Presentation at the AJM 15th Annual Global Iron Ore and Steel Forecast Conference

Aquila Resources Limited is pleased to attach a copy of the powerpoint presentation to be delivered at AJM's 15th Annual Global Iron Ore and Steel Forecast Conference in Perth today.

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Aquila Resources

West Pilbara Iron Ore Project

Global Iron Ore & Steel Forecast Conference

20-21 March 2012

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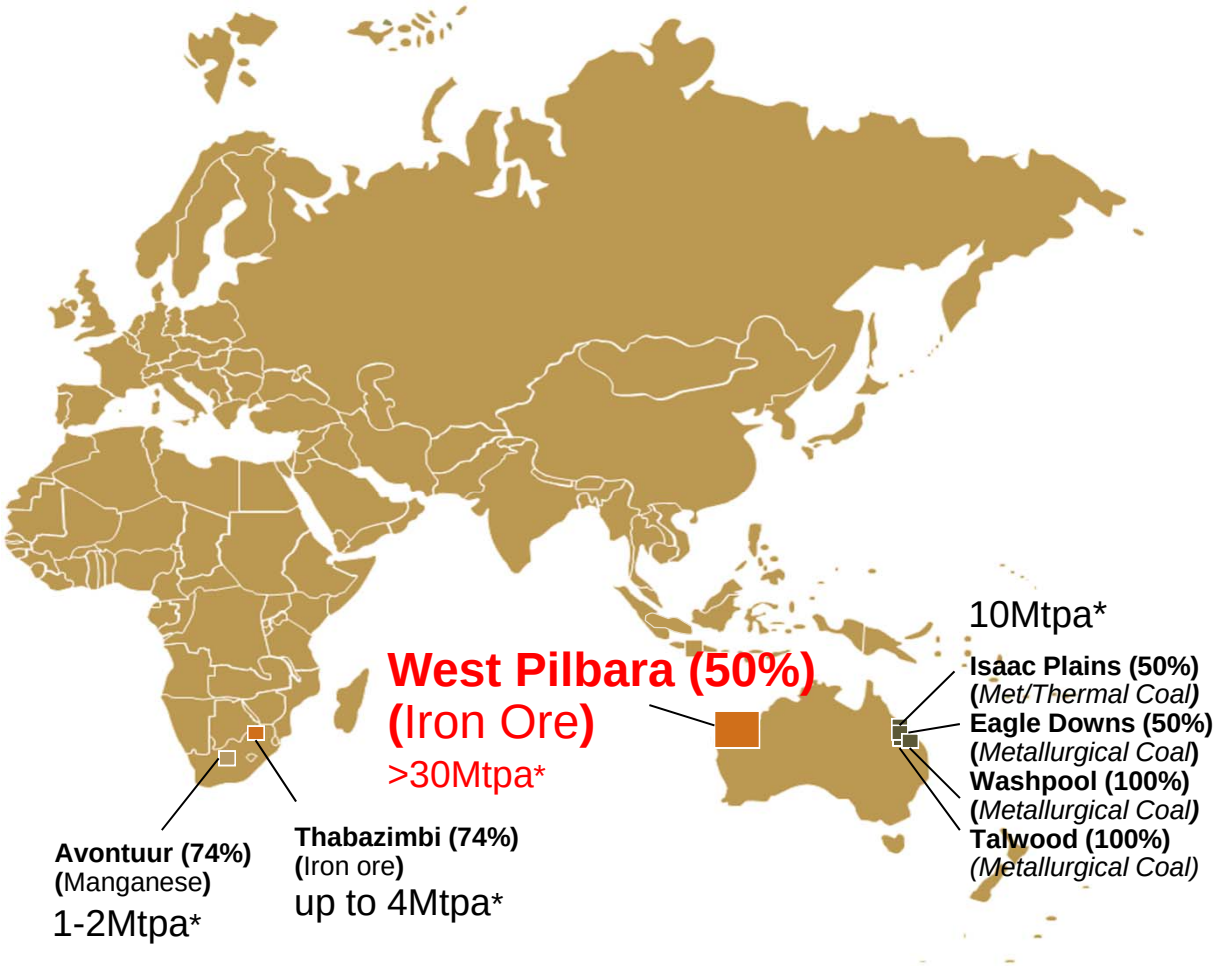
AQUILA OVERVIEW

- **ASX 200 public company with**
  - **market capitalisation of ~A$2.08bn[1]**
  - **~A$164m cash and liquids[2]**

– **Primary focus is the development and expansion of the West Pilbara Iron Ore Project**

