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ASX AND MEDIA RELEASE

## ATOMIC'S JORC COMPLIANT RESOURCE EXCEEDS EXPECTATIONS

### INITIAL COMBINED COAL RESOURCE OF 179 MILLION TONNES

Atomic Resources Limited ("Atomic") is pleased to announce that the company's Tanzanian subsidiary Pacific Corporation East Africa ("PCEA") has defined an initial combined coal resource of approximately **179 million tonnes**, almost double the historic estimate of 90 – 110 million tonnes.

**Table 1 - Coal Resource Estimate**

Seam	Category (Tonnes (M))			Total
	Measured	Indicated	Inferred	
1	16.76	3.42	1.15	<b>21.33</b>
2	8.53	1.60	0.78	<b>10.91</b>
3	48.16	11.12	15.95	<b>75.23</b>
4	29.22	6.58	13.11	<b>48.91</b>
5	15.71	2.77	4.15	<b>22.63</b>
<b>Total</b>	<b>118.38</b>	<b>25.49</b>	<b>35.14</b>	<b>179.01</b>

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 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**

Seam	Coal Analysis									
	Million tonnes	Inherent Moisture (%)	Ash (%)	Volatiles (%)	Fixed Carbon (%)	Sulphur (%)	Density (%)	MJoules/Kg Calorific Value	Kcal/Kg Calorific Value	
1	21.33	2.6	17.1	30.1	50.2	3.59	1.54	27.62	6,597	
2	10.91	3	11.4	31.5	54.1	1.43	1.41	29.41	7,024	
3	75.23	3.1	19.2	25.4	52.3	1.15	1.6	26.12	6,239	
4	48.91	2.8	26.7	28	42.5	1.35	1.63	23.56	5,627	
5	22.63	2	38.5	25.1	34.4	0.7	2.21	20.03	4,784	
<b>Total</b>	<b>179.01</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 6,958 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 boundary.
- 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.

Whilst peripheral areas of the resource are seen to contain coal, the low confidence in data or scarcity of data point in these areas has assigned the coal to the company's internal Inventory Coal category and this is not reportable under the JORC code and guidelines. It is anticipated that further work on these marginal areas may see re-classification of the coal into one or more of the JORC resource categories. The quantities of coal currently within the non reportable category are not considered significant at this time relative to the main resource.

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

Atomic is now completing a final review of all data including the latest resource estimate and internal scoping study report and expects to be able to proceed to bankable feasibility before the end of the first quarter of 2009.

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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