Challenger Signs Formal KEM Mining and Marketing Agreement

02.04.2013 | Marketwired

CALGARY, April 2, 2013 - Further to our previously announced execution of an Exclusivity Agreement related to the coal mining and marketing rights for the KEM Project in Central Kalimantan, Indonesia (February 4, 2013), Challenger Deep Resources Corp. ("Challenger" or the "Company") (TSX VENTURE:CDE) is pleased to announce that, through its wholly owned subsidiary, PT Bestindo Energy ("BE"), it has signed the formal exclusive Mining and Marketing agreement for life of mine of the KEM Project. This agreement replaces previously the announced Exclusivity Agreement.

Challenger's due diligence field work on the KEM Project has confirmed the presence of at least 13 coal seams dipping at 12-35 degrees to the North. The seams are developed within the Warukin formation and structurally form part of a gently North plunging synform. The overall dip and geometry of the seams confirm the availability of low strip ratio coal.

Test pitting and outcrop sampling have confirmed coal quality ranging from GAR 5,860 to 6,560. Seams targeted for mining vary in width from 0.5m to 3.5m. Sample analysis summarized below:

No.	Outcrop or ROM Coal	TM	IM	Ash	VM	FC	TS
(Kcal/Kg) GCV							
(Kcal/Kg) HGI							
		%, AR	%, ADB	%, ADB	%, ADB	%, ADB	%, ADB
1	Test pit	13.12	9.55	2.68	40.01	47.76	
2	Test pit	16.61	12.33	4.22	40.70	42.75	
3	Outcrop	8.98	6.42	6.38	46.37	40.83	
4	Outcrop	17.50	9.43	2.10	54.96	33.51	
5	Outcrop	14.95	10.85	6.31	37.82	45.02	
6	Outcrop	16.80	12.38	2.30	39.59	45.73	
	Average	14.66	10.16	4.00	43.24	42.60	

A mining and geological team is currently on site to establish a mining plan for production which is scheduled to commence in the last quarter of 2013.

Ranjeet Sundher, President of Challenger commented, "The Barito Project is the ideal production scenario for Challenger. With the mining licenses and infrastructure in place, coupled with the high quality of coal, we can build a cash-flow company that is sustainable and scaleable."

All outcrop and test pit samples were processed by SGS Coal Laboratories, Samarinda, East Kalimantan. Industry standard Quality Control and Quality Assurance protocols were employed in the sample acquisition, preparation and analysis procedures.

The Qualified Person (as defined by NI 43-101) responsible for the review, verification and approval of the technical material presented in this news release is Mr. Andre Talaska, a director of PT Bestindo Energy, a wholly owned subsidiary of Challenger.

About Challenger

Challenger Deep Resources Corp. is an exploration company focused on the Asian coal industry. Challenger's business plan is to acquire, explore and to bring its viable coal projects into production. Challenger has an experienced Indonesian exploration and mining team with offices in Calgary, Singapore and Jakarta.

CAUTIONARY STATEMENT

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

READER ADVISORY

Statements in this press release may contain forward-looking information including, statements regarding exploration and production and marketing activities. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Challenger. Factors that could cause the actual results to differ materially from those in forward-looking statements include, granting of exploration and mining permits, surface access and other licenses from Indonesian regulatory authorities, exploration results, the continued availability of capital and financing, and general economic, market or business conditions in North America and in the Asia Pacific region. The reader is cautioned not to place undue reliance on any forward-looking information. There can be no assurance that the proposed exploration and development programs in Indonesia or other project acquisitions will be completed or, if completed, will be successful or that coal production and sale will be achieved. Readers are cautioned that there has been insufficient exploration to define a mineral resource on the KEM Project and that it is uncertain when or if the KEM Project will be put into production.

The forward-looking statements contained in this press release are made as of the date of this press release, and Challenger does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy of accuracy of this news release.

Contact

Challenger Deep Resources Corp.
Ranjeet Sundher, President
+65-6220-7745

Challenger Deep Resources Corp.
Kirk Gamley, Investor Relations
604-689-7422

Challenger Deep Resources Corp.
Mas Kobuchi, Investor Relations
604-689-7422
www.challengerdeep.ca