

For personal use only



# RBS Morgans Limited

14 December 2011

AN EMERGING COAL BASED ENERGY COMPANY FOCUSED ON THE SURAT BASIN REGION

# Disclaimer



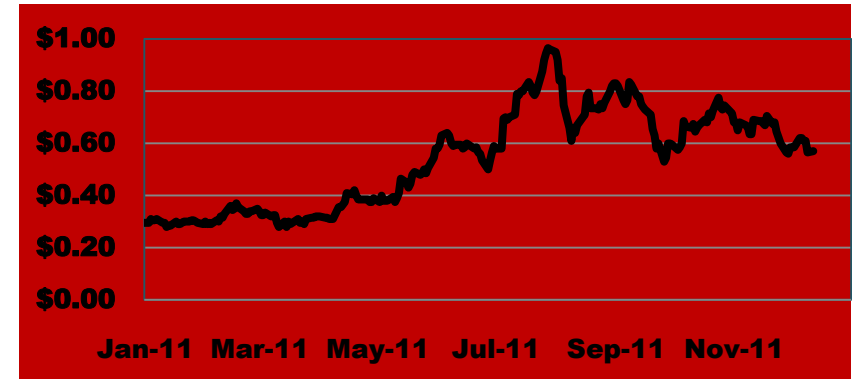
- Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of MetroCoal Ltd, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.
- MetroCoal is at an early exploration stage and although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness.
- Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.
- Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.
- Technical information and resource targets on MetroCoal Limited coal projects in this report had been compiled by Mr Neil Mackenzie-Forbes, MetroCoal JV General Manager. Mr Mackenzie-Forbes, member of *"The Australian Institute of Geoscientists"*, is a competent person and has relevant experience to the mineralisation being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. The resource information in this report has been released to the Australian Stock Exchange. **Mr Mackenzie-Forbes has consented in writing to the inclusion in this presentation of the matters based on the information in the form and context it appears.**

# MetroCoal Share Structure

ACN 117 763 443  
ASX Code: MTE



Share price 12 December 2011	\$0.535
Shares on Issue	208.9M
Market Cap	\$112M
Cash on hand*	\$23M



\* Excludes funds available in SinoCoal Joint Venture.

## Substantial Shareholders

- **Metallica Minerals Limited** 38.3%
- **Mathews Capital** 17%
- **DADI Eng. Dev. Group** 15.3%

