

New Age Exploration score British coal project

John Beveridge | Herald Sun | June 13, 2012 12:00am

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IT might be folly to take coal to Newcastle but what about extracting it?

Aussie-listed junior New Age Exploration has just been granted a major coking coal project less than 100km from the historic UK coal port, even though it is closer to the west coast, near the town of Carlisle.

While the original Newcastle has long since been overtaken by its Antipodean namesake in the coal export stakes, former BHP Billiton veteran and New Age chief executive Gary Fietz is hoping to prove there is plenty of economic coal left around the Scottish/English border.

The big benefit of the Lochinvar project is that it has been acquired at minimal cost through a competitive application process from the UK coal authority. Apparently the long-term decline of the UK coal industry has left few local players interested in developing underground coal deposits.



That means New Age can concentrate its funds on defining and developing the deposit rather than paying big sums to vendors.

The early indications are good with historic boreholes and seismic testing from the 1950s to 1980s pointing to multiple seams with thicknesses up to two metres starting at 100m from the surface.

The conceptual exploration target is for 330 to 410 million tonnes of potential coking or PCI (pulverised) coal, with access agreements in place with two surface owners for proposed mine surface facilities and exploration.

With many European steel mills importing coking coal a very long way from Australia, Canada and the US, there should be a ready market for the coal which is within striking distance of a railway line and multiple ports and steelworks.

Gary said the plan was to build a small team in the UK and get the exploration drills turning to produce a Joint Ore Reserves Committee resource next year.

This is New Age's first foray outside its portfolio of Colombian coal projects which are designed to help feed the Brazilian steel mills, giving it some welcome geographic diversity. With plenty of coal experience in the company and a proven ability to raise funds and buy assets on the cheap, New Age is a speculative buy on the dips after firming an impressive 18.75 per cent on the news to 9.5c a share.