



**COALWORKS LIMITED**



**VICKERY SOUTH  
COKING & THERMAL  
COAL PROJECT**

**PRESENTATION TO THE  
NSW COAL & ENERGY CONFERENCE**

September 2010



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# VICKERY SOUTH COKING & THERMAL COAL PROJECT





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## KEY MILESTONES & POINTS

- Late 2009 – CWK won the Vickery South EL as part of the NSW Government tender process.
- Early 2010 – Stage 1 Exploration drilling commenced.
- Early 2010 – Joint Venture farm-in signed with ITOCHU.
- Mid 2010 – Entered into the purchase of Kurrumbede Property.
- Mid 2010 – Stage 1 Exploration drilling completed, with Thermal, PCI & Semi-Soft Coking Coal Products identified.
- Mid 2010 - Open Pit Mine designed.
- Mid 2010 - Production target identified as 2 - 3 Mtpa ROM.



# VICKERY SOUTH COKING & THERMAL COAL PROJECT

## KEY MILESTONES & POINTS (Continued)

- Mid 2010 - 42 M te inferred resource established with strong potential for additional tonnage to be defined in the Stage 2 Exploration Drilling.
- Present – PFS close to completion.
- Present – Stage 2 Drilling about to commence.
- Present – BFS & Environmental Assessment about to commence.
- Proximity to proven operating mines on similar seams and under comparable conditions.
- Close to railway to Newcastle Ports.
- Newcastle Ports are expanding capacity.



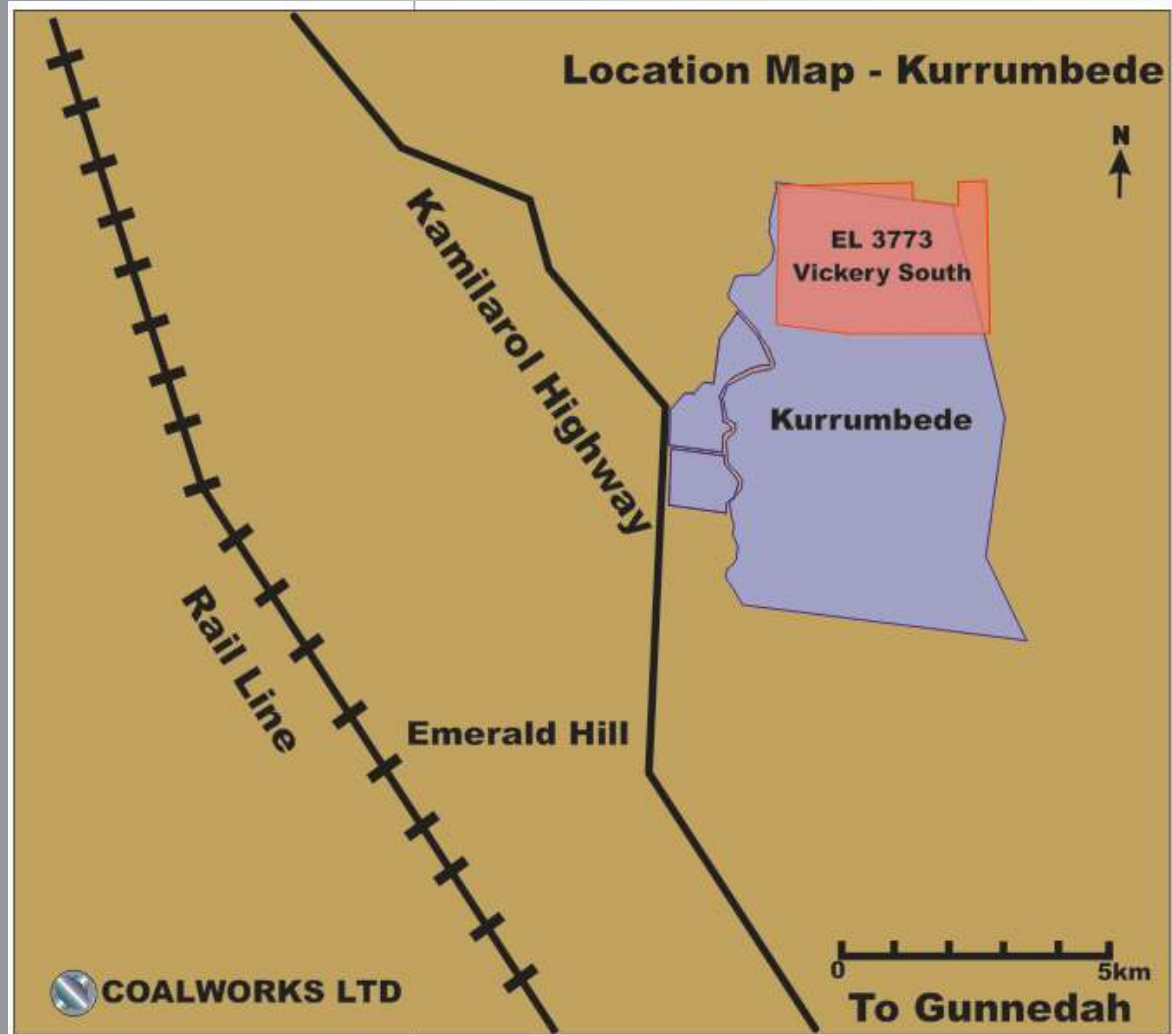
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The deposit lies immediately to the west of the Boggabri Ridge and is part of the Maules Creek Sub-Basin, with all seams in the Maules Creek Formation being present as below:

- Gundawarra Seam
- Welkeree Seam
- Shannon Harbour Upper
- Shannon Harbour Lower
- Stratford Seam
- Bluevale Upper and Lower
- Cranleigh Upper
- Cranleigh Middle and Lower



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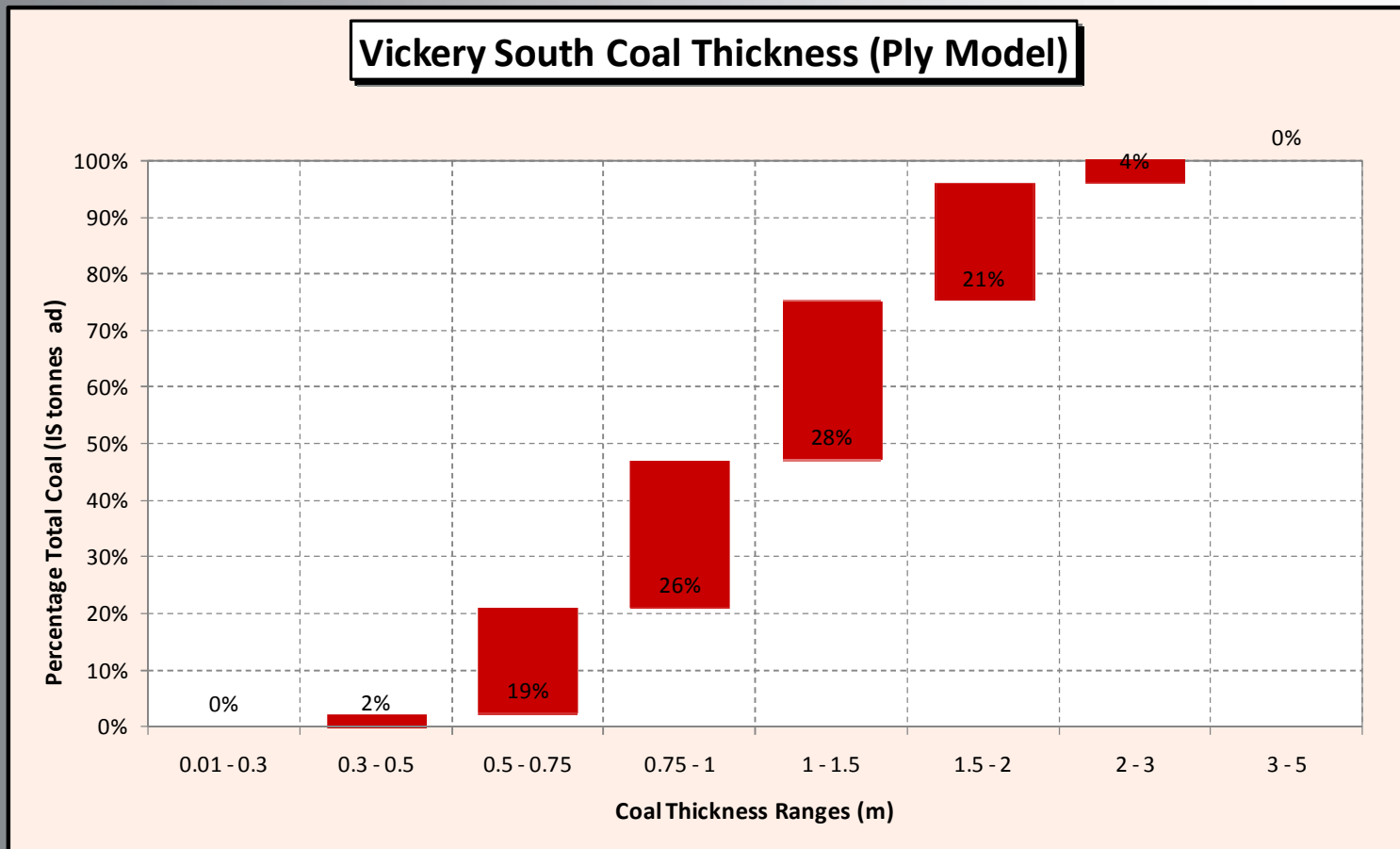








