HUNTER VALLEY COAL REPORT

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In its 31st year of publication

Coal miner diagnosed with black lung disease

The NSW Resources Regulator has released information following an investigation into how a 61-year-old coal mine worker diagnosed with coal workers' pneumoconiosis (black lung disease) may have contracted the disease.

"The worker, who has approximately 41 years' coal mining experience, was employed at numerous coal mines in Queensland between 1972 and 2015," said the Regulator.

"He worked in underground coal mines for several years at the start of his career, and in open cut mines for the remainder of his mining career."

"In 2015, he began working at Whitehaven Coal's Maules Creek Mine in north-west NSW, where he remained working until he was certified as unfit for work in September 2019."

The Regulator said that the man's unfit-for-work status related to pneumoconiosis and a throat condition arising from an unrelated incident, in which he inhaled fumes from burning coal.

Findings of the investigation state, "the worker has contracted pneumoconiosis due to 'prolonged and multiple heavy dust exposures in Queensland and NSW, without in many cases, respiratory protective equipment. He has also had exposure to carcinogens such as diesel and silica and cigarettes,' as per his treating doctors' diagnosis."

"In consideration of the specific nature of the medical diagnosis and the worker's employment history, the Regulator has found it is reasonable to conclude that the worker's condition is related to his work as a coal miner. However, it cannot reasonably be determined, based on a review of the evidence obtained, whether the worker contracted the disease as a consequence of exposure while working at a particular mine."

"The worker said he rarely wore respiratory protective equipment. It is noted that respiratory protective equipment is the last line of defence in the control of airborne dust inhalation, as per the hierarchy of control."

"The worker's prognosis was unclear at the time of writing," said the Regulator.

BHP seeking buyer for Australian coal assets

BHP Group has confirmed that it is looking at options to exit the Mt Arthur thermal coal mine (NSWEC) near Muswellbrook in New South Wales and the BHP-Mitsui Coal joint venture (BMC) BHP (80 per cent) and Mitsui and Co (20 per cent).in Queensland.

BMC owns and operates two open-cut metallurgical (coking) coal mines in the Bowen Basin – South Walker Creek Mine and Poitrel Mine.

It intends to keep the Queensland metallurgical coal mines that it runs in partnership with Mitsubishi but will exit its one-third stake in the Cerréjon thermal coal mine in Colombia.

The Company said in its end of year report that it will concentrate its coal portfolio on higher quality coking coals.

"Given our focus on hard coking coal, these assets would better compete for capital outside of BHP. We will look to maximise the value of these assets, including via a demerger of an independent, listed company and trade sale opportunities."

"We will, across the whole portfolio of our metallurgical coal mines, continue to grow value through a focus on lowering costs and productivity related volume growth from our existing mines, where the market opportunity warrants it. We do not intend to invest significant growth capital in new capacity in this business," said BHP.

BHP reports profit from operations of US$14.4 billion (2019: US$16.1 billion) was down as a result of lower prices, lower volumes (including copper grade and petroleum field declines), increased deferred stripping depletion at Escondida and an increase in the closure and rehabilitation provision for closed mines.

This was partially offset by the favourable impacts of exchange rate movements, better productivity, including record production the Caval Ridge and Poitrel mines in Queensland and record coal mined at the Broadmeadow Mine in Queensland.

At the Daunia coal mine in Central Queensland, BHP announced the introduction of 34 autonomous trucks in July 2020. First trucks will begin operating in February 2021 with the rollout expected to be complete early in the 2022 calendar year.

At the Goonyella Riverside mine in Queensland, the first coal site to implement autonomous haul trucks, the deployment of 86 autonomous trucks is expected to be completed early in the 2022 calendar year.

"Queensland Coal medium-term production guidance has been revised from between 49 and 54 million tonnes (Mt), reflecting reduced volumes due to a focus on higher quality coals and a market responsive approach to bringing new tonnes into the market."

"Queensland Coal sustaining capital expenditure guidance has increased from approximately US$8 per tonne to approximately US$9 per tonne and reflects increased investment in risk reduction programmes across our operations and fleet replacement towards the end of our five year plan," said BHP.

"Queensland Coal unit costs decreased by three per cent to US$68 per tonne due to a build in inventory, as a result of solid dragline performance across the majority of operations, and favourable impacts from exchange rate movements and the application of IFRS 16 Leases. This was partially offset by lower volumes due to significant wet weather during the March 2020 quarter and planned maintenance."

"NSWEC unit costs increased by 13 per cent to US$57 per tonne, reflecting lower volumes from the change in strategy in the second half of the 2019 financial year to focus on higher quality coal, unfavourable weather impacts and higher stripping costs. This was partially offset by favourable inventory and exchange rate movements. The change in strategy has been successful with higher average realised prices relative to the 6000 calorific value energy coal index (NEWC6000) in the 2020 financial year, in comparison to the prior period."

"Unit costs in the 2021 financial year are expected to be between US$55 and US$59 per tonne (based on an exchange rate of AUD/USD 0.70). Work is underway at NSWEC to review mine planning and operating alternatives to structurally reduce costs in the near term and ensure a viable mining operation which is resilient during low price cycles."

BHP said that it will continue to assess the value case for potential expansion of autonomous technology to its other coal mine sites.

"We will continue to drive higher performance as we unlock value through the ongoing automation of our supply chain, reduce our reliance on labour hire through the continued roll out in Australia of our Operations Services initiative to leverage best practice in production and maintenance, and continue to set records for equipment utilisation, milling and production across our operations," said BHP.

Peabody Energy to scale back production at Hunter Valley Wambo Mine

Peabody Energy has made the decision to scale back production at its Wambo Underground Mine in the Hunter Valley, NSW, resulting in a reduction of the workforce.

"Due to incredibly challenging market conditions caused by the global COVID-19 pandemic, Peabody has made the decision to scale back," a Peabody spokesperson said.

"Mine managers began open and respectful consultation with our employees on 17 August. We expect to retain approximately half our workforce following the consultation period. Where possible affected employees will be offered roles at Peabody's other operations."

"The decision to ramp down production at the mine has not been taken lightly and Peabody very much regrets the impact this action will have on our loyal employees, their families and the community, " said the spokesperson.

