



MetroCoal builds its scope for Surat deposits

An initial resource of 171.7 million tonnes has been announced for the underground coal gasification (UCG) project being developed by MetroCoal in the Surat Basin northwest of Brisbane.

The JORC-compliant Inferred and Indicated Resource estimate was prepared following a successful 16-hole drilling program completed recently at Juandah Prospect by MetroCoal, an 84 per cent owned subsidiary of Metallica Minerals.

The drilling campaign delineated the target Macalister Upper Seam in all 16 boreholes and is continuous and correlateable across the drilled area, generating the resource estimate announced.

This resource comfortably exceeds MetroCoal's 100Mt target required to support a major

UCG project producing 20,000 barrels a day of high quality, cleaner liquid fuels.

There is also significant scope to increase the resource in areas where the Macalister Lower Seam coalesces with the Macalister Upper creating potential working sections up to 12 metres thick.

Further drilling is planned in these areas and in the remaining, undrilled area of the MDLA to better define coal quality and areas of thickened and coalesced Macalister Seams.

The Juandah Project in MDLA 406, covers 60sq km with the coal seam encountered at depths within the target area of between 150 to 350 metres below surface - ideal depths for UCG. The Indicated Resource component was defined in the southeast corner of MDLA 406.

The initial JORC Code resource

is a favourable result as only a very small portion of MetroCoal's tenement coverage was involved in the drilling.

The indicated coal resource has been defined in the south east corner of MDLA 406 where core drilling has been completed.

Coal quality appears typical of Surat Basin coals with laboratory analysis showing insitu specific energy of the working sections averaging 20.6 MJ/kg on an air dried basis. Further drilling is planned to extend the area as well as increase resources.

The JORC Code resource announced supports MetroCoal's growth strategy to establish significant Surat Basin coal deposits within its 4000sq km tenement area, suitable for UCG and conventional underground and open pit coal mining. ■