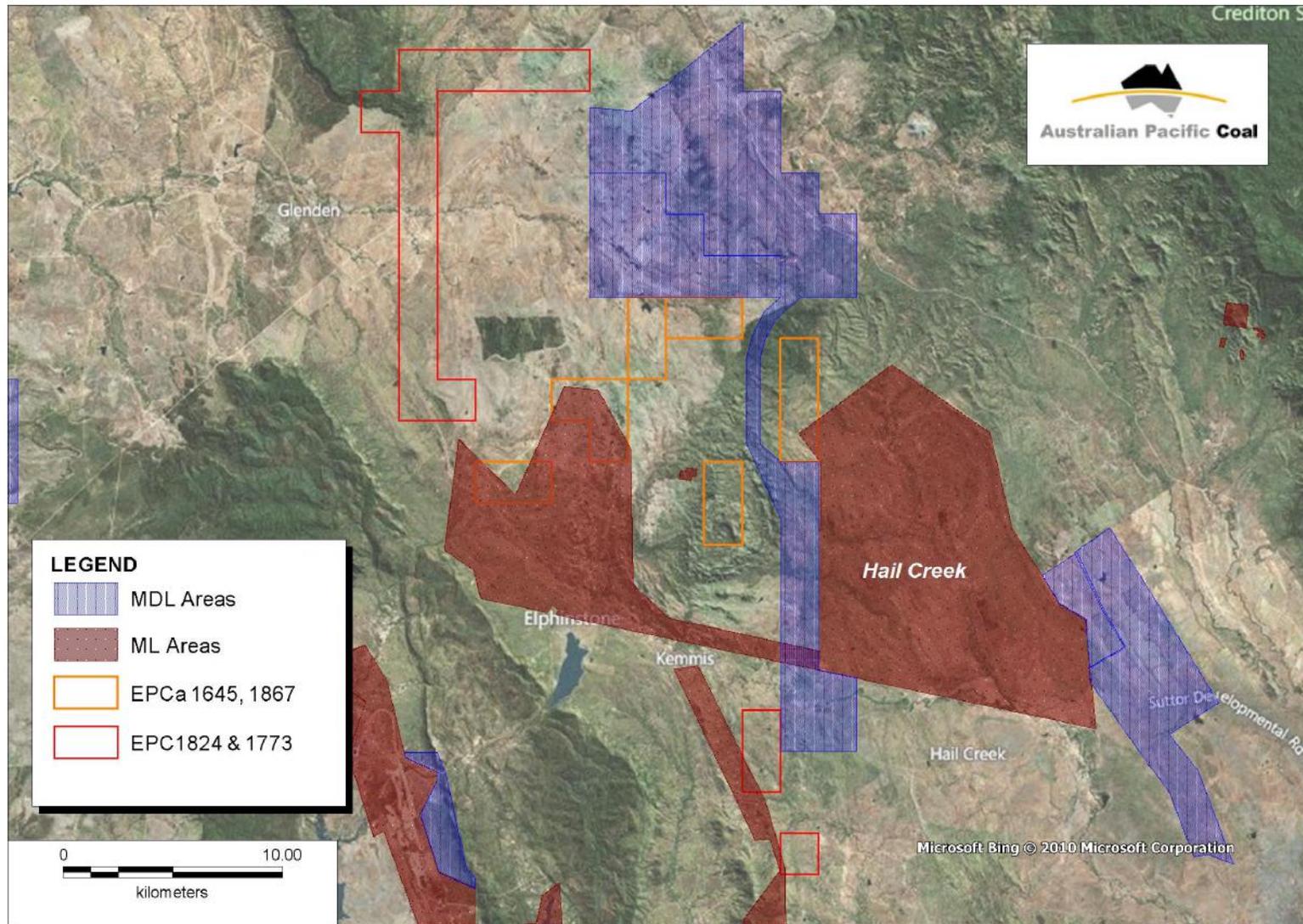
Rio Tinto



# Rio Tinto - JV



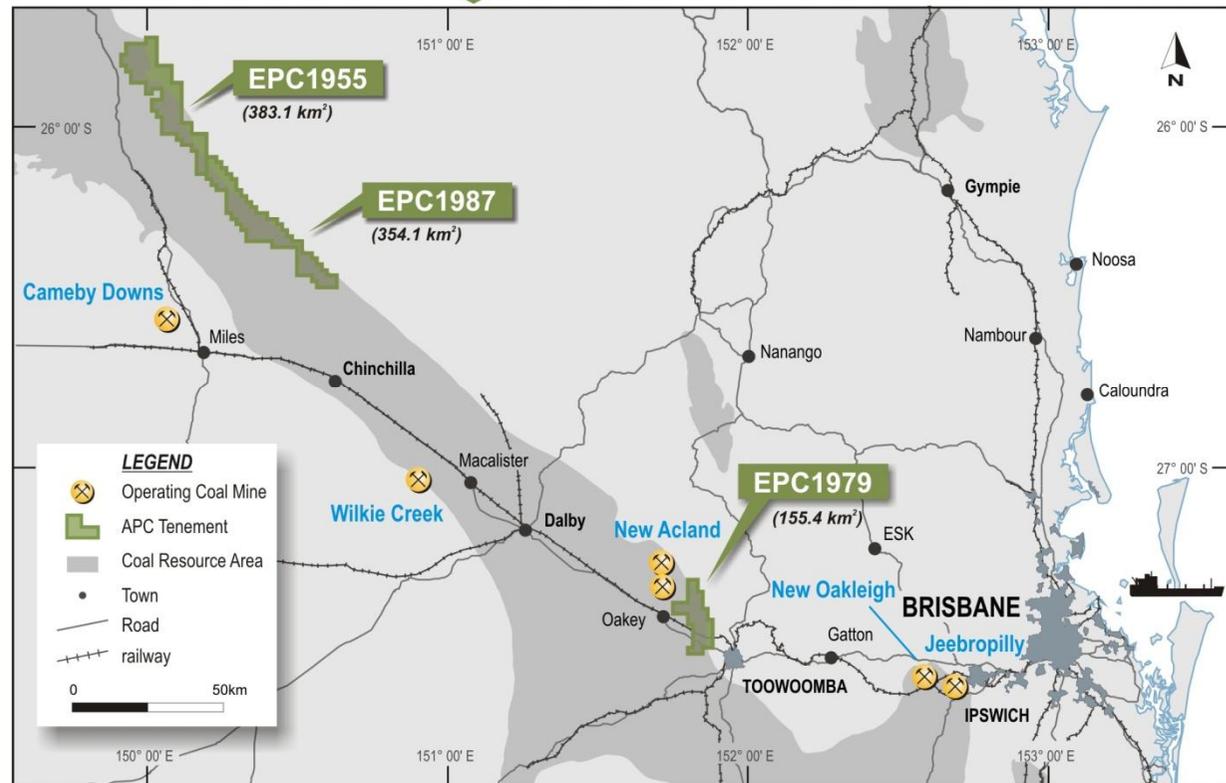
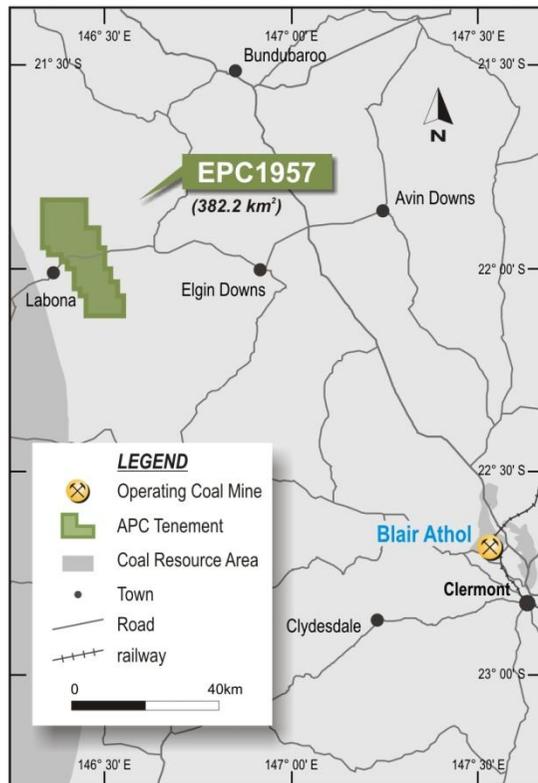
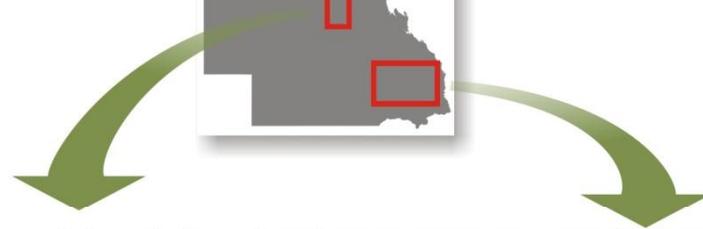
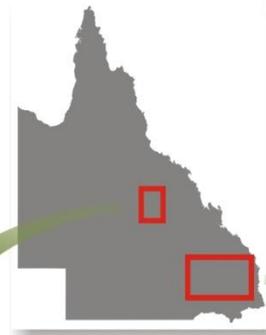
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# Blackwood - JV