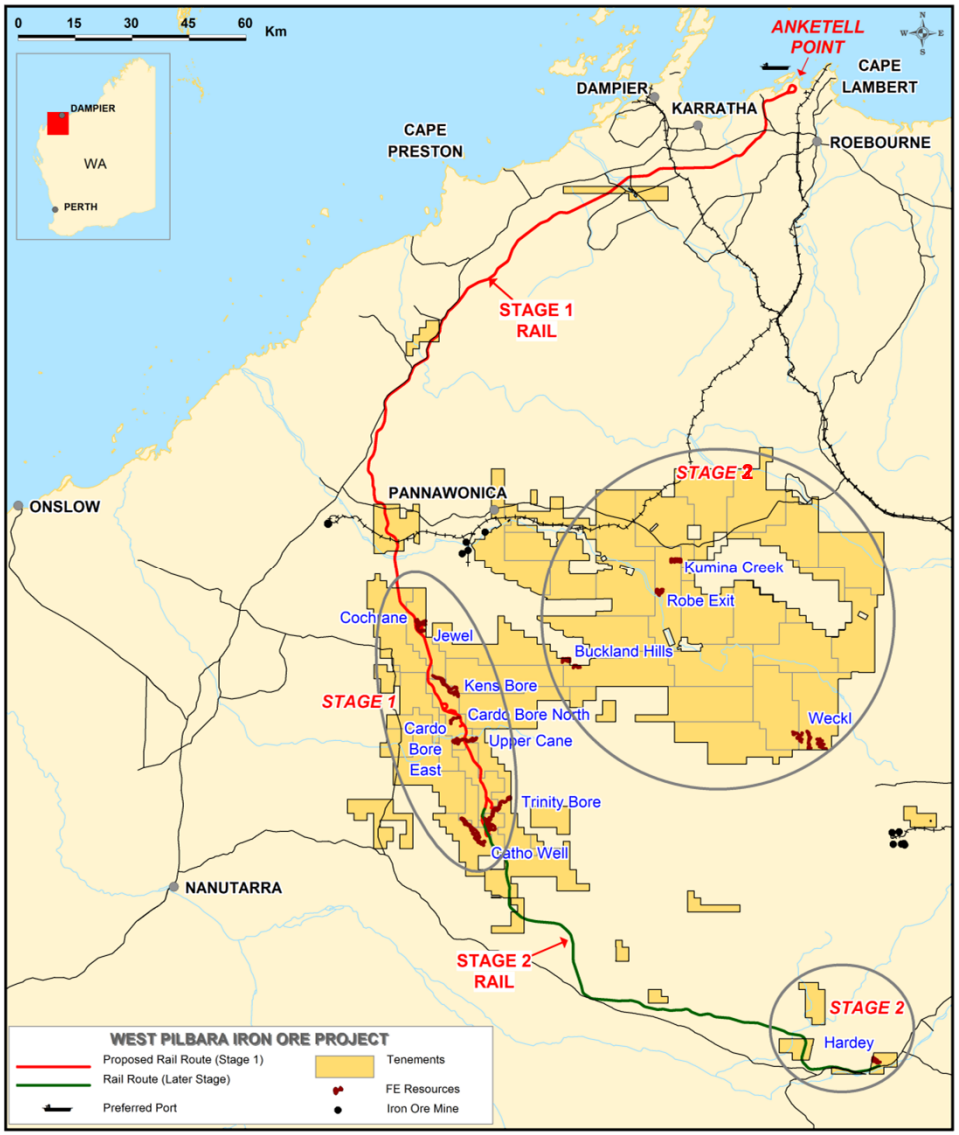
– **Production and sales from Isaac Plains Coal Mine and additional growth from development of Eagle Downs HCC Project**