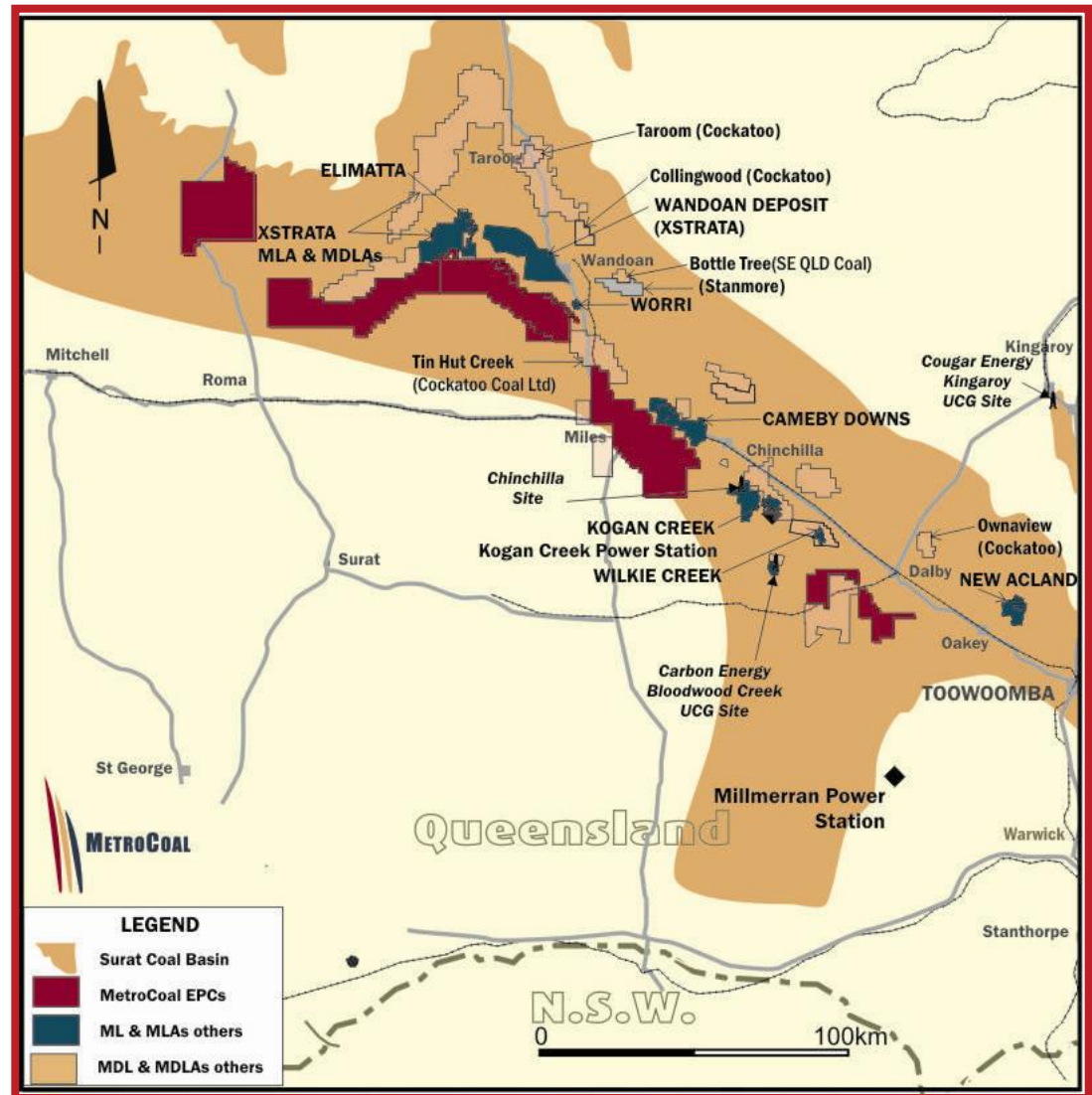


# MetroCoal's Surat Basin Tenements



For personal use only

- Increased activity in the Surat Basin
- Significant new corporate entrants through take over and acquisition
  - New Hope/Elimatta
  - Yancoal/Cameby Downs
- Rail and Port infrastructure is on track



# MetroCoal Resource



- Exploration Target of 2.5 – 3.5 billion tonnes\* by end 2011 has been achieved
  - 2,363\*\* Mt Resource identified since May 2009.

	Juandah** (underground) MCU Seam	Bundi** (Underground)	Norwood** (Underground) MCU Seam	Columboola** (Underground) MCU Seam	Dalby West**	Total (Underground)
Inferred	224Mt	1411Mt	156Mt	1,297Mt***	520Mt	3,608Mt
Indicated	24Mt	150.9Mt				174.9Mt
<b>Total</b>	<b>248Mt</b>	<b>1561.8Mt</b>	<b>156Mt</b>	<b>1,297Mt***</b>	<b>520Mt</b>	<b>3,782.9Mt</b>

## Target tonnage in Kogan and Macallister Upper seam only

\* The potential quantity and quality is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource or Ore Reserve and it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve.

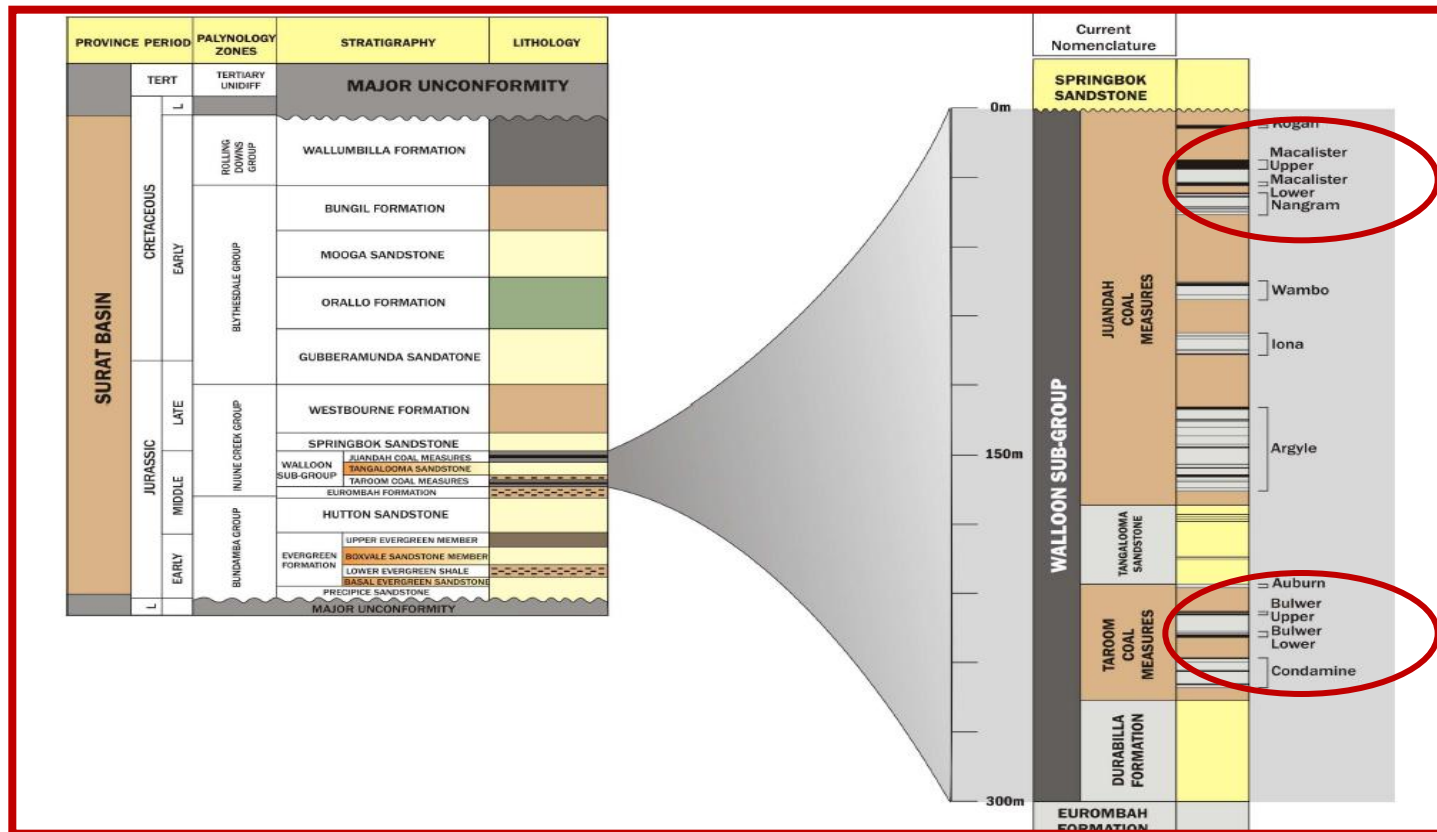
\*\*See ASX – MTE releases – 18 November 2011, 9 December 2011 and 14 December 2011