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# Blackwood – JV EPC1955



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## East Wandoan Project

### Project Highlights

- 40 to 200 MT exploration target
- Maiden JORC resource by December 2011
- Adjacent to Cockatoo Coal “Bottle Tree” (35.2Mt) and Stanmore Coal “The Range” (229Mt) projects
- Drilling confirms shallow open cut potential

The East Wandoan project consists of EPCs 1955, 2237 and EPCAs 1987, 2481 and covering an area of 1093km<sup>2</sup>. These exploration permits are searching for Juandah Coal Measure of the Lower Walloon sub group.

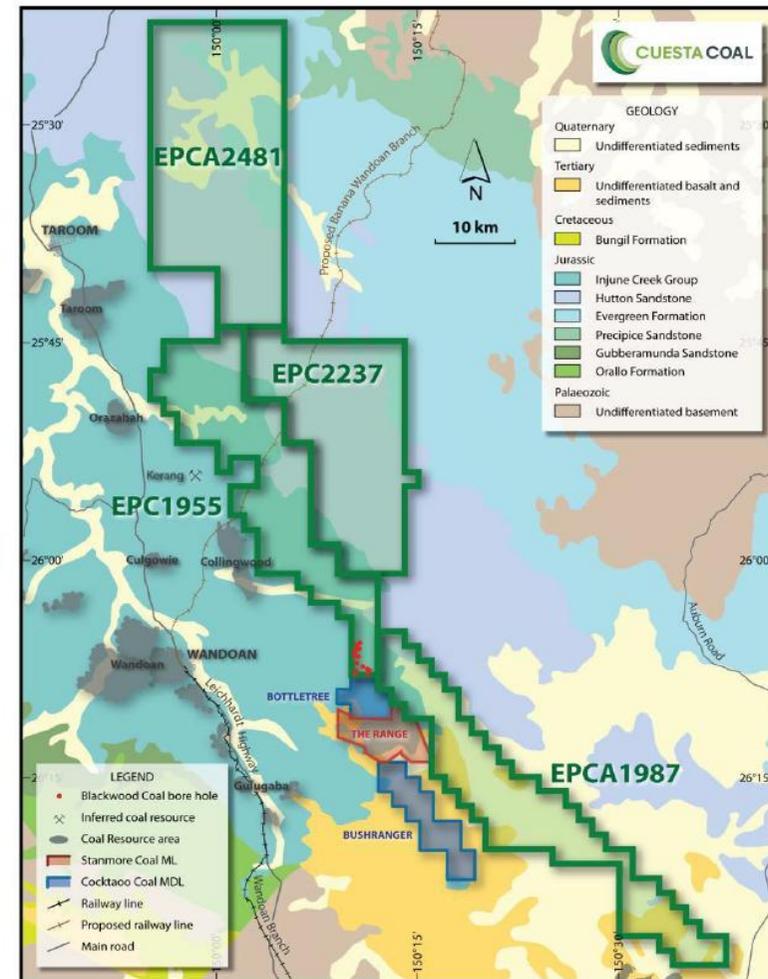
Blackwood has identified 5 target areas as shown in the adjacent map.