"We commit that all affected employees will receive full redundancy entitlements, employee assistance and counselling to help them and their families adjust to this difficult news. "

"We will continue to monitor market conditions and the performance of the mine, while we undertake further study of the reserves, including South Wambo."

The spokesperson said that the Peabody Wambo Open Cut Mine will not be affected.

SADA seeks expressions of interest for Wollondilly Washery equipment

SADA Group reports that the Wollondilly Washery tailings recovery process (since 2008) will cease operations at the end of August 2020 due to limited resources.

SADA Group CEO, Tony McFadden said that the Coal Handling and Preparation Plant, dredge, hydro mining cannons and related equipment will all be sold via expression of interest.

"Sada will continue the expansion phase of the Glenlee Intermodal, Rail and Bulk Materials Facility in South West Sydney, the site of the old Glenlee Washery," said Mr. McFadden.

BHP Mt Owen Exploration Licence renewed

The New South Wales Government has given notice that Exploration Licence No. 6254, Mt Owen Pty Limited, County of Durham, Map Sheet (9133), area of 56.6 hectares has been renewed for a further term until 04 June 2021. Renewal effective on and from 06 July 2020.

Queensland resources industry pursues COVID-19 recovery plans

A Queensland resources industry plan for the COVID-19 recovery will assist keeping Queenslanders in work and get more back into employment, with confirmation that the State's jobless rate was now the nation's highest at 8.8%.

Queensland Resources Council Chief Executive Ian Macfarlane said that the industry had worked extremely hard to flatten the curve and to keep the workers prior to the COVID-19 outbreak.

"The resources industry is seeking an industry development plan to work in partnership with government to seize on the opportunities for new investment and new jobs across the State," Mr. Macfarlane said.

“The industry needs greater certainty about the assessment and approval processes for new projects and stability on the taxes and royalties the industry pays.”

“The ABS confirm has confirmed that Queensland’s unemployment rate is 8.8%, there are 800 job vacancies in resources and energy across Queensland on SEEK.”

QRC’s Resource Industry Recovery Agenda is a detailed plan that has been presented to the Government, all Members of Parliament and the Parliamentary Inquiry into the Government’s economic recovery.

Bowen Basin Rail Company seeks to recruit new-to-rail industry employees

Bowen Rail Company, headquartered in Bowen, Queensland is set to deliver jobs and opportunities for Queenslanders.

The new Company said that its initial focus will be to provide haulage services to the existing Abbot Point export terminal using the industry’s most technologically advanced rail fleet.

Bowen Rail Company Head of Project Delivery, David Wassell, said that the company had purchased its own state of the art locomotives and rollingstock. The first four locomotives are due to arrive in 2021.

“We are an innovative new business and we plan to use leading technology to efficiently transport resources from Queensland mines for export,” Mr. Wassell said.

“By basing our business in Bowen we will be part of the local community and will be close to the heart of the Queensland resources industry. We will be playing a key role in servicing international demand for Australian resources and supporting the economy at a time it is needed most.”

Bowen Rail Company has appointed a senior leadership team of experienced rail and resource industry professionals and has commenced recruitment for approximately 50 employees.

“We want to provide opportunities and pathways for Queenslanders and will be recruiting people of diverse backgrounds, age, experience and gender,” Mr. Wassell said.

“The benefit of our fleet is that it can be operated by anyone once they have had the right training, regardless of their physical size, age or experience, which means we can open up operator-type roles to a much broader workforce and to people who haven’t necessarily worked in the rail sector.”

“Our goal is to ensure approximately half of our workforce is comprised of new-to-rail industry employees.”

“Recruitment for positions will occur progressively over the next six to nine months,” said Mr. Wassell.

AMEC calls for extension of rent relief for Queensland’s explorers

The Association of Mining and Exploration Companies (AMEC) has released its election policy platform calling for an extension of rent relief for mineral explorers to help with the COVID-19 recovery.

“The Queensland Governments relief package has been a lifeline for explorers, and with the election only three months away we are calling for the extension of this commitment beyond September,” said AMEC Chief Executive Officer, Warren Pearce.

“While the mining industry has weathered the COVID-19 storm well, many in exploration have been hit hard by COVID-19. This support will assist them to get back on their feet, as investment starts to return to the sector.”

Included in its election submission, AMEC outlines key areas for an incoming government to address including reducing the cost of doing business, removing bottlenecks and costs in the lifecycle of mineral discovery to help bring forward regional project development, regional jobs and royalty payments.

“Most of the recent announcements have been to assist companies at the Pre-discovery stage. But there are levers within State Governments control that can improve the success rate for projects struggling through the feasibility and development stages and help to attract new investment to Queensland,” said Mr. Pearce.

“The benefits to Queensland to value add locally include increased employment, increased local investment, greater diversification of the economy, and receiving greater value for its minerals.”

“Queensland needs to increase its focus on developing new economy mineral projects and looking at how to support value-adding to take place within the State. Queensland is also well positioned to take advantage of more of the value chain for a number of different new economy minerals, this will help bolster the sector and associated manufacturing industries.”

AMEC made a COVID Resource Industry Recovery submission in June that outlined 40 recommendations for the mining and exploration industry.

“The exploration industry underpins our resource sector and it is critical that the State Government invest in exploration to help our industry and Queensland to bounce back quicker post-COVID19,” said Mr. Pearce.

QCoal Indigenous employment rate three times industry average

QCoal Limited’s Indigenous participation rates at the company’s Byerwen Coal mine in Central Queensland has been praised by the Queensland Resources Council (QRC).

QRC Chief Executive Ian Macfarlane said that QCoal’s Indigenous representation at its Bowen Basin mine was 12 percent, three times the industry average.

“Indigenous people comprise 4 percent of the State’s workforce in resources and Queensland’s Indigenous population is 4 percent. We are one of only two sectors with a true representation of Indigenous people in our workforce,” Mr. Macfarlane said.

“Another milestone is Indigenous women in resources who represent 24 percent of the Indigenous workforce, which is close to twice the non-Indigenous rate.”

“QCoal has a resolute commitment to playing its part in creating economic opportunities for Indigenous Australians at its Byerwen Coal mine.”

In consultation with the Traditional Owners of the area, the Jangga People, two key programmes have been developed and implemented. A pre-vocational work readiness programme: Thida Bullaroo, or “step-by-step” in local language, and a trainee operator programme, Yila Yina Mundu, or “Turn Around from Here”.

