
Churchill Mining still optimistic about coal

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Proactive Investors reported that Churchill Mining PLC remains optimistic about coal and its future in the mid term despite the current depressed world thermal coal prices as it reported interim results.

The group's main project is the East Kutai coal project in Indonesia, which saw a further USD 3.25 million invested during the H1 to December 31st 2008 in the ongoing exploration and pre-development activities. Churchill's cash resources totaled USD 8.32 million at year end.

Net loss for the period widened to USD 13.8 million, from USD 943,000 previously hit by the impairment of the original carrying cost for the Sendawar CBM project to the tune of USD 5.7 million. It also incurred a USD 2.65 million loss on fair value of its investment in Spitfire Resources Limited and booked a foreign exchange loss of USD 3.35 million.

EKCP currently has a JORC compliant resource of 1.4 billion tonnes. However, infills drilling along with airborne topographical surveys are expected to lift and improve the categorization of much of this resource. It will also allow Churchill to publish its maiden mining reserve soon and it is expected this reserve number will be substantially ahead of management's initial 100 million tonnes target.

(Sourced from Proactive Investors)

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