\*\*\*MTE JV share + 49%

# Bundi and Columboola Thermal Coal Targets



- Major economic coal deposits in the Surat Basin occur in the Juandah and Taroom coal measures within the Walloon sub-group
- Only Macalister Seam Package and Kogan Seam tested at Bundi
- Juandah and Taroom coal measures tested at Columboola



For personal use only

# MetroCoal Surat Projects

## Indicative Coal Quality



For personal use only

Thermal coal suitable for export, at depths amenable to underground mining at all MetroCoal project areas

Attractive coal quality

- low ash, low sulphur and low phosphorous.
- The low nitrogen (an advantage to power stations in built up areas which have a ceiling on NOX emissions)
- low iron oxide in the ash makes the coal suitable for cement manufacture

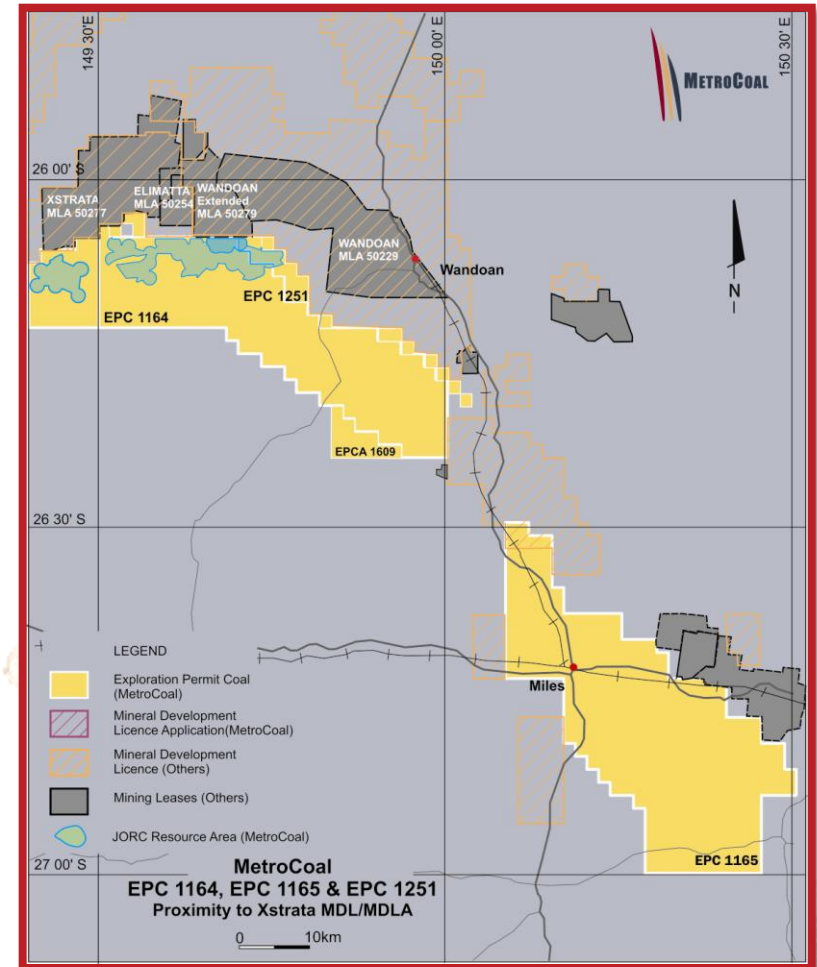
	Washed	Raw
<b>PROXIMATE ANALYSIS (%ad)</b>		
Moisture	8-9	7-9
Ash	9-11	15-25
Volatile Matter	38-42	36-38
Fixed Carbon	38-43	30-42
<b>TOTAL MOISTURE (%Ar)</b>	<b>14-16</b>	<b>12-14</b>
<b>YIELD (%)</b>	<b>75-90</b>	
<b>SPECIFIC ENERGY</b>		
Gross (MJ/kg.ad)	26.6	21.8-25.1
Gross (kCal/kg.ad)	6350	5200-6000
<b>ULTIMATE ANALYSIS (%daf)</b>		
Carbon	77.4	75.9
Hydrogen	6.0	6.2
Nitrogen	0.9	1.1
Sulphur	0.4	0.4
Oxygen	15.3	16.3
Sulphur (%ad)	0.30	0.32
<b>HARDGROVE GRINDABILITY INDEX (HGI)</b>	<b>38</b>	<b>40</b>

