

GLOBAL NAVIGATION

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International Coal (ASX: ICX) is an Australian based resource company with a number of prospective coking coal and thermal coal projects in well known coal regions of Queensland.

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International Coal reveals maiden coking coal resource near Bundaberg

Monday, March 25, 2013 by [Proactive Investors](#)

International Coal (ASX:ICX) has delivered a maiden JORC Inferred Resource of 28.5 million tonnes at the Bundaberg coking coal discovery (at EPC 2196) in Queensland sending the shares up over 40 per cent in Monday trading.

The project in the Maryborough Basin has an exploration target of between 20 to 40 million tonnes on top of today's resource.

Coking coal prices have also recovered somewhat to around the \$170 a tonne, which assuming a maiden resource of 28 million tonnes would deliver a gross in situ value of \$4.7 billion.

Sweetening the story is Gina Rhinehart's Hancock Prospecting is a joint venture partner / farmin to the ICX's Bundaberg Project EPC 2196.

Hancock is spending \$3 million to earn in to a 51 per cent interest in the project.

The discovery intersected seams in the Burrum Coal Measures and the JORC Inferred Resource included 19.3Mt at depths up to 300m.

High coal Quality: hard coking coal

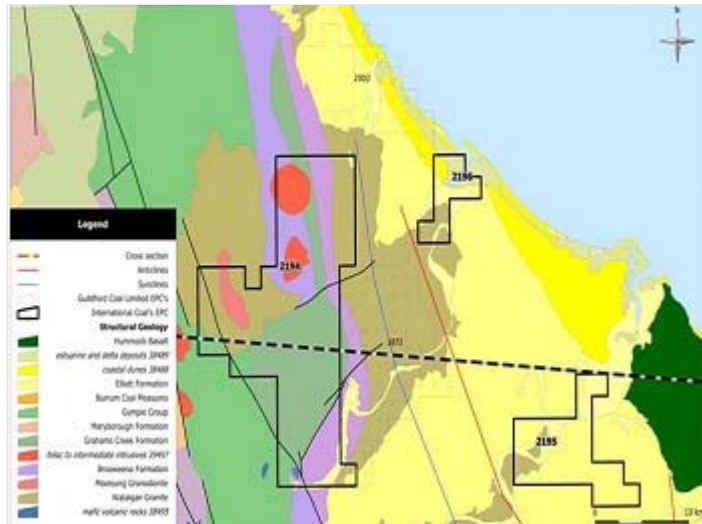
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These results set the Bundaberg discovery apart.

Clean coal composite results from GU, GL1 and GL2 seams in BUN006C and BUN010C show crucible swell numbers (CSN) between 8-9 (CF1.50), maximum Gieseler Fluidity (2500 ddpm), average ash of 9.5%, average calorific value of 7,450 Kcal/kg and yields of 50%-65%.

These results compare favourably with recognised Bowen Basin benchmark coals and mines at German Creek, Oakey Creek, Peak Downs, Moranbah North, and Saraji typically produce coal with average CSNs of 8-9, maximum Gieseler Fluidity greater than 200 ddpm, ash 8%-10%, and calorific value of 7500-8000 Kcal/kg.

Understandably, these results as well as infrastructure advantages has seen ICX field high level enquiries for potential project quality hard coking coal product from India, China and Japan.

Chief executive officer Glenn Simpson said "We expect the interest ICX has previously received from strategic and industrial groups in these and other Asian markets to increase as we continue to work to prove up the hard coking coal resource following our JORC estimate of 28.5Mt".

On coal seam continuity, Simpson said, "At this stage there is evidence for a working section in the seams in the lower part of the Burrum Coal Measures at depths between 240 metres and 260 metres.

"Seams at these depths are currently mined or planned to be mined in Australia using underground methods at mines like Appin (NSW), German Creek, Central and Belvedere (QLD)."

Simpson said that ICX has the benefit of working with an experienced coal mining venture partner in QCI, (Hancock Prospecting subsidiary) not only in terms of access to funding but also technical and operational support and extensive experience in the region.

"ICX is well positioned through its venture partner arrangement. Whilst continuing to share in the strong potential upside of the Bundaberg Project via the JV, we have the opportunity of ongoing funding for the project as well as access to a team with a proven track record in the exploration and development of coal assets and an excellent network in markets important to us."

The JV Agreement includes a production sharing clause which apportions production returns according to the interest held following the earn-in periods.

Analysis

This is a strong maiden resource for the Bundaberg project and perhaps just the tip of a large and extremely valuable and in demand coal resource.

Further drilling will reveal the full potential of the project near Bundaberg. Blessed with infrastructure - rail and port, located just 20km north of Bundaberg, the project is the current jewel in the crown. There are numerous major roads and tracks in the area.



Stellar Resources hits 'thicker than expected' high grade tin at Heemskirk

Additional Information

Market:	ASX
Sector:	Coal
EPIC:	ICX
Latest Price:	0.12 (-4.00% ▼)
52-week High:	0.35
52-week Low:	0.10
Market Cap:	15.85M

1 year chart

The gross insitu value of today's coal resource is worth in the region of \$4.7 billion versus a market cap. of \$17 million. We would not be surprised to see this project and the Consuelo projects taking centre stage for ICX.

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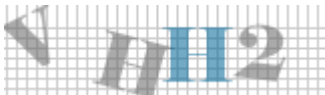
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