“QCoal has implemented a comprehensive Indigenous participation strategy across the business and were joint winners in the Best Company Indigenous Employment and Training Initiative category at the 2019 QRC Indigenous Awards,” Mr. Macfarlane said.

“Across all of its operations the QCoal Group’s Indigenous representation is 7 percent, which is incredibly high compared to the industry average and other sectors.”

Have your say on Fraser Institute Annual Survey of Mining Companies
The Queensland Exploration Council (QEC) is encouraging participation in the Fraser Institute Annual Survey of Mining Companies 2020.

Each year the results of this survey is addressed in the QEC Exploration Scorecard publication.

“A high correlation in participants between the QEC Exploration and Drilling Sentiment Survey and Fraser Institute’s Annual Survey of Mining Companies allows for us to analyse the finding and make comparisons with greater confidence,” said the QEC.

Collection of data for the Fraser Institute’s 24th annual survey of mining companies will begin next week and continue until Friday October 30th.

The data collected will allow the survey team to identify those provinces, states, and countries that pose the greatest barriers to investment in the mining sector, as well as the reasons underlying any significant shifts in the jurisdictional rankings from a year ago.

Evaluating policy perception and mineral potential in participating jurisdiction, the survey assesses the mining investment climate around the world, including Australia’s states and territories. To ensure an accurate representation of Queensland’s mining investment climate, it is important to see a broad involvement from relevant stakeholders with operations in Queensland.

The report on the findings of last year’s survey can be accessed here Survey of Mining Companies 2019

The survey can be completed in less than 15 minutes and all information collected through the survey remains confidential.

Executives, Managers, and other experts with mining exploration and development companies, and their advisors, are asked to complete the 2020 survey questionnaire with respect to jurisdictions about which they are knowledgeable.

To participate in the survey email ashley.stedman@fraserinstitute.org

Tarong Power Station overhaul boosts South Burnett economy
Stanwell Corporation Limited’s $36.2 million, two month overhaul at the coal fired Tarong Power Station will see a peak workforce of more than 500 inject millions of dollars Queensland’s South Burnett region from September 2020.

Queensland Energy Minister, Dr Anthony Lynham, said that the two-month overhaul of Unit 2 was part of the power station’s regular maintenance works, bringing extra workers on site in addition to the station’s permanent workforce as the world deals with the impacts of the global coronavirus pandemic.

“This overhaul will mean work for more than 30 South Burnett locals, as well as other workers bringing in all the flow-on benefits to local accommodation and hospitality providers, as well as the transport industry.

“Our publicly owned energy companies forecast a spend of around $1.8 billion this financial year, supporting nearly 4000 jobs.”

Dr Lynham said that Tarong Power Station’s publicly-owned operator, Stanwell Corporation, would be putting in place COVID-safe measures to ensure the health safety of all the workers and the local community.

A combined $110 million worth of maintenance works is also progressing at two central Queensland power stations: Stanwell Power Station outside Rockhampton and CS Energy's Callide Power Station near Biloela.

"Together these projects are supporting work for around 200 contractors and 150 local jobs," he said.

AusIMM Social Responsibility Statement released

The AusImm has released its first Social Responsibility Statement, the first published by a professional association in the resources sector.

"The Statement leads the way for our 13,000 global members by providing clear expectations of behaviour when working with communities and societies in the course of their professional duties," the AusIMM said.

Importantly, the Statement references the AusIMM's Social Responsibility Framework, including a pathway for professionals working in Social Performance roles to become accredited through our Chartered Professional (CP) programme. AusIMM accreditation in this new discipline is another global first for the mining sector.

With social performance by mining companies and professionals under closer scrutiny than ever before, AusIMM President Janine Herzig FAusIMM(CP) said that the Social Responsibility Framework builds on AusIMM's 127-year legacy of integrity and provides assurance that AusIMM members are working to the highest standards.

"Upholding performance standards is fundamental to AusIMM's role and purpose. Our communities trust us to work with their wellbeing at front of mind, and our social responsibility statement guarantees that AusIMM members understand how the work they undertake can impact the social and biophysical environments they work in," Ms. Herzig said.

"Our leading Chartered Professional accreditation pathway for environmental and Social Performance professionals also provides opportunities for people working in areas such as environmental monitoring, mine closure, land rehabilitation and more. Our Chartered Professionals are highly regarded in the sector for their expertise and commitment to high standards of conduct."

The framework links the AusIMM's Royal Charter and Code of Ethics to well established global sustainability principles, standards and guidance.

Pike River Recovery Agency workers withdrawn from mine following presence of carcinogens

Pike River Recovery Agency reports underground workers were withdrawn from the Pike River Mine on the South Island of New Zealand after samples returned positive for the presence of carcinogens.

Chief Operating Officer Dinghy Pattinson said that the team working underground encountered an unusual substance on the walls and roof of the tunnel and took samples.

"As soon as we received notification back from our independent testing facility, we stopped work underground and withdrew the mine workers. We are now working with mining experts and WorkSafe to understand what the results of the testing mean for our operations," said Mr. Pattinson.

All items recovered from the Pike River Mine drift are handed to the Police forensics team on site. Police have been notified and immediately ceased their work on site handling potential exhibits.

"The reason we do all the tests we do and plan for every eventuality is so that we can take action when something like this occurs. The health of all workers on site is always our top priority," said Mr. Pattinson.

The Agency has notified WorkSafe and will now undertake a risk assessment to look at the potential effects on operations and ways to mitigate it.

The Pike River Recovery Agency retrieved the fifth and final robot 1566m up the Pike River Mine drift on Thursday 30 July.

Shortly after that, on Tuesday 04 August, it recovered the loader driven by Pike River survivor Russell Smith at the time of the 2010 explosion.

Mr. Pattinson said that the recovery of the loader went smoothly and to plan, and Pike River families were able to witness it being towed to a storage area.

“We reached the loader at the end of last week, and then conducted a very deliberate and exacting forensic examination of the vehicle and operational zone, led from the surface by our NZ police investigation team. After that we were ready to hook it up using another loader and tow it down the drift to the portal and then to a covered area near the mine’s administration buildings for storage and further examination,” Mr. Pattinson said.