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*From Vickery South Pre-feasibility Study (July 2010) by Minarco-MineConsult*



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## GROUPS INVOLVED IN THE WORK TO DATE

- Runge/Minarco-MineConsult – Mine Design and overall PFS documentation
- Downer EDI (QCC (Now CPG) – Coal Characterisation and Beneficiation
- AcTest/ACIRL – Laboratory Analysis
- Pennington Scott – Hydrology and Hydrogeology
- Geos Mining – Geology and Geological Modelling
- R. W. Corkery & Co – Environmental & Community Relations
- PSM Consult - Geotechnical



# VICKERY SOUTH COKING & THERMAL COAL PROJECT

## GROUPS INVOLVED IN THE WORK TO DATE

- Constructive Solutions – Roads, Pads and Earthworks
- Stewart Surveys – Site Survey
- Geo-Spectrum (Australia) – Aerial Surveys
- Weatherford Precision Energy – Geophysical Core Logging
- Groundsearch Australia – Geophysical Core Logging
- Red Chief Local Aboriginal Land Council – Aboriginal Heritage Survey
- Mannion Drilling – Borehole Drilling
- Clarence Consultants – Electrical Infrastructure

**This Group has worked extremely well with our own Management Team to give an excellent and rapid progress to the project so far:**



# COALWORKS MANAGEMENT



## Wayne Mitchell

**AASA, AAIM (Appointed Chairman November 2007)**

Mr Mitchell is a qualified accountant with over 20 years extensive senior management experience in the natural resource sector, both in Australia and in South East Asia. Mr Mitchell and two partners were the initial promoters and developers of Thailand's major zinc deposit located at Mae Sot, Northern Thailand in early 1970s'. This resource deposit is now owned and operated by a Thai public company, Padaeng Industry Company Ltd. Mr Mitchell specializes in the areas of financial planning, fund raising and project evaluation.



## Dr Andrew Firek

**M. Sc., Ph.D., FAusIMM, FAIE (Appointed CEO June 2005)**

Dr Firek has been involved in coal exploration, mining and processing industry at operational and executive levels for over 20 years. Dr Firek was a group leader at the CSIRO developing clean coal technologies. He has worked as a United Nations expert on coal, oil and gas projects in Europe and Africa. He was a foundation director of three publicly listed companies and is currently a director of a \$500 million publicly listed company Gujarat NRE Coking Coal Limited and two Gujarat subsidiaries.



## Mr Sin Pyng Teng

**B Econ., Dip Fin Mgmt., CPA, FAICD, AFAIM (Appointed Director/Secretary June 2005)**

Mr Teng is a Certified Practicing Accountant, a Fellow of the Australian Institute of Company Directors and an Associated Fellow of the Australian Institute of Management. Mr Teng has been employed by several manufacturing companies in senior accounting positions. Mr Teng has since 1990 worked full time as a consultant involved with mergers, acquisitions and corporate restructuring.