1. As at 16 Mar 2012
2. As at 31 Dec 2011
* Target production on 100% basis

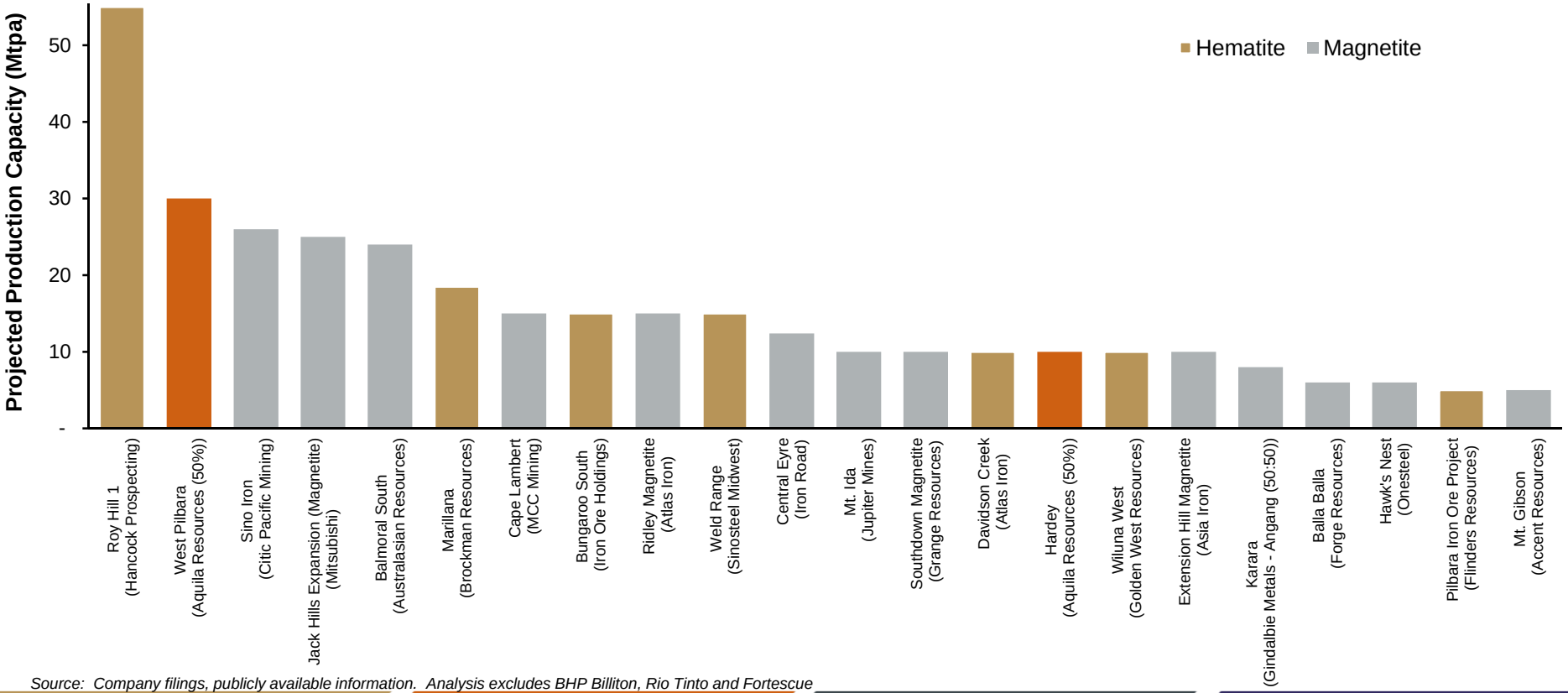
PROJECT OVERVIEW

- 1.22Bt Resource across entire project area of over 9,000 km^2 with anticipated resource upgrade later in 2012
- 445Mt Reserve to support Stage 1 production of 30Mtpa of West Pilbara Fines
- Finalised Stage 1 DFS expected mid 2012 containing revised CAPEX & OPEX estimates
- Construction scheduled to commence in the first quarter 2013
- New 282km railway to an independent port development at Anketell Point
- Granted “Major Project Facilitation” status by the Federal Government
- 40 MoUs agreed and signed with steel mills – testing confirms that typically up to 20% of product can be added to sinter plant feeds



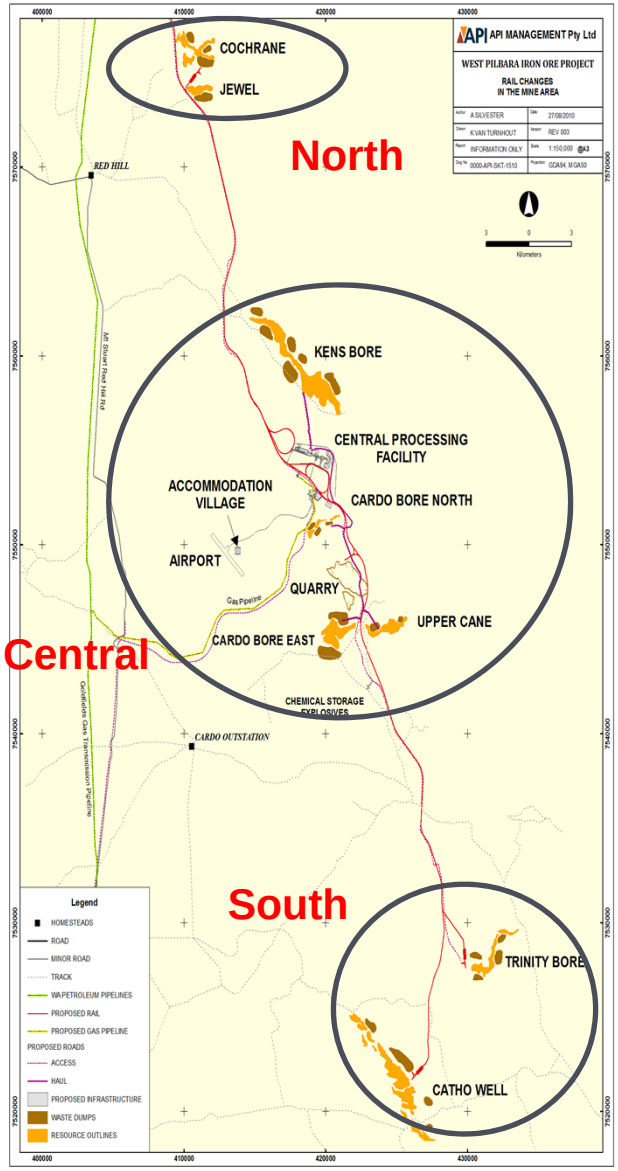
WEST PILBARA IRON ORE PROJECT

- **Based only on 30Mtpa "Stage 1", West Pilbara will be one of the key projects adding to seaborne iron ore supply growth in the next 5 years**
- **Second largest contribution to additional production from an Australian greenfield Iron Ore project, after Hancock's Roy Hill 1 (excluding the major miners)**
- **Significant additional production potential from Stage 2 and exploration targets**



Source: Company filings, publicly available information. Analysis excludes BHP Billiton, Rio Tinto and Fortescue

MINE FACTS



- **3 mining hubs:** North, Central and South
- **Accommodation village & airstrip located at central hub**
- **Drill & Blast, Load and Haul operation**
- **Processing of all ore at Central Processing Facility** (CPF)
- **Northern and Southern Deposits:** Ore transported via shuttle train (25t axle load)
- **Central Deposits:** Ore transported via haul truck
- **Direct shipped ore railed to port**
- **Laboratory facilities located at mine**

