



 #### | HANCOCK GALILEE PTY LTD

Kevin's Corner Project | JULY 2009



## The Project

The Kevin's Corner Project is a recognised thermal coal deposit within the Galilee Basin, Queensland, Australia. This deposit contains very large resources of thermal coal in a premium location of the Basin.

Hancock Galilee Pty Ltd (HGPL), a subsidiary of Hancock Prospecting Pty Ltd, has a long-standing interest in the development of the Galilee Basin, with the parent company having held coal exploration permits and investigated the Alpha region since 1978.

The project deposit lies within the late Permian Colinlea and Bandanna Formations. The Galilee Basin is a world class location consisting of four main thermal coal seams suitable for the global export market. Within the deposit there is additional potential for liquefaction and gasification.

The coal seams dip gently from east to west varying in thickness from 5 metres to 8 metres, enabling high production open-cut mining and underground longwall mining.

Exploration to date has concentrated on the coal suitable for export, with the potential for resources to be substantially upgraded with further drilling to the west.

## Project outline

- |                      |   |
|----------------------|---|
| <b>The deposit</b>   | 1.5 billion tonnes of Indicated and Inferred JORC compliant resources.  |
| <b>The mine</b>      | 30 Mtpa open-cut and underground longwall thermal coal mine with associated infrastructure and utilities, making it one of the largest single coal mine sites in the world. |
| <b>Rail corridor</b> | Construction and operation of a rail link from the mine to the preferred port location of Abbot Point.  |
| <b>Port</b>          | Construction and operation of a port and materials handling facility with the capacity to handle more than 60 Mtpa.   |





resource

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## Project

The Kevin's Corner Coal Project will be a 30 Mtpa open-cut and underground longwall coal mine. The operation has an expected mine life of 30 plus years.

## Kevin's Corner Project – environmental approvals submitted to government

- ✓ Initial Advice Statement
- ✓ EPBC
- ✓ Draft EIS Terms of Reference

## Kevin's Corner Project – competitive advantages

- || An extensively delineated deposit in the Galilee Basin
- || Superior Hargrove Grindability Index (HGI) compared to Surat Basin (Queensland)
- || Calorific Value (CV) competitive with Bowen and Surat Basins (Queensland)
- || Low sulfur content
- || Ideal Asia-Pacific and Indian market proximity
- || Strategic partnership approach
- || Independent.

## Coal and mine

Four main coal seams will be targeted to be mined within the first thirty years.

Draglines, shovels and trucks will be used to mine these seams from the open cut for the duration of the mine life. Continuous miners, longwall shearers, supports and conveyors will be used in underground operations for the lower seams. Dump trucks will be used to deliver the coal to the Coal Processing Plant (CPP) from the open cut and will be conveyed from the underground operations.

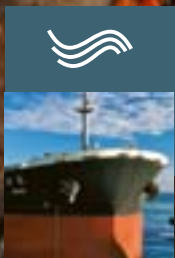
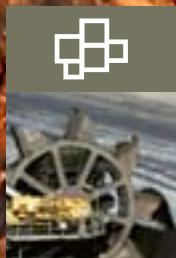
Kevin's Corner coal is a quality thermal coal with low ash content and low sulfur. The coal has attractive HGI properties; is low in all trace elements, and is an extremely large resource that is capable of providing reliable coal at a consistent quality.

Work to date demonstrates Kevin's Corner coal is suitable for burning in the majority of Asian and Indian power stations.

## Rail

The recently completed Pre-Feasibility Studies for Alpha Coal and Kevin's Corner consider a new, dedicated multi-user rail system, as well as existing rail infrastructure. The studies also consider the potential to link with the existing Queensland Rail (QR) network by building a 140km rail link from the Alpha Coal Mine to Blair Athol.

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## Port

Abbot Point is the preferred port location and may include:

- || Coal handling facility and stockyard site of approximately 300ha
- || Two rail loops (5km in length) located on site with dump stations to facilitate the unloading of coal
- || Sufficient stockyard capacity to handle an initial 30 Mtpa with adequate land for potential multi-user stockyard capacity expansions up to 120 Mtpa plus
- || Berthing for a full range of vessels from Handymax to Cape Class (i.e. 250,000 DWT)
- || Shiploader on wharf with provision for wharf and shiploader expansion which will allow for additional multi-user berthing capacity.

## Abbot Point

Abbot Point is an existing coal precinct located north of Bowen, Queensland, and is currently undergoing expansion and development. The final port will accommodate vessels from Handymax to Cape Class. There are a number of options available to Hancock Coal at Abbot Point. These include the stockyard, jetty and loading wharf for an offshore [X230] facility, a land backed facility, the Multi Cargo Facility, or expansion of the existing port from 50 Mtpa to 110 Mtpa capacity.

The port and surrounding land has extensive expansion planned and is committed for the next five years to meet growing coal export demand. The proposed port provides adequate protection from the prevailing weather conditions.





investment



## Coal resources and specification

HGPL holds one granted Mineral Development Licence (MDL) in the Galilee Basin (MDL 333). Hancock has applied for an Exploration Permit for Coal (EPC), (EPC Application 1210). Exploration efforts to date and ongoing exploration is focusing on MDL 333 and EPC 1210.

### JORC RESOURCES

Kevin's Corner Project	All Seams (Million Tonnes)			
	Measured	Indicated	Inferred	Total
	-	475*	977*	1,452*
Target	225	925	1350	2500

\* Current JORC Compliant, Indicated and Inferred classified resources.

The current 2009 exploration program will further improve resource classifications and mine operation confidence.

The Kevin's Corner Project will deliver high quality thermal coal. A primary washed product is to be produced as per the specifications outlined.

### WASHED COAL SPECIFICATIONS

Parameter	Washed Coal
Ash %	9.5
Gross calorific value (kcal/kg)	5910
Total sulfur %	0.45
HGI	50 – 55

### INDICATIVE PROJECT TIMING

Order of Magnitude	Complete
Pre-Feasibility Studies	Complete
Bankable Feasibility Study	2009 – 2011
Environmental and government approvals	2011
Finance	2011
Construction	2012
First shipments	2014

## Investment

Hancock is interested in involving end-users to participate in equity for the project, combined with long-term off-take agreements. Hancock is seeking these participants throughout the Bankable Feasibility Study to ensure the interest of all long-term equity participants is catered for throughout the mine and logistics design process.

The Kevin's Corner Project offers the option for end-users to secure a long-term, stable supply of high quality thermal coal, utilising privately owned and operated multi-user rail and port infrastructure.

The scale of the Kevin's Corner Project and consistency of product is of the highest order, and therefore presents a unique opportunity for power companies expanding their output to do so in conjunction with a secure, reliable coal supply of good quality thermal coal.



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