“While nearly 1600 metres of the 2300 drift has now been recovered, there is still around 600 metres of roadway in the Pit Bottom in Stone area will also need to be explored and examined when that area is reached.”

“That’s the next big area of interest for us. Things have been progressing very well, and we’re hopeful that we might reach Pit Bottom in Stone by the end of August, however there are a lot of unknowns between then and now,” said Mr. Pattinson.

Families of the Pike 29 were on site to witness the loader being recovered.

Minister Responsible for Pike River Re-entry Hon Andrew Little visited the site and to receive an update on activities and meet with the Family Reference Group. MP for West Coast Tasman Hon Damien O’Connor also visited the site.

Police have taken possession of the loader and it will be retained as part of the ongoing investigation. All items recovered from the Pike River Mine drift are handed to the Police forensics team on site.

<u>Company News – Bathurst Resources, Bis Industries, Dyno Nobel, Komatsu, Mastermyne, Mitchell Services, Newcastle Coal Infrastructure Group, Stanmore Coal</u>

Bathurst Resources Limited reports that despite the significant challenges during the COVID-19 pandemic, it has achieved an unaudited FY20 earnings result of NZ$76.3 million. “Coal demand in our major customer markets including India were significantly reduced during May and June, operating at 20 – 50 percent of pre-COVID-19 production levels,” said Bathurst Resources. “While production levels in many Indian steel mills are increasing, the risk remains around further lockdowns as COVID-19 cases continue to increase.” “If steel production rates continue to rise this quarter, we expect India to re-enter the spot coal market next quarter as their current high stockpiles reduce.” Bathurst said that Chinese port restrictions and quotas continue to cap any demand out of China. However, with Chinese domestic coal priced significantly higher than seaborne coals, Chinese buyers will continue looking for seaborne cargos as long as they have sufficient quota and this will help limit downside price risk.

Bis Industries has secured a three year extension to its long-term contract with AGL Macquarie, continuing equipment hire and site services at AGL’s Bayswater and Liddell power stations in the upper Hunter Valley of New South Wales. Bis has provided mobile plant and site services, including the supply of key primary dozers for stockpile management, to AGL’s Bayswater and Liddell for the past 21 years.

Bis Chief Operating Officer, Michael Porter, said, "Underpinning the delivery of the contract is our focus on safe operations, with a Zero Harm commitment that has resulted in an excellent safety record of zero lost time injuries over more than 20 years of working at this site."

Dyno Nobel Asia Pacific has seen strong growth in its locally manufactured electronic detonator product range, with production increasing by 400% in just three years at its manufacturing facility in Helidon, Queensland. "Correlated to this are the electronic detonator units sold annually which have increased by 64% year-on-year, over the past three years," said Dyno Nobel. "This is driving physical expansion at the Helidon plant, with the recent addition of a sixth cell and growth in its regional workforce by 63% on the previous year." "With volumes forecast to continue to increase over the coming months and years, Dyno Nobel will remain focussed on meeting customer needs by improving product range and greater automation of manufacturing tasks," the Company said.

Komatsu Limited will rebrand its underground hard rock equipment, surface wheel loaders and new line of blasthole drills to reflect the company's united focus on growth in these areas. The company said that it will retain its iconic P&H and Joy brands for the products longest associated with those names: P&H for its electric rope shovels, hybrid shovels, draglines and 320XPC blasthole drill; Joy for longwall systems, and room and pillar equipment. "Rebranding as Komatsu all surface wheel loaders, new blasthole drills and all underground hard rock equipment, expands the Komatsu brand in mining, while retaining the legacies of its other respected brands, said Jeffrey Dawes, President and CEO of Komatsu Mining. The first rebranded product, the Komatsu ZT44 track drill, made its debut at CONEXPO-CON/AGG 2020 in Las Vegas this March. "Building on the growth of our mining portfolio, we're excited to unite more products under the Komatsu brand, while respecting the history and value of the P&H and Joy brands," Mr. Dawes said. "As we approach Komatsu's 100th anniversary, it's a great moment to expand the brand in mining and celebrate the growth of these product lines." Customers can contact their account manager, sales representative or local distributor with any questions.

Mastermyne Limited has reported a record financial result which featured a strong Net Cash position of $21.4 Million for the Full Year 2020. The Company reported record revenue and net profit well ahead of the previous corresponding period (revenue increased by 23% to $292.7 million and net profit up 37%1 to $11.7 million). New projects were won and mobilised at the Aquila and Moranbah North mines in Queensland. Wilson Mining NSW), was successfully integrated and is poised to deliver further growth. Mastermyne has a record order book of $656 million. Mastermyne Managing Director and CEO, Tony Caruso said, "Our balance sheet leaves us in a good position to invest in further growth. We start the FY2021 well positioned with a record order book and a strong pipeline of new projects. Like last year we will focus on our operating discipline while investing in growth of our business through Whole of Mine projects and expansion into other commodities. With this order book, pipeline and growth strategy, we are set up for another excellent year". Mastermyne said that despite the impacts of global COVID restrictions the outlook for metallurgical coal continues to be supported by strong fundamentals. The demand for Australian seaborne metallurgical coal is expected to remain robust in the medium to long term. The Company's exposure to metallurgical coal is strong at ~95% of the current order book.

Mitchell Services Limited has recorded revenue in FY20 of $175.5 million (m), for the financial year ended 30 June 2020 (FY20), an increase of approximately $120.2m, (46%) on the previous corresponding period. Mitchell Services Chief Executive Officer**,** Andrew Michael Elf, said that the increase was primarily driven by steep increases utilisation, with the average number of operating rigs increasing from 48.2 in FY19 to 67.7 in FY20, and productivity, with the average number of shifts per operating rig increasing from 455 in FY19 (for a combined 22,266 shifts) to 531 in FY20 (for a combined 35,956 shifts). "It is also worth noting that despite the decrease in coking coal revenue as a percentage of overall group revenue, revenue from coking coal increased by 4.8% from $74.6m in FY19 to $78.2m in FY20," said Mr. Elf.