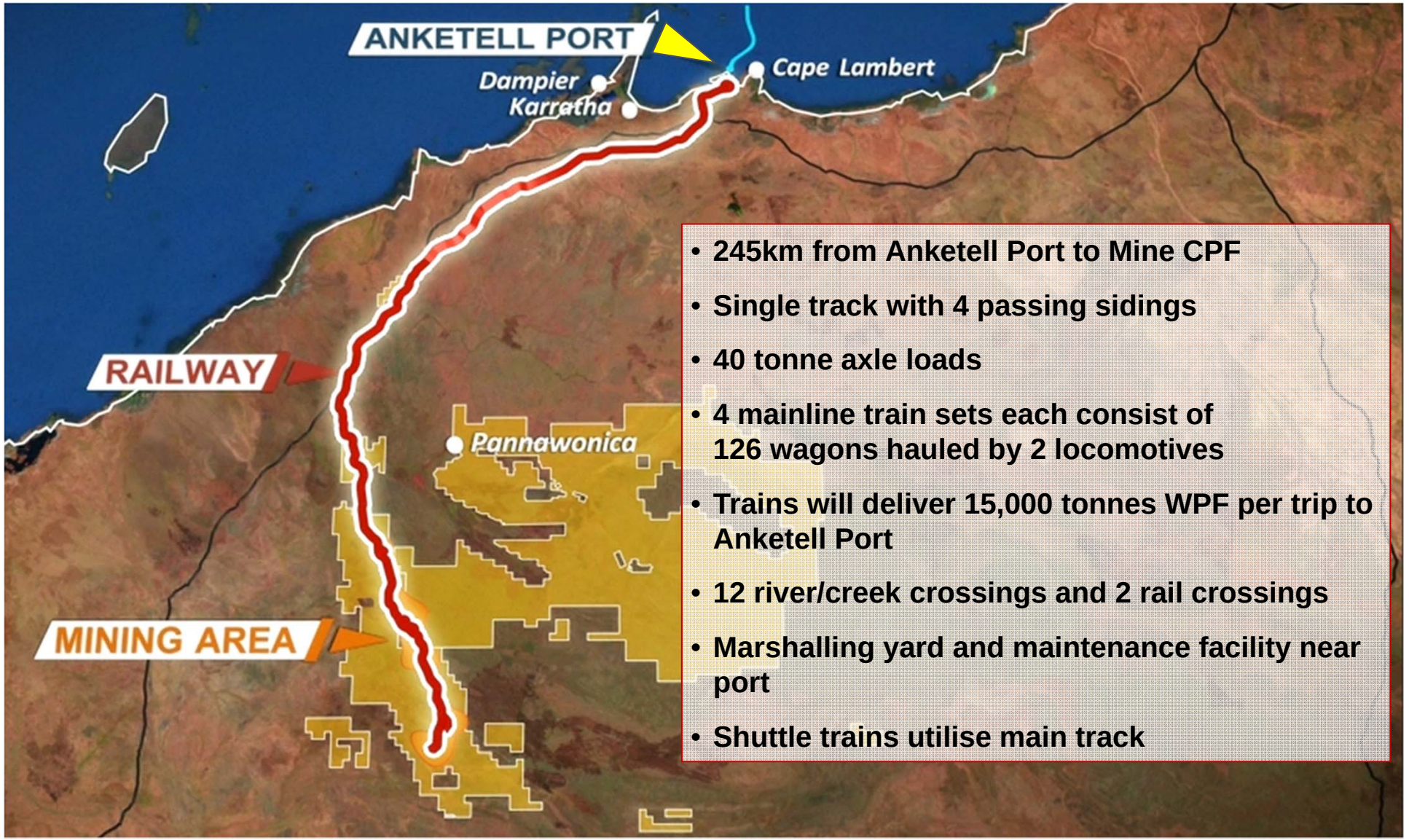
MINE FACTS – ORE RESERVE (2&3)

CID Mineral Resource						
Classification	**Tonnes Mt**	**Fe %**	**Al_2O_3 %**	**SiO_2 %**	**P %**	**LOI %**
Measured	209	57.8	3.56	5.29	0.079	7.95
Indicated	392	56.2	3.69	6.30	0.065	8.94
Inferred	86	55.4	3.86	6.85	0.061	9.38
Total	**687**	**56.6**	**3.67**	**6.06**	**0.069**	**8.69**

CID Ore Reserve						
Category	**Tonnes Mt**	**Fe %**	**Al_2O_3 %**	**SiO_2 %**	**P %**	**LOI %**
Proved	165.7	57.99	3.38	5.11	0.08	7.99
Probable	279.4	56.50	3.48	6.13	0.06	8.90
Total	**445.1**	**57.05**	**3.44**	**5.75**	**0.07**	**8.56**

- **Proved and Probable Ore Reserve represents 74% of the Stage 1 development Measured and Indicated Mineral Resource**
- **Overburden to Ore ratio of 1.13:1 (LOM Waste 504Mt)**

