

Eagle Downs Hard Coking Coal Project Upgraded Resource Statement

Highlights:

- **The Eagle Downs Hard Coking Coal project team has produced an upgraded Resource Statement with a significant increase in the JORC classification of the 894 Mt resource;**
 - **Increase in Measured Resource to 340Mt, an increase on the previous Resource Statement.**
 - **The Project mining plan covering the payback period is now classified 90% as Measured Resource.**
 - **Measured and Indicated Resources have significantly increased in the Harrow Creek Upper Seam to 518Mt, an increase on the previous Resource Statement and now cover 99% of “life of mine” mine plan for the Harrow Creek Upper Seam which is the initial mining seam and covers the mine payback period.**

Aquila Resources Limited (ASX:AQA “the Company” or “Aquila”) is pleased to announce an upgraded Resource Statement for the Eagle Downs Hard Coking Coal Project (“Eagle Downs” or the “Project”) in which the Company has a 50% interest. The Project is located in the Bowen Basin in Central Queensland, immediately down dip from BHPB Mitsubishi Alliance’s Peak Downs hard coking coal mine. The Feasibility Study proposes an underground longwall mine, producing initially up to 4.6Mtpa and then up to 8Mtpa of hard coking coal when the second longwall is installed.



Updated Resource Estimate

The revised Resource Statement has been prepared by Mr Mal Blaik from JB Mining Services Pty Ltd. The JORC classification of the Harrow Creek Upper Seam resource have been upgraded significantly coupled with a small increase in the total resource.

Work involved:

- The drilling of an additional 7 holes;
- The addition of 55 holes to the geological database which have been processed since the previous Resource Statement was released;
- The addition of 21 holes with clean coal composite results processed since the previous Resource Statement was released;
- A geostatistical analysis of the relevant seam parameters;
- Preliminary results from the 3D Seismic survey over the proposed mining area..

The outcomes of this work are:

- Increase in Measured Resource to 340Mt – the Project mining plan in the Harrow Creek Upper seam covering the payback period is now classified 90% as measured resource.
- Measured and Indicated Resources have significantly increased to 518Mt and now cover 99% of the proposed life of mine plan.

Results are detailed below:

Table 1 – Summary of In situ Resources by Seam (depths from 150m to >600m)

Seam	Measured Tonnes x 10 ⁶	Indicated Tonnes x 10 ⁶	Total Measured & Indicated Tonnes x 10 ⁶	Inferred Tonnes x 10 ⁶	Total Measured Indicated & Inferred Tonnes x 10 ⁶
Q	33.5	18.5	52.0	45.0	97.0
HCU	103.5	47.5	151.0	26.5	177.5
HCL	129.0	63.5	192.5	187.5	380.0
DY	72.3	45.0	117.3	86.0	203.3
DY – “PCI”	1.0	4.5	5.5	31.0	36.5
Total	339.5	179	518.3	376	894.3

Tony Poli **Executive Chairman**

For further information regarding this announcement, please contact Tony Poli.

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The information in this announcement that relates to the Resource Statement has been based on information compiled by Mr Mal Blaik who are members of the Australian Institute of Mining and Metallurgy. Mr Blaik is a Principal Consultant of JB Mining Services Pty Ltd. Mr Blaik is a qualified geologist (BSc App Geol (Hons) University of QLD, 1979) and is a member of the Australasian Institute of Mining and Metallurgy and as such qualifies as a Competent Person under the JORC Code. Mr Blaik consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.