Newcastle Coal Infrastructure Group (NCIG) has announced a change to its latest round of Community Support Funding and is refocussing its investment efforts to those organisations providing critical support services to the local community. "We postponed the March round of funding and redirected our focus to support community partners impacted by the COVID-19 crisis, seeing the demand on their services significantly increase during these difficult times,": said NCIG. "We have provided $145,000 to 12 amazing organisations providing social welfare programmes such as mental health services and the supply of essential supplies to the vulnerable and disadvantaged. Many of these community groups have seen their fundraising activities restricted for an indefinite period of time, thereby having limited form of income when their services are most needed," said NCIG. Recipients of the funding include Soul Café, Newcastle Meals on Wheels, Zara's House, Lifeline, Jenny's Place, Got Your Back Sista, Hunter Region Botanic Gardens, Fern Bay & Stockton Public School, Mission to Seafarers, Hunter Women's Centre and Variety.

Stanmore Coal Limited Stanmore Coal Isaac Plains Community Grant has donated $5,000 to the Moranbah State School Chaplaincy Programme. The Programme provides social, emotional and educational support to all students, including a breakfast programme, domestic violence awareness and 'Drumbeat' — a therapeutic drumming programme that uses music, psychology and neurobiology to assist with social development, emotional control and self-esteem. While the two-day per week Chaplaincy Programme receives some government funding, extra support is required through community fundraising to ensure the same level of service. Moranbah State School Chaplain, Desley Kerr, said that the programme has had a remarkable effect on students. "Drumbeat, in particular, has helped students engage in learning and relate better with others, especially those with poor social skills or communication difficulties," she said. "There is also a positive ripple effect across the entire school, with fewer distractions and improved relations in classes, leaving more time for staff to focus on positive development rather than managing disruptive behaviour. "Without the support of Stanmore Coal and the broader community, the programme would likely reduce to one day per week, so we are incredibly grateful for their contributions."

Personnel

AJ Lucas Group Limited has announced that Non-Executive Director and Chairman **Phillip Arnall** is retiring from the Board, effective from close of business on 31 August 2020. Non Executive Director, **Andrew Purcell** has been appointed Chairman, effective from 01 September 2020.

Atrum Coal Limited has announced the formal appointment of current Company Chief Executive Officer (CEO), **Andrew Caruso**, to the Board as Managing Director of the Company. Mr. Caruso was appointed CEO in May 2020.

BHP Group has announced the following personnel changes - **Ragnar Udd** will become President Minerals Americas, effective 01 November 2020. President Operations Minerals Americas, **Daniel Malchuk** will leave BHP at the end of 2020. **Laura Tyler** will become Chief Technical Officer, effective 01 September 2020. **Caroline Cox** will become Chief External Affairs Officer, effective 01 November 2020. **Johan van Jaarsveld** will become Chief Development Officer, effective 1 September 2020. **Peter Beaven** will continue as Chief Financial Officer until 30 November 2020. **David Lamont** will commence in that role on 1 December 2020.

Safety

Weekly Incident Summary 2020
Source: NSW Government

View the Weekly Incident Summary for the week ending 07 Aug 2020 here

Have your say about the NSW Mine Safety Advisory Council Dust Safety Awareness campaign
The NSW Mine Safety Advisory Council ran a Dust Safety Awareness campaign throughout July 2020 to increase knowledge and awareness of dust exposure and dust disease in NSW quarries and mines.

The NSW Resources Regulator is conducting a survey to evaluate the success of the campaign among mine workers in NSW.

More information is available here

The NSW Resources Regulator encourages mine operators and mine managers to share information about the survey with mine workers.

Take the survey

New exemption clarifies use of electrical cables in underground mines
Source: NSW Resources Regulator

The Work Health and Safety (Mines and Petroleum Sites) Exemption (Use of Cables in Hazardous Zones) 2020 was published in the NSW Government Gazette on 07 August 2020.

The new Exemption is a class exemption made by the Resources Regulator on its own initiative and applies specifically to the use of cables in a hazardous zone in an underground coal mine.

The new Exemption, which replaces the previous Work Health and Safety (Mines and Petroleum Sites) Exemption (Use of Cables in Hazardous Zones) 2019, clarifies that the exemption from compliance with clause 80(3)(b) and (c) of the Regulation does not apply to installed cables identified as non-compliant after the engineered system has entered service.

Mines Safety Bulletin no. 186 - Managing Gas on Open Cut Coal Mines
Source: Queensland Government

The Queensland Department of Natural Resources, Mines and Energy (DNRME) has issued the following bulletin authorised by Peter Newman - Chief Inspector of Coal Mines.

Coal mines involving flammable and toxic gases in open cut coal mines where the onsite systems, knowledge and/or practices have not met a standard required to ensure an acceptable level of risk. Flammable and toxic gases have been emitted from a range of situations, including spontaneous combustion events, blast holes, post blast areas, blast fumes and old underground workings. Coal mine workers at open cut sites are often not aware that flammable and toxic gases may be present and pose a significant risk during normal mining activities at open cut operations.

Specific areas of concern include general awareness of flammable and toxic gas risks, knowledge and competencies for managing gas, the use and maintenance of gas monitoring systems, and the practical application of Trigger Action Response Plans (TARPs).

Coal mine workers at open cut mines should be aware of the toxic and flammable risks associated with gases encountered on site. This should include how to effectively monitor, assess and manage potential risks. Some types of gases can displace oxygen while others are flammable and/or have acute toxic effects. The potential risk from each type is determined by the concentration of gas in air. Therefore, the detection and measurement of gas in air provides a critical role in the mine's safety and health management system for gas management.

Coal mine workers who conduct gas monitoring and assessment of risks need to be aware of the physical properties as well as the hazardous properties of the specific gas types likely to be present at the mine site.