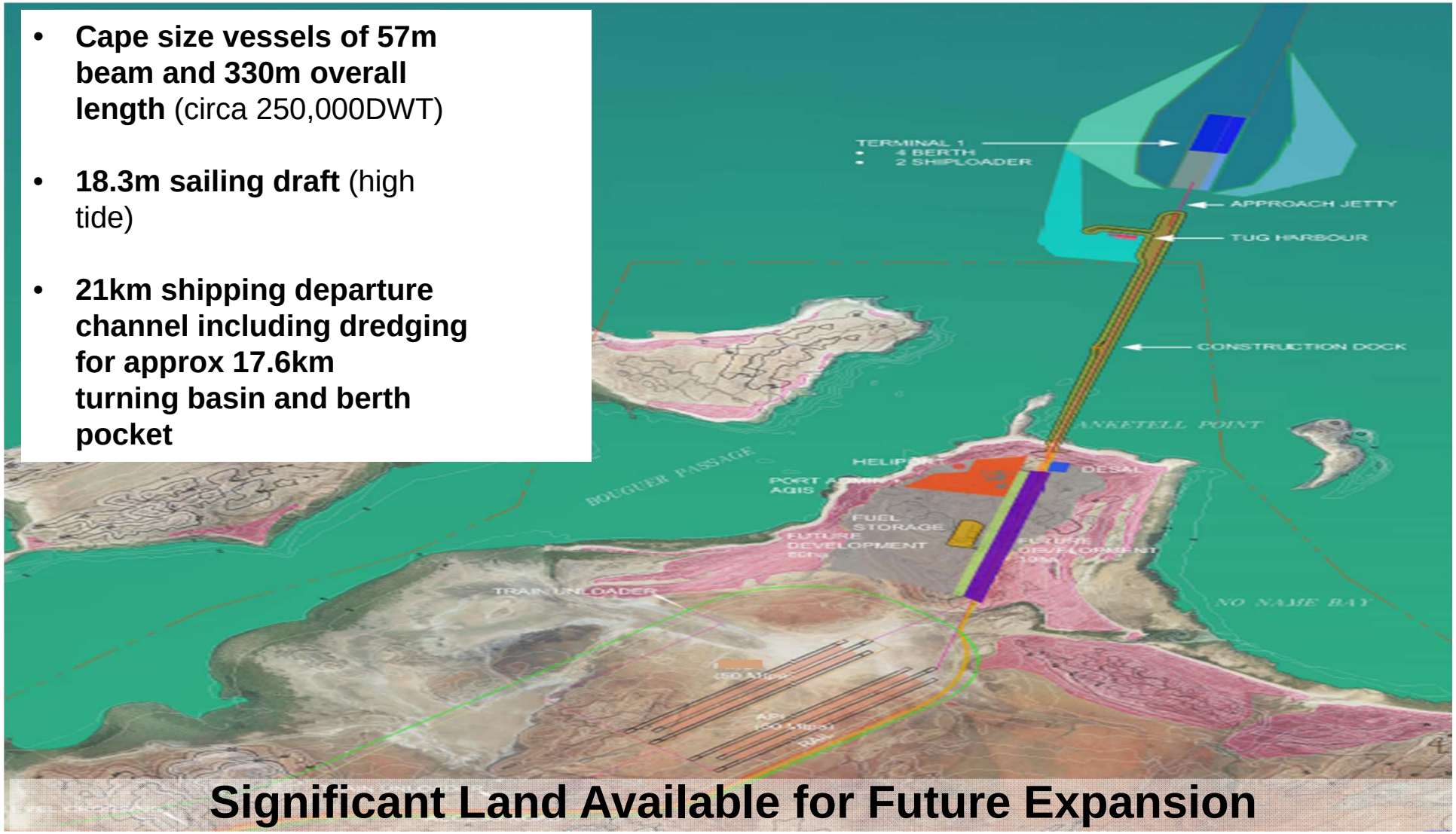
RAIL FACTS



- 245km from Anketell Port to Mine CPF
- Single track with 4 passing sidings
- 40 tonne axle loads
- 4 mainline train sets each consist of 126 wagons hauled by 2 locomotives
- Trains will deliver 15,000 tonnes WPF per trip to Anketell Port
- 12 river/creek crossings and 2 rail crossings
- Marshalling yard and maintenance facility near port
- Shuttle trains utilise main track