# COALWORKS MANAGEMENT



## **Chris Hagan – Senior Advisor**

BA, LLB, Acc.Spec. (Bus)

Mr Hagan has over 25 years' experience advising publicly-listed and private companies on legal and corporate affairs, including large scale capital raising strategies, IPOs and restructures. His career include co- founding and acting as CEO of Allegiance Mining NL in its early years before its major nickel discovery and takeover by Zinifex in 2008 for over \$800 million.



## **Mr Geoff Kidd– Operation Manager**

Mr Kidd has extensive experience in hands-on roles driving technological and operational efficiencies in new mine development and managing coal projects. He has over 25 years' experience at a senior level within the mining, engineering, contracting, power, chemical and petrochemical industries. He has over 25 years' experience at a senior level within the mining, engineering, contracting, power, chemical and petrochemical industries. His professional experience in the coal Industry has primarily focused on new mine developments and the expansion of existing Mines.



## **Mr Chris Burgess – Area Manager**

Mr Burgess has 30 years' experience working in and around the Gunnedah coalfields. He has extensive mining experience, ranging from his earlier employment in surveying and coal mining to his senior roles as Production Manager at the Gunnedah and Glennies Creek Collieries. He has over 12 years' experience in the establishment and development of new mines, for example, at Glennies Creek (Underground), Brickworks Open Cut, Whitehaven Open Cut, Canyon Open Cut, Tarrawonga Open Cut, Narrabri Underground and Rocglen Open Cut.



# COALWORKS MANAGEMENT



## **Matt Morgan - Exploration Manager**

BSc (Geology)

Mr Morgan has 15 years experience in coal, gold, antimony, and iron ore mining & exploration, both Open Cut and Underground. He has a diverse set of skills covering mine geology, quality control and mining engineering, and mine management roles. His previous management experience includes Open Cut roles with BHP Billiton, Rio Tinto, Theiss, and Underground Mine Manager for Mandalay Resources.



## **Mr Steve Harper – Project Manager**

BE (civil)

Mr Harper has 32 years experience in project and study management, design management and engineering design, in the field of building, infrastructure, mining, petrochemical, heavy industrial and process fields. His previous experience include engineering Manager for a recent major expansion at BHP's Mount Arthur North Mine, study Manager for TOP Marua Wahau Coal Mine Development, Design Manager and Petrosea JO Representative for the EPC and Study Manager for CVRD's Belvedere Coal Mine Development.



# VICKERY SOUTH DEVELOPMENT TIMETABLE

ACTIVITY	2009	2010	2011	2012	2013	2014
Vickery South EL Granted	●					
Initial drilling & JORC Inferred Resource		→				
Indicated Resource		→				
Measured Resource		→				
Scoping / prefeasibility study		→				
Sample testing		→				
EA base data		→				
Mine Plan		→				
Environmental assessment		→				
Final feasibility (Bankable)			→			
Mine Approval			→			
Engineering & Construction				→		
Start Production					→	
First Shipment						→