View the full bulletin

Diary Dates

21 Aug 2020	**NSW Resources Regulator - Hunter region electrical engineers meeting** By invitation – Phone: 1300 814 609 Email: rr.workshops@planning.nsw.gov.au
23 - 26 Aug 2020	**Queensland Mining Industry Health and Safety Conference 2020 - Cancelled**
27 Aug 2020	**Core Resources – Plant Opportunity Assessments Webinar** Register here
19 Sept 2020	**Queensland Miners Memorial Day**
23 Sept 2020	**Queensland Mining Awards 2020 Gala Presentation Dinner** Mackay Entertainment and Convention Centre QLD
22 - 24 Sept 2020	**Queensland Mining and Engineering Exhibition in 2020** Mackay Showground QLD
Oct 2020	**Safe Work Australia - National Safe Work Month 2020**
13-14 Oct 2020	**NSW Government 2nd Mining Engineering Managers Safety Seminar – Postponed to 13-14 Oct 2021**
22 Oct 2020	**Coal Lumpers Meeting** Newcastle Club Newcastle NSW Contact” colin@colinrandall.com.au for further details

23 Oct 2020 **Hunter Manufacturing Awards**

11 – 12 Nov 2020 **NSW Resources Regulator 30th Electrical Engineering Safety Seminar – Postponed to 11-12 Nov 2021**

24 Nov – 03 Dec 2020 **IMARC Online**
https://imarcglobal.com/

30 Nov – 01 Dec 2020 **Future of Mining Australia**
Sofitel Sydney Wentworth
Sydney
NSW

01 – 02 Dec 2020 **Robotics and Automation in Mining Queensland**
Brisbane
QLD
https://www.roboticsandautomation-mining.com/

08 - 12 Mar 2021 **Coal Rush 2020 - ACPS Eighteenth Conference & Exhibition**
Tamworth Regional Entertainment & Conference Centre
NSW
https://www.acps.com.au/news/general/conference-2020/

28-30 Apr 2021 **AusIMm Life of Mine Conference**
Brisbane
QLD

25-27 May 2021 **AusRock 2021**
The 5th Australasian Ground Control in Mining Conference
Sydney
NSW
https://ausrock.ausimm.com/

Port of Newcastle Monthly Coal Trade Report
Report for July 2020
Source: Port of Newcastle

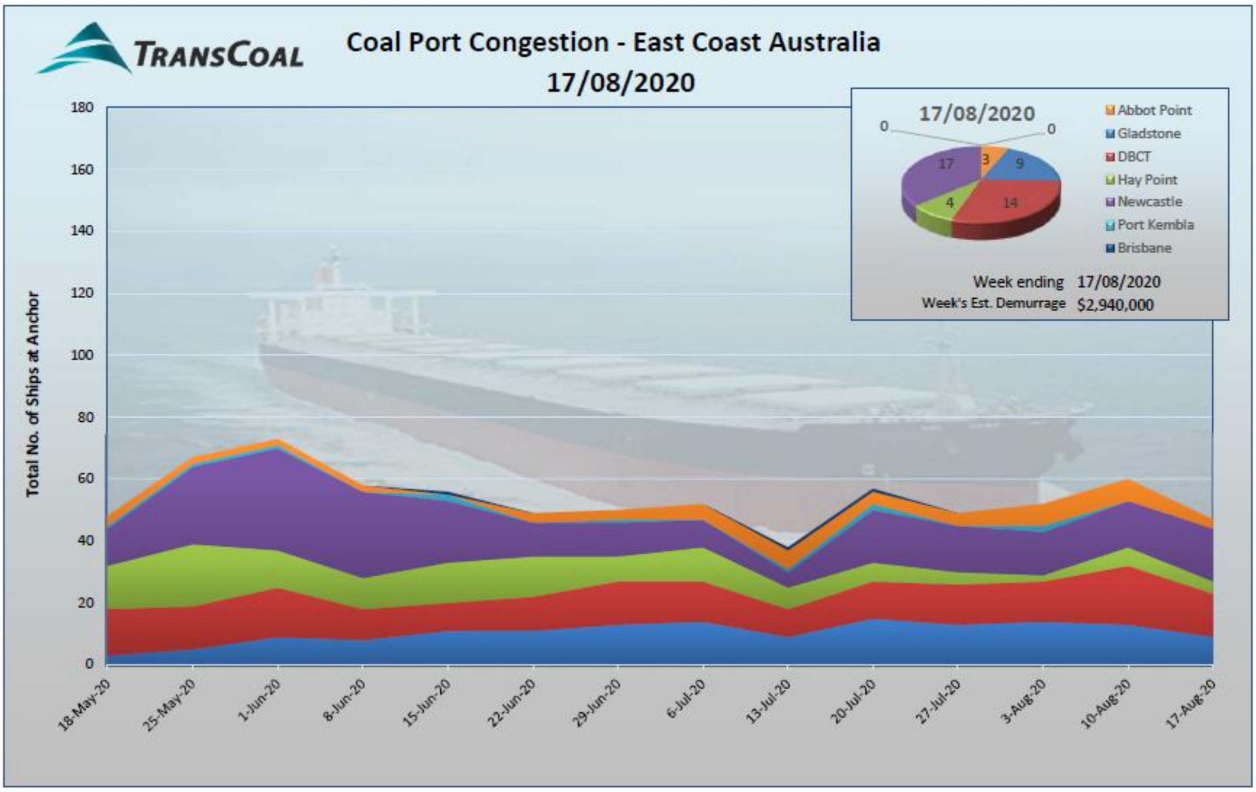
Coal Exports

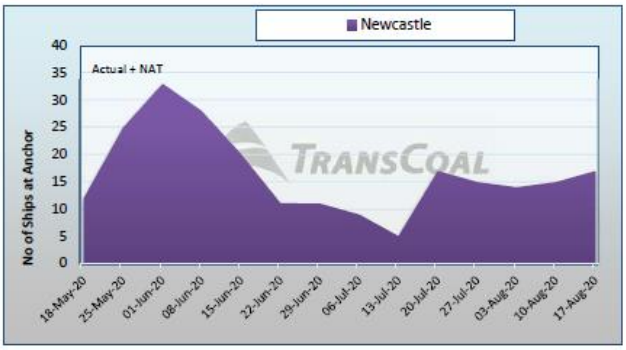
Mass Tonnes	YTD	TEU's	YTD	Trade Value ($AU Million)	YTD ($AU $Million)	Coal Vessel Visits	YTD
11,325,457	89,966,003	0	0	$961.1	$7,778.5	130	994