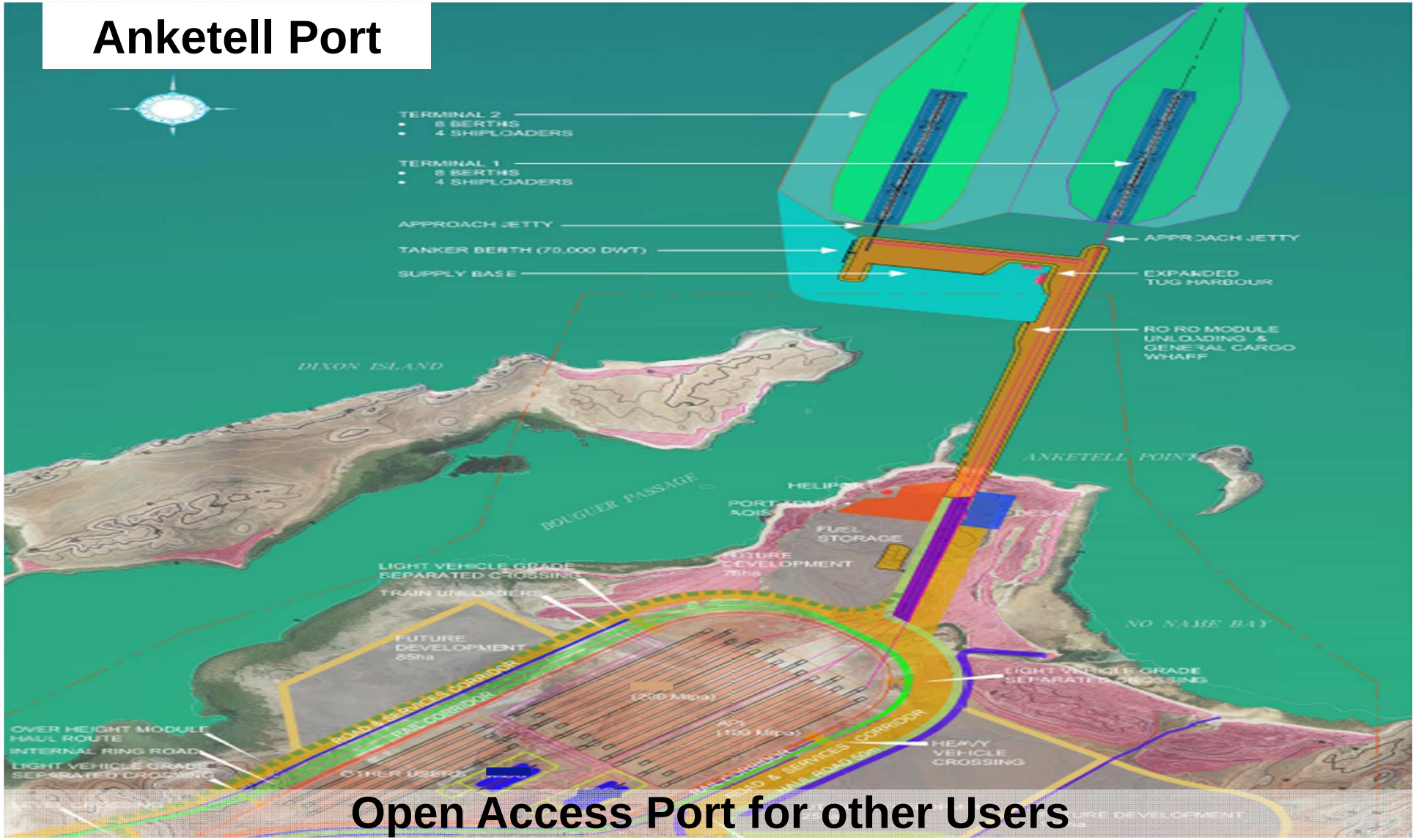
PORT FACTS – API DESIGN

- **Cape size vessels of 57m beam and 330m overall length** (circa 250,000DWT)
- **18.3m sailing draft** (high tide)
- **21km shipping departure channel including dredging for approx 17.6km turning basin and berth pocket**



Significant Land Available for Future Expansion

PORT FACTS – (CIRCA) 400MTPA FUTURE DESIGN



APPROVALS

Environmental

- Stage 1 Mine and Rail environmental approval received from the Federal & State government
- Anketell Port environmental approval expected Q2 2012

Native Title

- Native Title negotiations underway with 4 Traditional Owner groups
- WA Government negotiating NT at the port

Heritage

- Survey processes are well advanced across the mine and rail

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PRODUCT SPECIFICATION

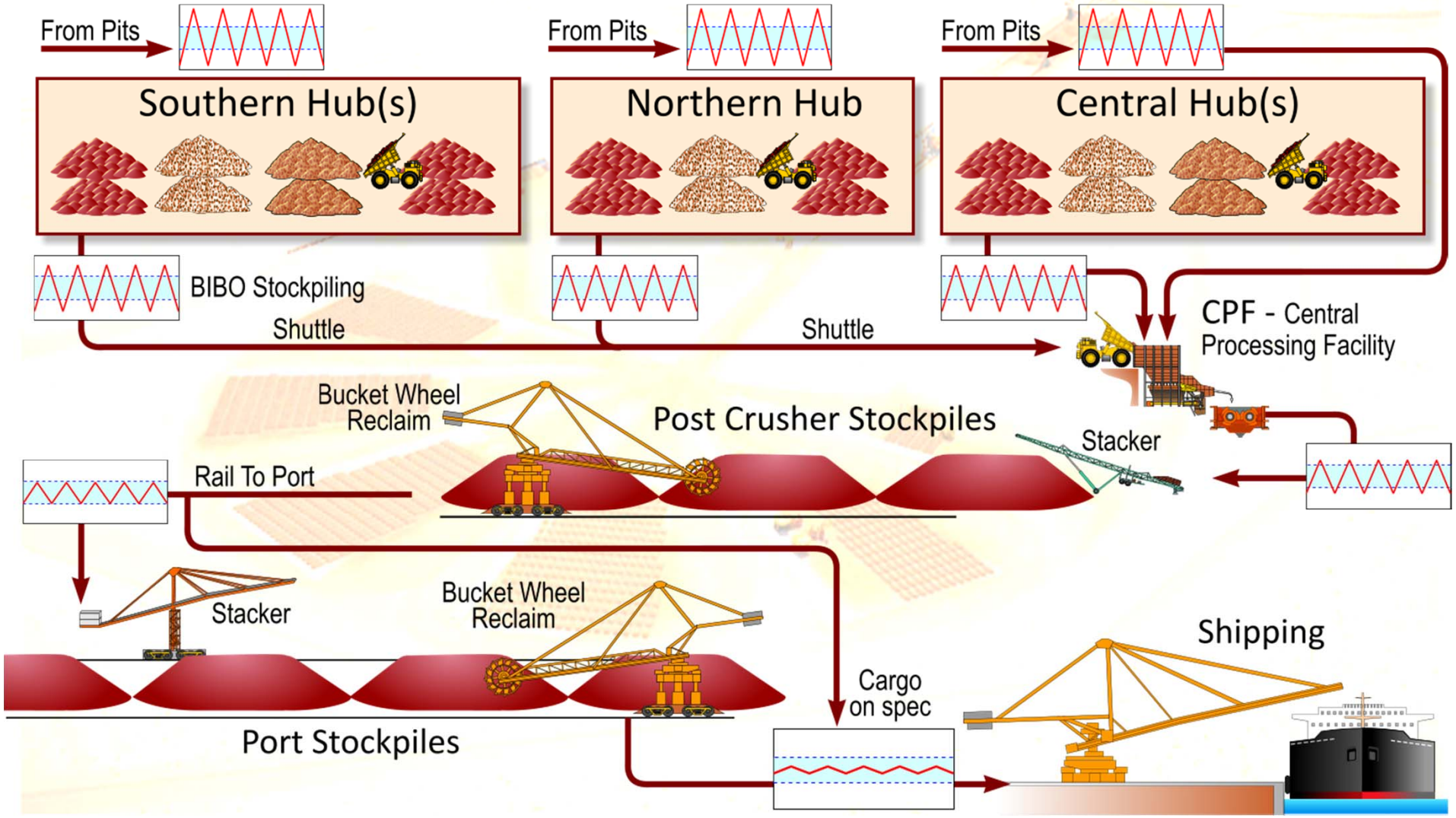
West Pilbara Fines (WPF) Target Specification