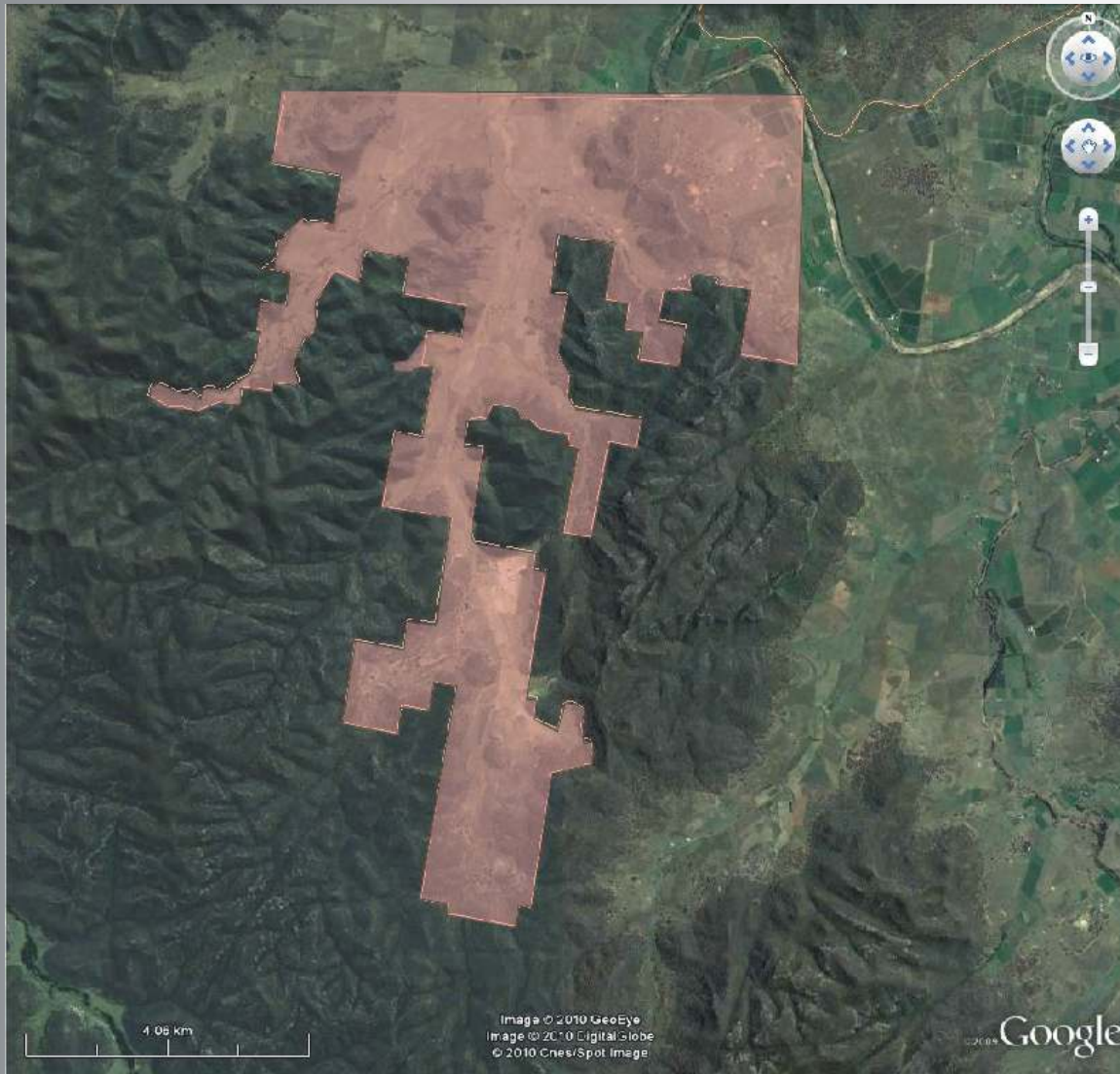


# THE FERNDALE COAL PROJECT





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## THE FERNDALE COAL PROJECT

Based on our initial 3 holes at Ferndale, it appears that the EL contains all or most of the Newcastle and Upper - Middle Wittingham coal measures, and the following key seams appear to be evident:

- Great Northern
- Fassifern
- Upper Pilot



# THE FERNDALE COAL PROJECT

- **Wave Hill**
- **Wybrow Upper & Lower**
- **Wambo**
- **Whynot**
- **Blakefield**
- **Piercefield**
- **Bayswater**



## THE FERNDALE COAL PROJECT

Our 3<sup>rd</sup> hole is currently being drilled to a intended depth of 650 m, where we are targeting the Upper to Middle Wittingham Coal measures down to the Bayswater seam. We anticipate intercepting the Bayswater Seam at approx 580 – 600 m depth & expect a Bayswater seam thickness of approximately 7 - 8m.

This expected thickness is based on historic drilling within the area, and we look ahead to a quality for that seam that is similar to elsewhere in the region.



## THE FERNDALE COAL PROJECT

As a result our latest Exploration Targets are presently:

- 50 – 80 million tonnes of seams with Open Cut potential.
- 200 – 250 million tonnes of seams with Underground potential.