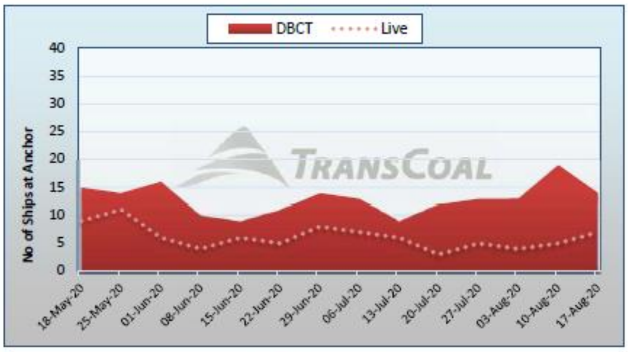
Coal Export Destinations: Australia, China, India, Japan, South Korea, Malaysia, Mexico, New Caledonia, Taiwan, Singapore, Vietnam

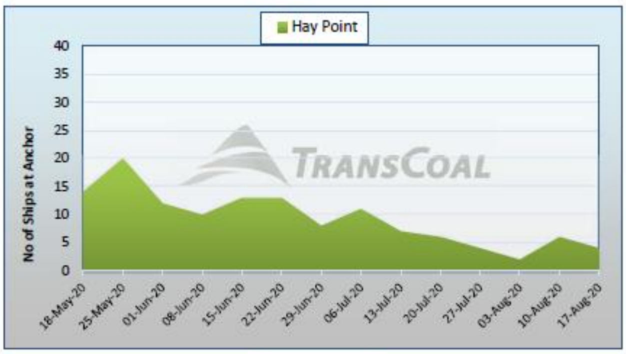
TransCoal Port Congestion Graph

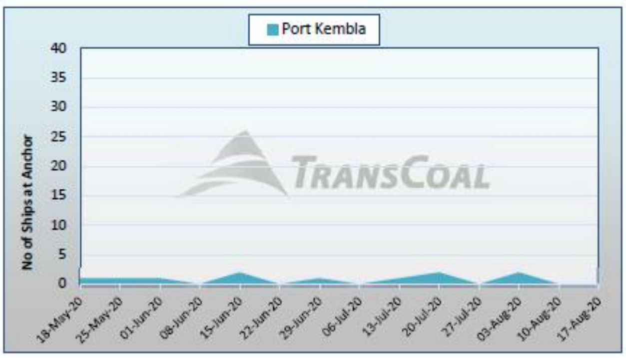
17 Aug 2020 - The overall vessel queue decreased from 60 ships last week to 47 this week. Queensland's queue decreased from 45 ships last week to 30 this week. New South Wales' queue increased from 15 ships last week to 17 this week.

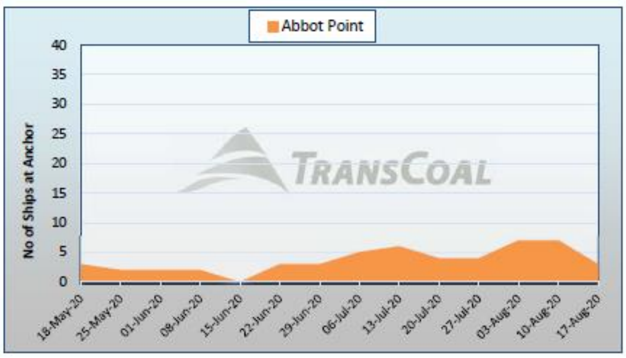












Braemar ACM Weekly Scope
18 August 2020

Vessel DWT	Australian Round Voyage			Far East Mediterranean/Continent			Mediterranean/Continent - Far East		
	Last Week	This Week	Change	Last Week	This Week	Change	Last Week	This Week	Change
28,000	$6,250	$6,900	$650	$3,750	$3,500	-$250			
32,000	$7,100	$7,750	$650	$3,900	$3,750	-$150			
58,000	$8,100	$9,500	-$1,400	$3,000	$3,300	$300	$22,750	$25,700	$2,950
74,000	$13,500	$10,000	-$3,500	$3,000	$2,800	-$200	$23,000	$17,500	-$5,500
180,000	$21,877	$21,272	-$605	$5,670	$5,594	-$76	$35,491	$35,397	-$94

Note: The trades 28K, 32K, 52K & 58K DWT sizes rates are assumed to be DOP South East Asia. All other sizes are assumed DOP North Asia.

Vessel DWT	1 year period	3 years period
38,000	8,750	8,300
58,000	10,500	10,000
76,000	11,300	10,050
82,000	13,000	11,650
180,000	15,800	15,250
210,000	18,400	17,500

CAPESIZE
The start of the week has been less than steady with the Pacific market seemingly lacking direction after an initial wobble on the C5 route. Very little is happening but there is still a notable premium on the longer duration trade past Singapore. In contrast, Brazil has seen a decent volume of fixtures since start of the week. The trickle down in rates will likely encourage owners to remain in the Pacific, if crewing isn’t an issue. If the number of ballasters thins sufficiently, as a result, we may find support on the later September dates (where a premium is already visible to spot).

PANAMAX
The market seems to be taking a breather after the intense activity last week. Demand has slowed in both basins and the momentum seems to be more with charterers despite supply remaining limited. ECSA seems to be starting September with less cargoes, and it is a similar story in the Continent. In contrast, Black Sea seems to be picking up with a Kamsarmax heard fixing at $29,000/day basis Black Sea. In the Pacific, NoPac still has a good number of cargoes however there is a lack of support in terms of cargoes from EC Australia and Indonesia, despite the congestion in Manila caused by AMSA rules and the typhoon in South China causing delays and limiting supply.

For Indonesia/South China, a Kamsarmax is expected to be close to $13,500/day basis South China and a Panamax at $12,500/day. In EC Australia, an eco- Kamsarmax was heard fixing at $14,500/day basis South China and a Panamax expected to be close to $12,500/day. In NoPac, despite demand levels, a Kamsarmax was heard fixing at $13,750/day basis Korea and a Panamax is expected to be at $13,250/day basis Japan. In ECSA, though it is hard to get charterers to bid, a Kamsarmax is expected to be at $14,000/day basis Singapore and a Panamax basis Gibraltar is expected to be close to $18,000/day for a transatlantic.

HANDYSIZE, HANDYMAX & SUPRAMAX
The Pacific Supramax market remains firm, as all supporting factors have improved. Last week ended with a strong push as there was a record number (for this year) of Indonesia/China cargoes that firmed up with market improving almost by $2,000/day, with Supramaxes being able to see over $7,000/day for delivery South China

redelivery WCI. Australian round voyage also jumped by $1,500/day and by the close of last week, we even saw numbers in excess of $10,000/day mark for Supramaxes opening CJK redelivery Southeast Asia/South China. NoPac cargoes on Ultramaxes have to compete well into the five digits as tonnage is tight.