RBS Morgans Limited Presentation

# MetroCoal Development Strategy



- To develop a longwall mining operation at Bundi (EPC 1164) with an export coal capacity in excess of 5Mt per year
  - Initial development commencing 2015
  - Longwall production commencing 2017
- To develop a longwall mining operation at Columboola Joint Venture (EPC 1165) with an export coal capacity in excess of 5Mt per year
  - Initial development commencing 2016
  - Longwall production commencing 2018





# Bundi Project

## EPC 1164 and EPC 1251



Located down dip of New Hope's Elimatta and Xstrata's Wandoan mining projects.

No material effect from proposed SCL legislation.

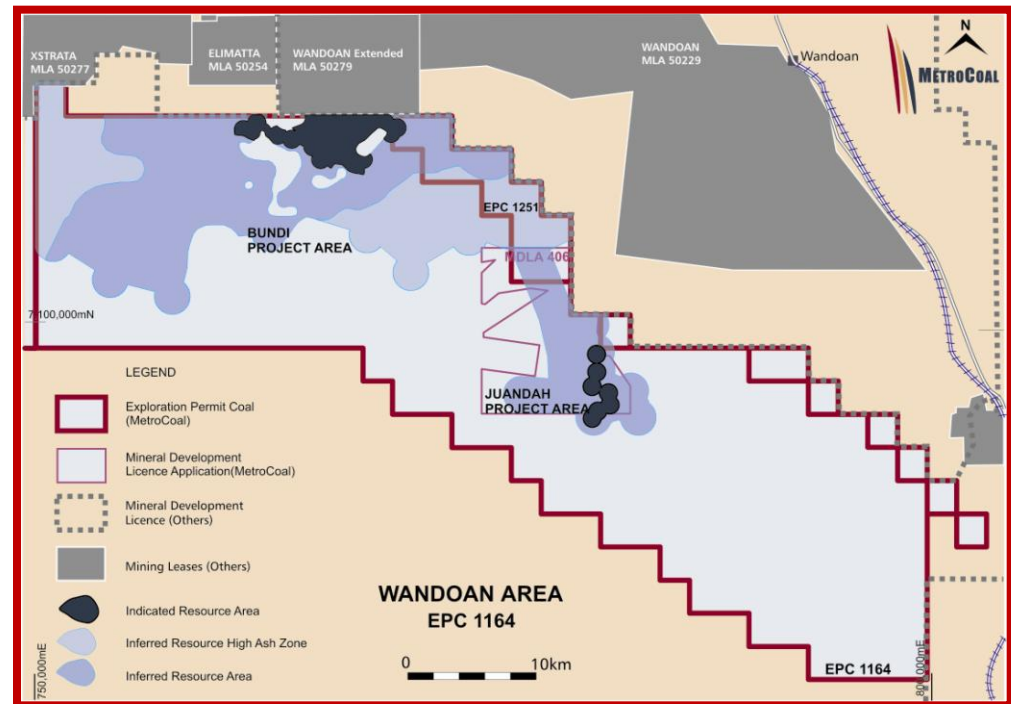
Total Resource 1561.9Mt\*

71 part cored holes completed in 2011

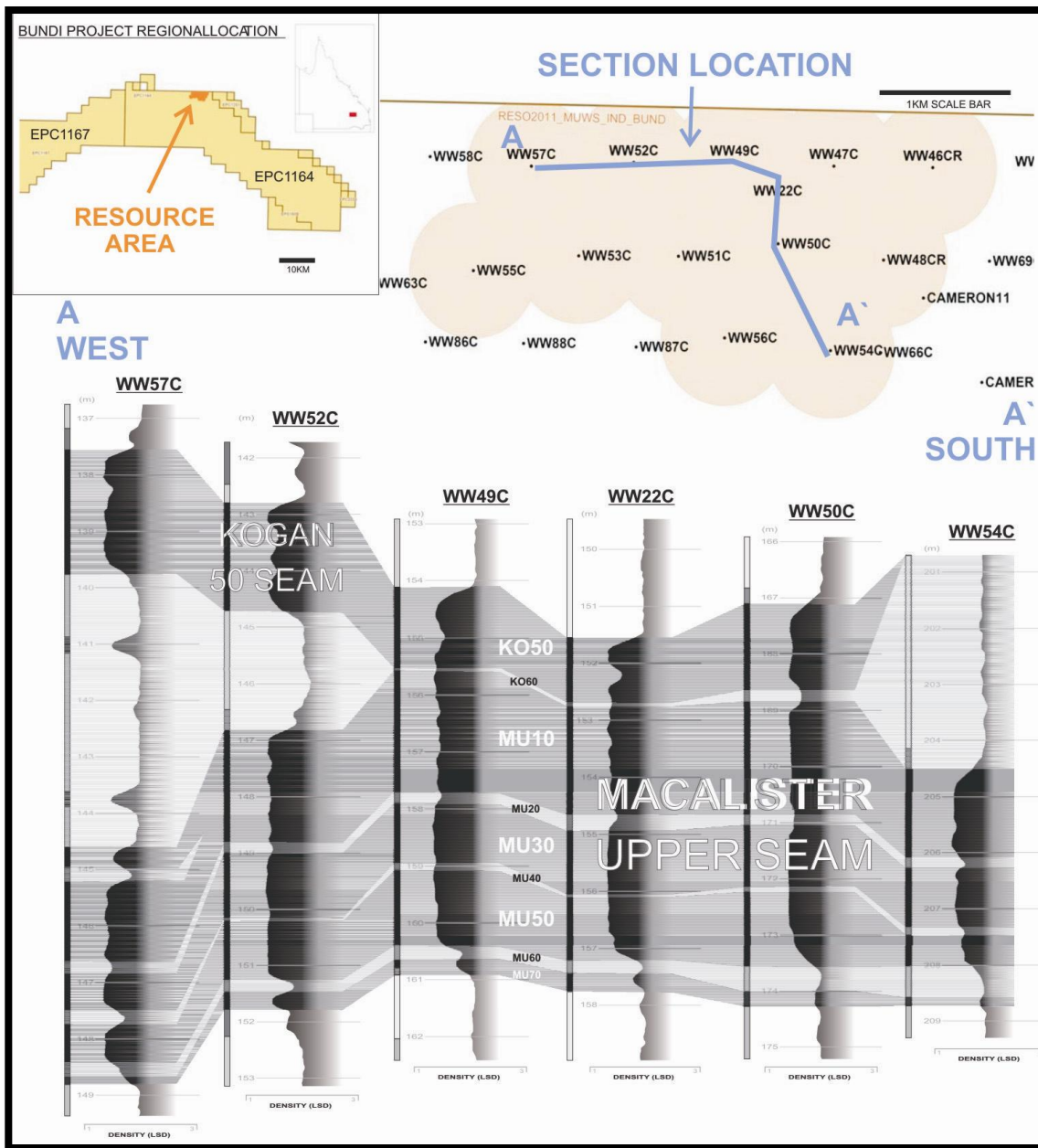
Underground longwall target area identified - concept study commenced

EIS process commenced with agreed TOR.

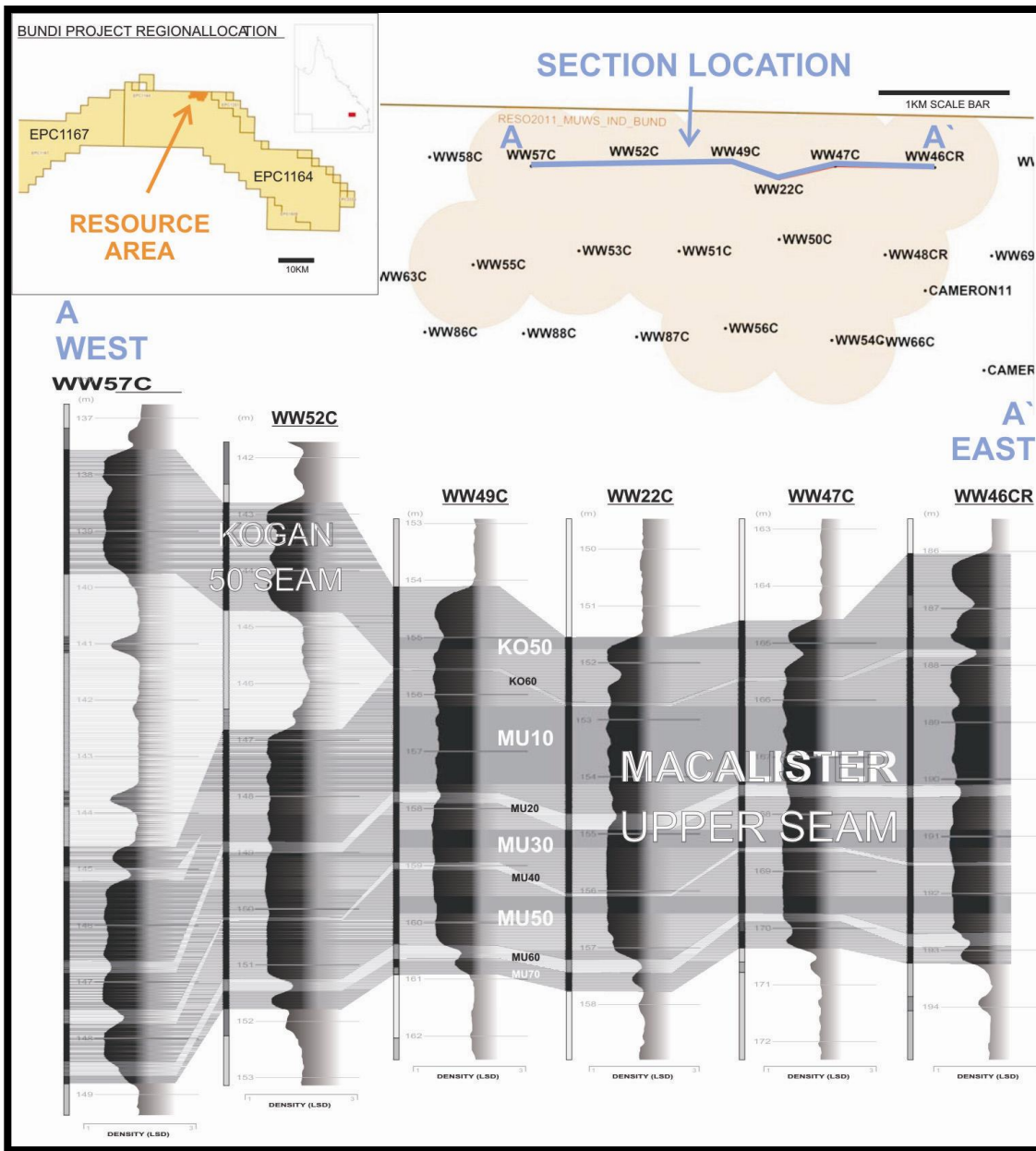
\*See ASX – MTE release 14 December 2011