Priority Area A is the focus of exploration in 2011. High lights include:

- 14 open holes completed
- 7.5 m to 11.6 m of net coal over ~ 3km strike
- Depth of coal 14 – 80 m

The Wandoan to Banana “missing link” proposed route passes through the northern section of EPC 1955. Scheduled construction completion end of 2014. Export links to WICET Stage 2 development.

Visit the Cuesta Coal Website:  
[www.cuestacoal.com.au](http://www.cuestacoal.com.au)



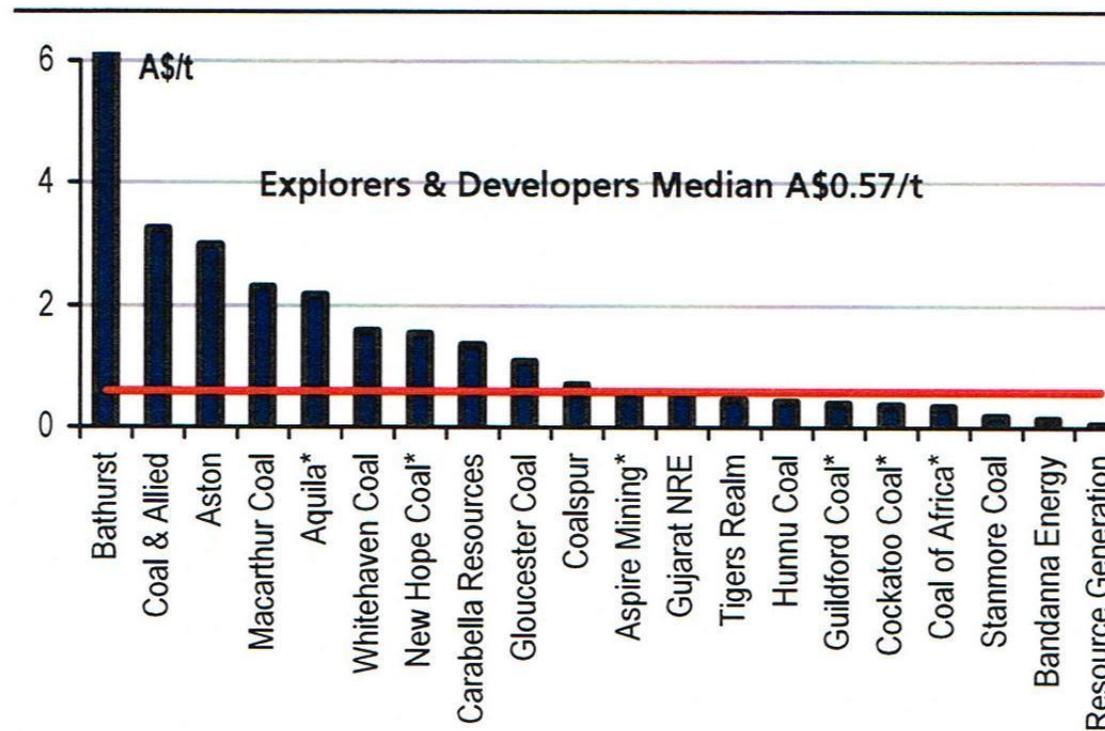
AQC – 10% equity position through to bankable feasibility study on all EPC’s

# Enterprise Value (EV)



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## Enterprise Value (EV) of Listed Coal Sector Explorers and Developers – November 2011