Stage 1 Product Target						
Product	**Fe**	**Al_2O_3**	**SiO_2**	**P**	**LOI**	**Fe Ca**
WPF	**57.21**	**3.37**	**5.65**	**0.069**	**8.54**	**62.50**

Goal to deliver all shipments at target specification

Continuous stockpile management system to deliver consistent WPF specification product and tonnage to market

PROCESS SIMULATION – BLENDING METHODOLOGY



METALLURGICAL & PRODUCT DEVELOPMENT

Detailed metallurgical test work program

- **37 PQ diamond core drilled and tested**
- **2 x trial mining pits extracted over 30,000t**
- **9 x bulk sample shafts (winzes) extracted 1,000t**

Strong mill support - 40 MoU signed with Chinese, Japanese, Taiwanese and Korean mills

- **Representative WPF sample developed for product testing**
- **6 phases of sinter test programs completed at 4 Chinese university research institutions**
- **14 steel mills have undertaken independent WPF sinter testing**
- **16 tonne of representative sample sent to steel mills and institutes**
- **WPF can be substituted or added to most blends at 8–20% levels with minimal impact**

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METALLURGICAL & PRODUCT DEVELOPMENT

Institute Testing					
Phase	**Time**	**Institute**	**Mill Base Blend**	**Ores replaced**	**Optimum WPF**
Phase 1	2008	China Iron & Steel Research Institute	South China Inland	Australian & Indian	20%
Phase 2	2009	China Iron & Steel Research Institute	Central North China	Australian Hematite & Pisolite	15%
Phase 3	2010	University Science & Technology Liaoning	North East China	Australian, Brazilian & Indian	10-15%
Phase 4	2010	Central South University (CSU)	Generic blends	Australian Hematite & Pisolite	10-15%
Phase 5	2010	China Iron & Steel Research Institute	Central East China	Australian & Indian	10%
Phase 6	2010	University of Science & Technology Beijing	North East China	Australian & Indian	15%
Note: most phases had a constant burden of Chinese magnetite concentrates in the base blend					

Chinese Institute testing positive for WPF

Sinter testing of WPF by independent institutes has shown typically that the optimum WPF proportion in Chinese sinter mixes is in the range of 10-15%

EXPLORATION - PROJECT AREA

Long-Term Staged Project:

West Pilbara Iron Ore Project has 2 key stages:

<u>Stage 1</u>

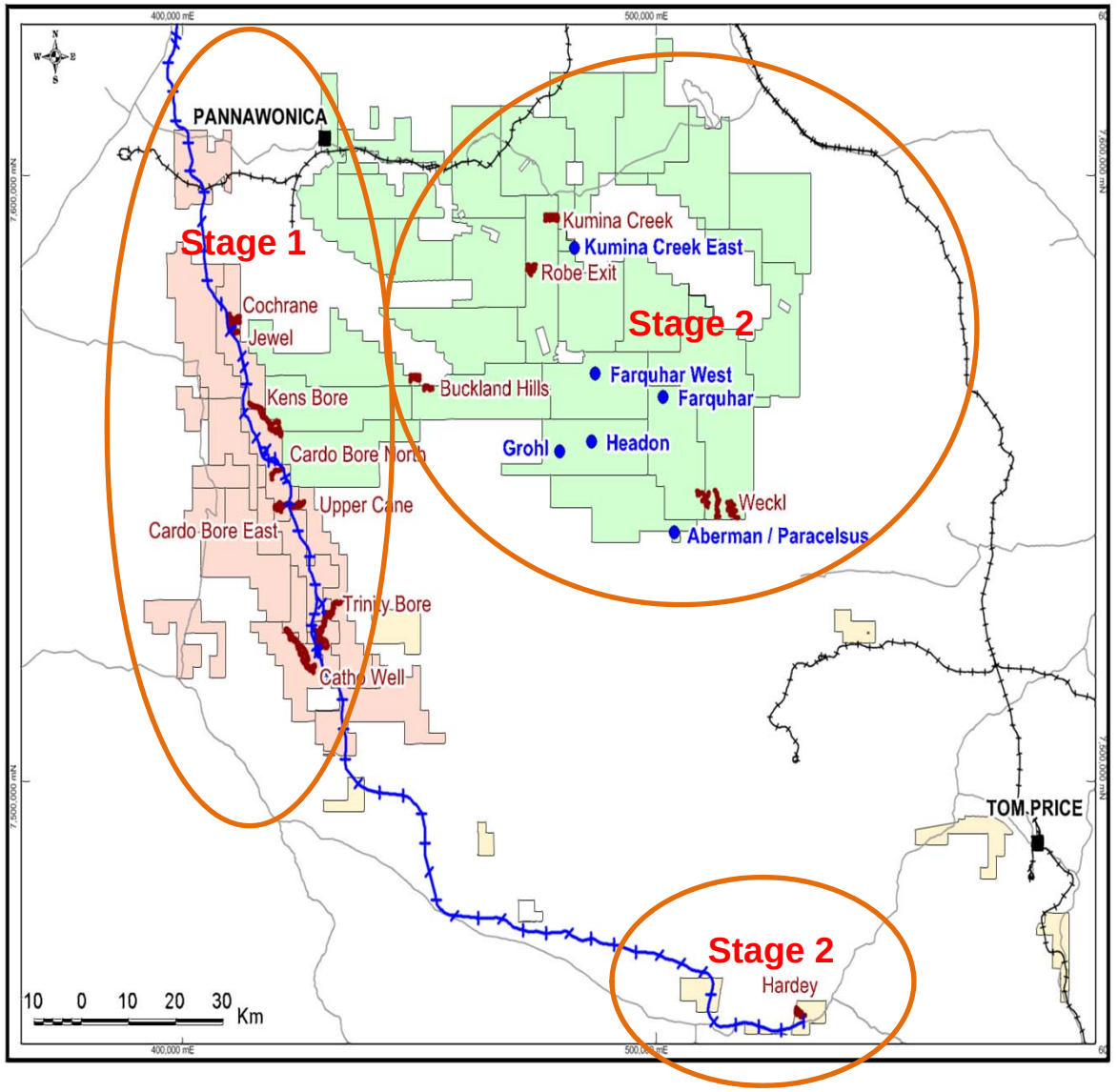
– **Initial 30Mtpa Channel Iron mine development**

– **Incremental targets remain**

<u>Stage 2</u>

– **Hardey Pre-feasibility Study completed for 10Mtpa Bedded Iron**

– **Prospects at Buckland Hills, Farquhar and Weckl**



EXPLORATION – RESOURCES (3)

Stage 1	Channel Iron Deposit Mineral Resource					
Classification	**Tonnes Mt**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
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Total	**687**	**56.6**	**6.06**	**3.67**	**0.069**	**8.69**

Stage 2 - Hardey	Bedded Iron Deposit Mineral Resource					
Classification	**Tonnes Mt**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Measured	55	61.8	3.31	2.43	0.143	5.33
Indicated	60	61.4	3.76	2.45	0.133	5.36
Inferred	41	61.1	3.98	2.46	0.123	5.67
Total	**156**	**61.5**	**3.66**	**2.45**	**0.134**	**5.43**

Stage 2 – Other	Channel Iron Deposit Mineral Resource					
Classification	**Tonnes Mt**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**LOI %**
Inferred - Weckl	101	54.4	11.94	3.60	0.080	5.76
Inferred – Buckland Hills	149	57.0	7.01	2.41	0.135	8.28
Inferred – Buckland Hills SE	46	56.5	8.05	2.42	0.142	8.04
Total	**296**	**56.0**	**8.85**	**2.82**	**0.117**	**7.38**

Thank you

COMPETENCY STATEMENTS

(1) The West Pilbara Iron Ore Project Stage 1 includes deposits encompassed within the West Pilbara - Mt Stuart Iron Ore Joint Venture with Cullen Exploration Pty Ltd and the West Pilbara - Red Hill Iron Ore Joint Venture with Red Hill Iron Limited. API also acts as the manager for each of these joint ventures.

(2) The information in this presentation that relates to Mineral Resource Estimates was prepared under the supervision of Mr Stuart Tuckey. Mr Tuckey is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of the API Management Pty Ltd. Mr Tuckey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Ore Reserves is based on information compiled by Mr Steve Craig, Managing Director of OREIogy (Mining Consultants). Mr Craig is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Craig consents to the inclusion of the matters based on his information in the form and context in which it appears in this presentation.

Note: JORC Resources of 927 million tonnes and tenement area of 9,400km^2 represent API's total position in the Pilbara.