# Section



# Section



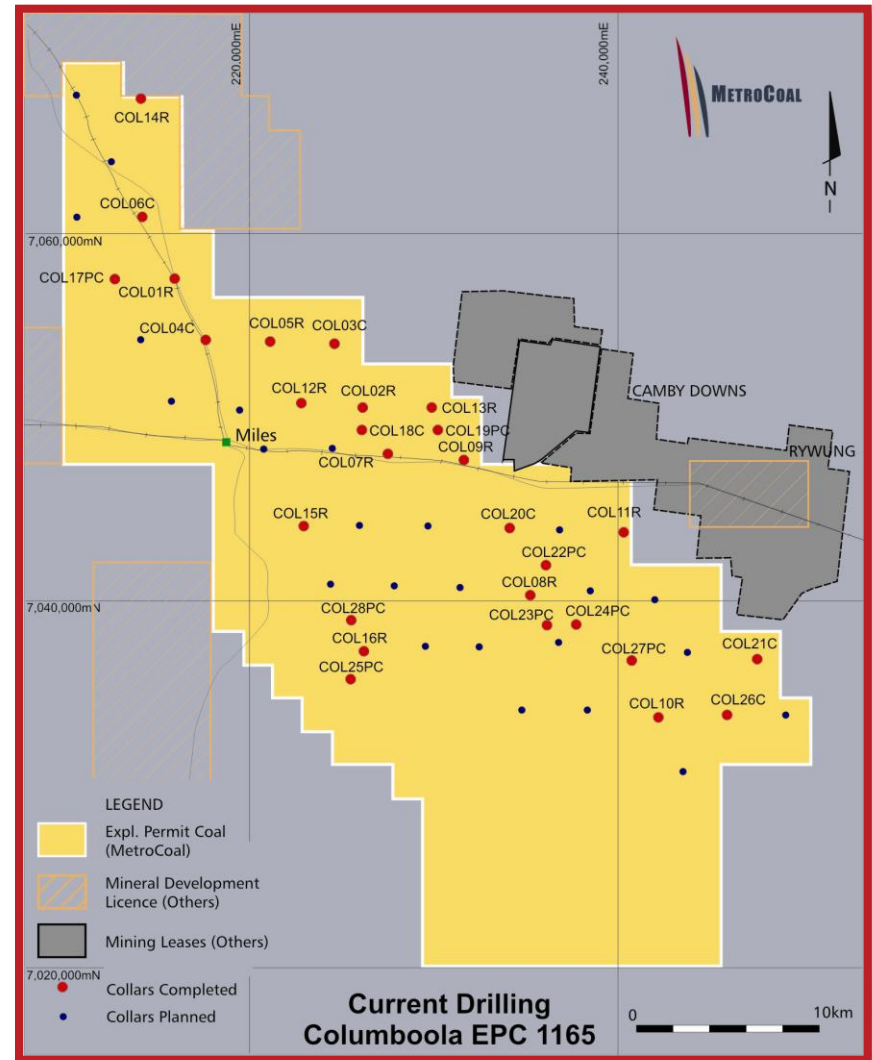
# SinoCoal – MetroCoal Columboola Joint Venture



For personal use only

- Signed \$30 million Joint Venture with SinoCoal Resources on EPC 1165 Columboola (SC 51% - MTE 49%)
- JV is targeting down dip extensions that make up the Cameby Downs thermal deposit being mined by Syntech
- Inferred resource of 1,297Mt\* announced in 2011
- No material effect from SCL legislation