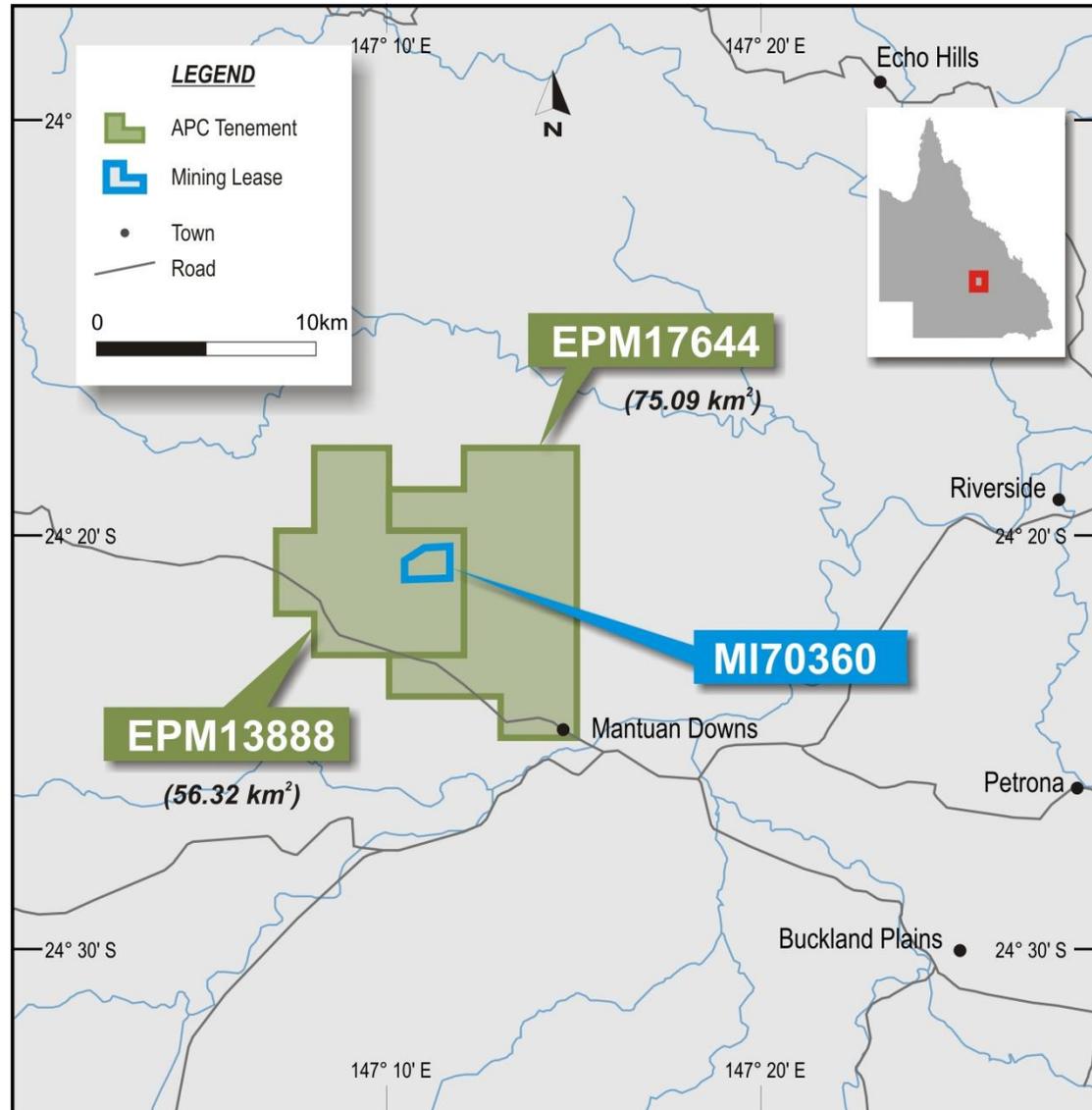


Source: UBS estimates based on company filings. \* denotes consensus estimates

# Bentonite - Mantuan Downs



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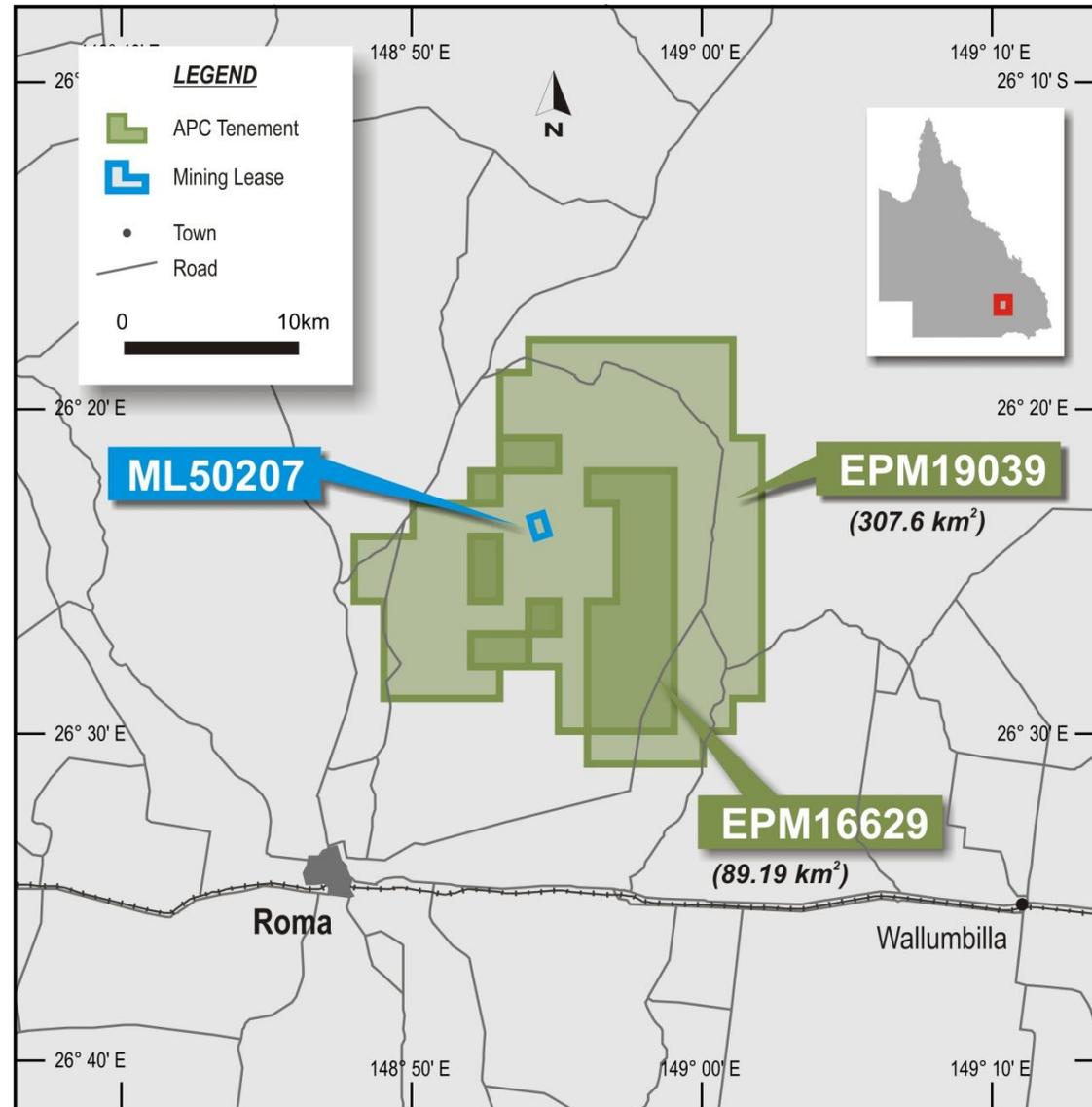


# Sodium Bi-carbonate



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- ML50207 Kokstad
- EPC16629
- EPC19039
- In discussions with development partners



# Summary



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- Strong board with international experience in coal sector.
- Experienced exploration and operations team.
- Executed JV agreements with high quality partners.
- EV/t indicates undervaluation of the company by the market relative to other coal explorers and developers.

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## Competent Person Statement of Compliance



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*Technical information contained in this report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves "The JORC Code" (2004) and reviewed by Mr S.W (Bill) Hayes of S.W. Hayes and Associates who consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears*

*Mr Hayes, a Fellow of the AusIMM, is a coal geologist with approximately 40 years' experience relevant to the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined by the Australian Code for Reporting of Exploration Results*

# Company details



**Australian Pacific Coal**



**ASX: AQC**

**Board:**

John Bovard  
Paul Byrne  
Peter Ziegler  
Paul Ingram

**Level 7, 10 Felix St  
Brisbane Qld 4000  
PO Box 16330  
City East Q 4002**

**Capital structure:**

Shares: 533M  
Options: 30M  
12 mth trading: \$0.022 to \$0.095  
Market cap (29/11):\$17.6M

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**[www.aqcltd.com](http://www.aqcltd.com)**