The PG/India market remains firm with fresh cargoes coming in which are getting support from Black Sea market as well. Ultramaxes open PG are getting $16,000/day for WCI redelivery and more for ECI redelivery. Urea/Petcoke has been paying high teens basis delivery PG as well. WCI to China is around $14,000 16,000/day. There has been delays in WCI which is increasing interest in spot tonnages.

South Africa market has firmed up considerably in the last week. Vessels opening South Africa for August dates can literally be counted on fingertips of a hand. As a result, asking TC hire from owners has skyrocketed with Ultramax asking $13,000/day + $300,000 BB and more for RBCT / Indian Ocean and $14,000/day + $400,000 BB for Pacific.

For the Handysizes in Southeast Asia, the week started and remained quiet throughout. The lack of activity would suggest a decline in rates, however, rates have sustained and improved during late last week. Overall, the market seems well balanced between cargo and tonnage, with a slight lean toward tonnage undersupply. Australia remained quiet this week, however, there seems a decent amount of inter-Southeast Asia cargoes in the market within 2H August and early September dates. The market remains very positional. Large clean/AMSA-friendly Handysizes are also hard to come by. Rates for short period on these large Handies is starting to go up with eco and Australia friendly 37-38,000 dwt picking up over $9,000/day DOP Southeast Asia. Lack of Australia/AMSA friendly ships is driving most charterers with EC Australia orders to fix vessels open in the Far East. These vessels are achieving close to the rates basis delivery Singapore as follows: for trips loading Southeast Asia, 28,000 dwt are at $6,350/day, 32,000 dwt are $7,150/day and 38,000 dwt at $8,000/day. Meanwhile for trips loading Australia 28,000 dwt are at $7,000/day, 32,000 dwt at $7,750/day and 38,000 dwt at $8,500/day. Outlook for the remaining week is for the market to remain positive and rates likely to keep improving with the subtle undersupply of tonnage in the market.

In the Far East, a more balanced cargo/tonnage scale as well as a positive sentiment has given impetus to rates compared to last week. CIS business seems to be in a transitional stage between basis Busan and DOP China rates. Some rates were heard almost touching $6,000/day DOP CJK-North China on a 28- 32,000 dwt and in the range of $6,000/day DOP for 38,000 dwt. Charterers with later dates resisted and maintained $6-6,500/day basis Busan on 32-38,000 dwt. North China to Southeast Asia bids also seemed to have succumbed to the upward pressure, starting at $5,000/day to almost touching $6,000 now on 28-32,000 dwt. Other stems to Southeast Asia were also heard to be done in the range of $7,000/day on 38,000 dwt. On the longer duration business, NoPac round voyage doesn’t seem to see the same relative increment compared to the shorter trips. Some were heard done between low-$7,000 to $8,000/day basis passing Busan on 38,000 dwt. Offers were seen starting around $8,000/day DOP CJK-North China range and in the range of $8,000/day DOP Korea-Japan range. The region doesn’t seem to be over-supplied and there is a healthy amount of cargoes circulating in the market. The fixture levels this week and the brewing positive sentiment point towards rates firming further next week.

Commodities (USD)						
Coal	Ther.Newc.6.3k	Change	Ther.Kalim 5k	Change	Cok.Prem.Oz	Change
	$50.45	-$0.05	$36.50	-$0.70	$106.50	-$1.50

Bunkers (USD)						
Port	*HSFO*	*Change*	*VLSFO*	*Change*	*MDO*	*Change*
Singapore	$285.00	$12.00	$349.00	$7.00	$387.00	$11.00
Hong Kong	$299.00	$1.00	$343.00	-$3.00	$371.00	$1.00
Japan	$292.00	$9.00	$365.00	-$10.00	$570.00	$5.00
Sth Korea	$320.00	$8.00	$377.00	$8.00	$422.00	$0.00
As at 18 Aug 2020 (Source: Universal Bunkering Pty Ltd).						

Indices			
Date	*10 Aug 20*	*10 Aug 20*	*Change*
BHSI	504	473	31
BSI	943	867	76
BPI	1,819	1,600	219
BCI	2,400	2,375	25
BDI	1,598	1,506	92
As at 17 Aug 2020 (Source - Baltic Exchange)			

Braemar ACM Weekly Dry Bulk Report

China and India continue to be the key drivers of the Asian coal market, and government policy in both countries has put domestic coal mining industries ahead of imports. Though China's coal imports got off to a strong start in Q1, they have sharply fallen since due to monthly quotas on imports. Despite relatively high local coal prices causing grumblings from power utilities, Chinese authorities seem for now unwilling to grant additional allowances.

New hydro power capacity is scheduled to be brought online soon and existing hydro output is being buoyed by the recent heavy rainfall (though flooding has hampered power distribution in some regions). With these factors in mind, we expect Chinese seaborne coal demand to remain subdued for the rest of the year. We forecast 2H 2020 coal imports to come in around 25% lower YoY.

Meanwhile in India, imports have also tracked at depressed levels this year. Coal receipts at the 12 leading ports were reportedly down by around one third YoY in Q2. Initially lockdowns slashed demand for coal, but seaborne imports have also been hampered by Covid-19 restrictions on vessel discharge and onward distribution of material. Authorities have also been urging utilities to switch from using blends of domestic and imported coal to domestic coal only.

In the European countries, Covid-19 continues to batter already weak coal demand, accelerating the switch towards other forms of power generation. And weaker steel output is also hammering coking coal into these countries. We expect total coal trade into Europe this to fall by around 12% YoY in 2020.

There are still however some positive stories in the coal market which have offset some of these declines. We expect global thermal coal trade to fall by around 10m tonnes in 2020, but this figure would be far greater if not for some developing countries such as Vietnam, where we see imports growing by 47% YoY in 2020.

A second wave of the pandemic in these countries poses a threat to power and coal demand, but broadly speaking, we expect demand from these countries to partially offset losses in many of the developed countries over our forecast period. We see total seaborne coal volumes falling by around 3% in 2020, recovering by 2% in 2021 and gradually ebbing downwards thereafter.