\* See ASX – MTE release 18 November 2011



RBS Morgans Limited Presentation

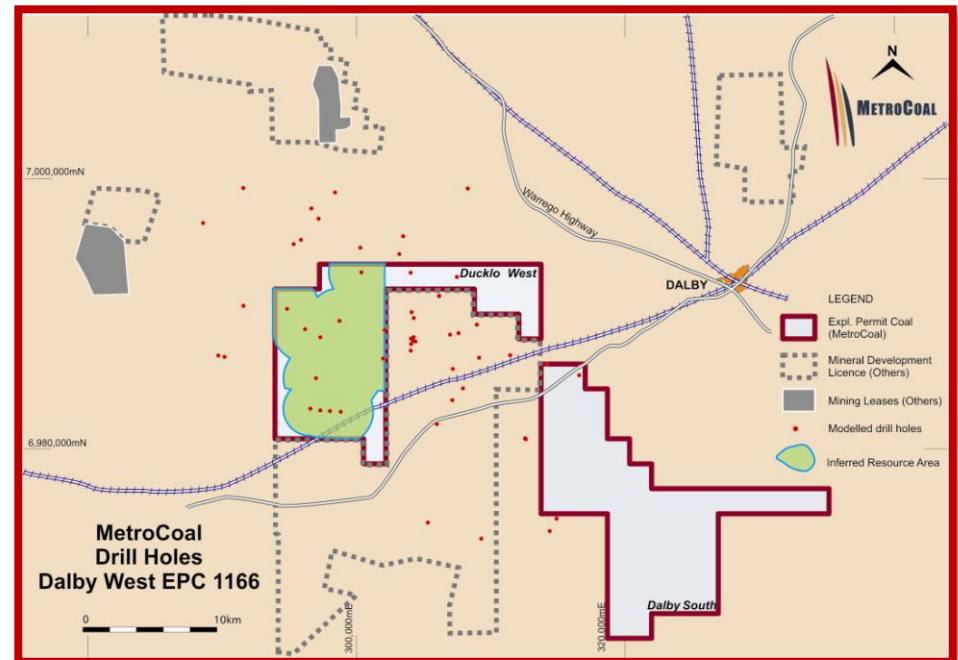
# Dalby West - EPC 1166



In addition to the Bundi Project and the SinoCoal Joint Venture MetroCoal has an excellent resource base to provide development opportunities well in the future.

Dalby West presents an attractive target with well developed coal seams at relatively shallow depths.

Exploration drilling has commenced with two holes completed. A maiden Inferred resource of 520Mt has been established\*.

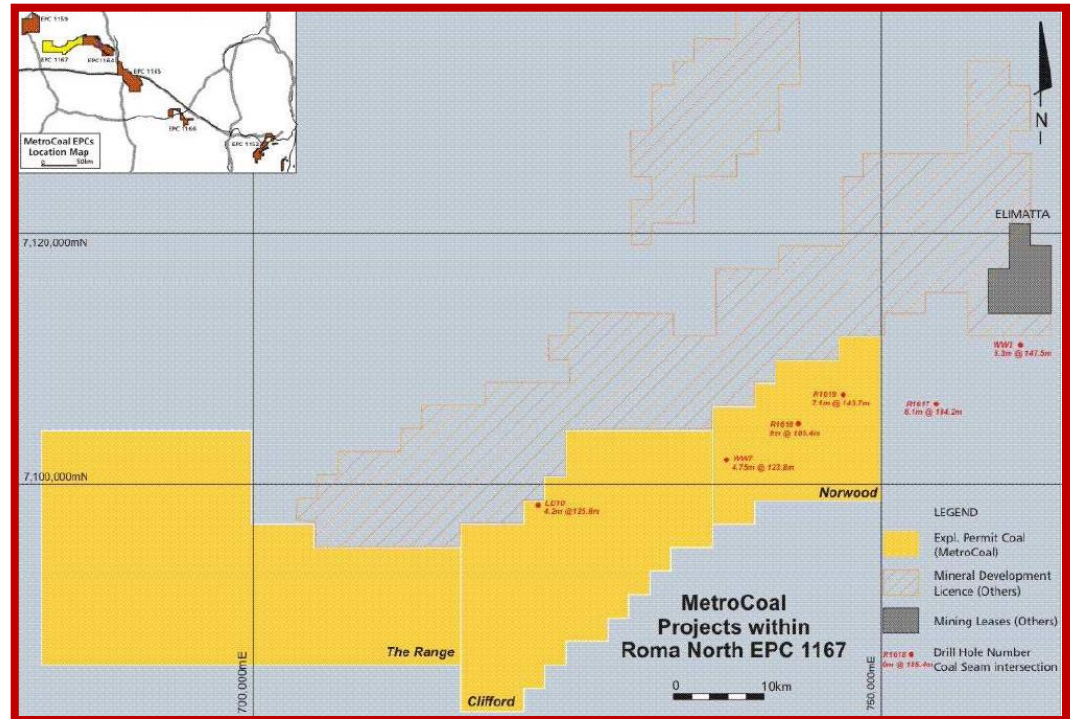


\*See ASX – MTE Release 9 December 2011

# Roma North EPC 1167



- Roma North includes the Norwood Project area where 156Mt\* inferred resource has already been identified.
- Extensive exploration target exists to the west of Norwood. Further drilling is planned during 2012.



