



# Atomic Resources

Limited

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## ATOMIC'S THERMAL COAL RESOURCE EXCEEDS 200 MILLION TONNES

Atomic Resources Limited ("Atomic") is pleased to announce that its subsidiary Pacific Corporation East Africa ( 85% Atomic) has through its shareholding in local coal company Tancoal Energy Limited "Tancoal" (70% PCEA, 30% NDC) increased the combined coal resource from approximately 179 million tonnes to over **212 Million** tonnes.

Table 1 - Coal Resource Updated Estimate

Seam	Category (Tonnes (M))			Total
	Measured	Indicated	Inferred	
1	16.76	3.42	6.92	<b>27.10</b>
2	8.53	1.60	2.38	<b>12.51</b>
3	48.16	11.12	44.88	<b>104.16</b>
4	29.22	6.58	8.87	<b>44.67</b>
5	15.71	2.77	5.76	<b>24.24</b>
<b>Total</b>	<b>118.39</b>	<b>25.49</b>	<b>68.82</b>	<b>212.70</b>

The increase is a result of the inclusion of the eastern extension of previously developed resource models into a newly acquired concession which was not previously part of the company's landholding, and consequently has not been previously reported.

Statistical analysis of coal qualities for each of the 5 seams indicate that the coal is a high ash, low moisture, low sulphur sub bituminous coal. Calorific values are in the range of 4,784 to 7,024 Kcal/kg with a resource weighted average of approx 5,978 Kcal/kg. This is considered suitable for thermal coal, particularly for power generation and may also be considered suitable for industrial use in cement manufacture and fertilizer manufacture; all growing industries within Tanzania in particular and Africa in general.

**Table 2 - Coal Quality**

Coal Analysis									
Seam	Million tonnes	Inherent Moisture (%)	Ash (%)	Volatiles (%)	Fixed Carbon (%)	Sulphur (%)	Density (gm/t)	MJoules/Kg Calorific Value	Kcal/Kg Calorific Value
1	27.10	2.6	17.1	30.1	50.2	3.59	1.54	27.62	6,597
2	12.51	3	11.4	31.5	54.1	1.43	1.41	29.41	7,024
3	104.16	3.1	19.2	25.4	52.3	1.15	1.6	26.12	6,239
4	44.67	2.8	26.7	28	42.5	1.35	1.63	23.56	5,627
5	24.24	2	38.5	25.1	34.4	0.7	2.21	20.03	4,784
<b>Total</b>	<b>212.70</b>	<b>2.8*</b>	<b>22.8*</b>	<b>27.1*</b>	<b>47.3*</b>	<b>1.5*</b>	<b>1.7*</b>	<b>25.1*</b>	<b>5,978*</b>

\*Totals shown for analyses are seam weighted averages  
Analyses on an Air Dried Basis by WitBank Coal Laboratories, South Africa, an SGS credited Laboratory

The following criteria were used to define the resource classification.

- The resource was derived from a total cumulative drilling database comprising 27 holes and approx 16,958 metres from drilling completed by the Commonwealth Development Corporation in 1955 together with 19 holes for approx 2,940 metres from HQ3 diamond drilling completed by Atomic in December 2008.
- The 2008 drilling focused on the Mbalawala block, Ngaka coal field with the express intention of verifying and validating the historical drill data. Two historical holes were purposefully twinned for confirmation and have demonstrated a high degree of continuity allowing the company to rely on the previous data as well as the current data.
- 340 samples were collected for detailed analysis from the recent drilling. Samples have been analyzed for proximate analysis (including ash, sulphur, fixed carbon, volatiles, relative density and calorific value) coal attribute analyses (i.e. metallurgical characteristics) and a suite of trace elements by ICP techniques. Both clean coal plies and inter burden splits have been analyzed from most of the recent diamond drilling holes.
- Whilst some historical drill data has been used outside the existing concession boundary to aid the modeling process, the latest resource estimate is constrained to the existing concession boundaries.
- For the modeling process, surface mapping and each valid drill hole has been used to construct a complex wireframe for the five seams identified. Geological data digitized from outcrop mapping and all drill data has been used to construct a wireframe model with five seams currently identified.
- The classification of the resource estimate into measured, indicated and inferred categories is based upon drill hole sampling distributions, availability and quality of analytical data for the holes and geophysical data for the hole.
- This distribution assumption has been incorporated in a block model of 20 metres by 20 metres by 2 metre block size. Each block has had a quality item attribute assigned based upon the distance from the data point and the confidence assigned to that data point determined by the factors above. The distance attribute was judged as up to 500 metres for measured, 800 metres for indicated and 1,600 metres for inferred. The summation of the

confidence items generated for each block and for each seam has resulted in the resource estimation summary in Table 1.

The wireframes and block models used in the calculation of the estimate were generated by Ravensgate geological consultants using MED System Mine evaluation software under the direction of Mr D. Holden, technical Director for Atomic Resources.

Atomic is now completing a bankable feasibility Study with a view to developing a production profile for the company late in 2010.

David Holden  
Executive Director

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. J. Holden, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. Mr Holden has sufficient experience, as to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Holden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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For further information contact:

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