

Coking coal price reaches a record high

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Colonial estimate the cost of producing and transporting a ton of their premium coking coal FOB at the port to be around CAD

\$140 – 150, which results in a huge margin at the current price.

Clearly once Australian production recovers to previous levels there will be a fall in price, but in the meantime one can only hope that with the spotlight currently on previously unloved coal, the valuations of companies in the sector will become more realistic given the current low price attributed to each ton of resource in the ground.

Colonial recently financed CAD \$7.5 million, and are looking to conduct a drill campaign this summer, so this looks an excellent time for them to add additional tons to their current resources.