\* See ASX – MTE release 12 May 2011

# Surat Basin Rail Capacity



For personal use only

- **Southern Missing Link is on track. Surat Basin Rail JV customer commitment process has commenced.**
- **MTE expects to be an “expansion” customer.**
- **Southern Surat User Group established to progress the rail extension from Wandoan to Columboola.**



# Port Infrastructure



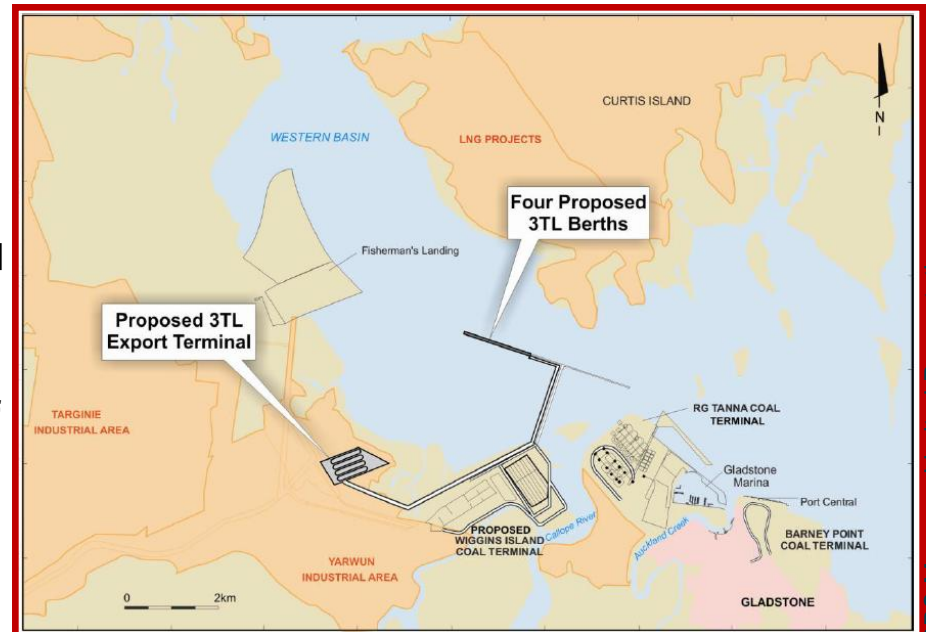
■ MetroCoal is confident of obtaining port capacity

## ■ Wiggins Island

- Wiggins Island Stage 2 process underway
- \$2M bank guarantee for MTE share of feasibility study for 12Mtpa capacity (5Mtpa for Bundi)

## ■ Tenement to Terminal Limited (3TL)

- 3TL is an unlisted public company
- Terminal site land is freehold
- MTE has 20% Equity in 3TL and secured up to 11.47 Mtpa capacity.
- First stage 3TL ready to accept coal to stockpile for shipment before the end of 2016
- This presents opportunities to integrate investments in port capacity with mine production.





# MetroCoal 2011 Highlights



## Resources

- Total coal resources increased by 3,073.9Mt from 709Mt to 3,782.9Mt\*
  - Inferred by 2,922Mt from 686Mt to 3,608Mt
  - Indicated by 151.9Mt from 23Mt to 174.9Mt
- MTE ASX announcements 18 November, 9 December and 14 December 2011

## In the Field

- At our peak we had 7 drill rigs deployed between Bundi and Columboola
- Commenced our EIS process for Bundi and Norwood projects
- Opened our Wandoan office

Holes Drilled		Metres Drilled		Cores Taken		Samples Analysed	
2010	2011	2010	2011	2010	2011	2010	2011
30	99	5,500	33,678	12	86	600	3708

## The MetroCoal Team

- During the year we welcomed four new team members bringing the total full time employees to nine

## Corporate

- Investment in 3TL
- Dadi as cornerstone investor

For personal use only

# MetroCoal 2012



## An attractive Investment Opportunity

During 2012 significant progress is expected in both infrastructure development and MetroCoal's own project development.

**MetroCoal moves from exploration into the next phase of development, progressing mining and environmental studies**

- Exploration will focus on closer spaced drilling, upgrading resources to indicated and measured in mining target areas of Bundi and Columboola
- EIS process commenced for Bundi and Norwood projects
- Bundi mining concept study commenced in late 2011 - results expected towards end Q2

**Infrastructure for the Surat continues to develop**

- SBR financial close in Q2, construction commences before end 2012
- Southern Surat User group established to progress rail connection south of Wandoan to Columboola
- Wiggins Island Stage 1 construction has commenced
- 3TL preliminary studies completed & detailed feasibility studies commenced.

# MetroCoal Limited

**Contact:**

Mike O'Brien – Chief Executive Officer  
Email: [mobrien@metrocoal.com.au](mailto:mobrien@metrocoal.com.au)

Theo Psaros – Chief Operating Officer  
Email: [tpsaros@metrocoal.com.au](mailto:tpsaros@metrocoal.com.au)

Office: +61 7 3249 3040  
Web: [www.metrocoal.com.au](http://www.metrocoal.com.au)

