

HUNTER VALLEY COAL REPORT

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In its 32nd year of publication

Coal industry employment figures reach eight year high

The latest Australian Bureau of Statistics (ABS) data shows that employment in Australia's coal mining sector rose by 25 percent to 62 thousand workers across the country in the September - November 2020 period.

Minister for Resources, Water and Northern Australia, Keith Pitt, said that the figures are a testament to how crucial the resources industry has been to Australia in the COVID recovery.

“Coal mining was the standout during the quarter, employing an extra 11 thousand people. It's also a 23 per cent increase over the year and is the most number of Australians employed in the sector since 2012, which is a phenomenal result and hardly an indication of an industry in decline,” said Minister Pitt.

“The number of people employed in mining jumped by 22 thousand, or nearly 10 per cent, in the three months to November last year, providing jobs for 264 thousand Australians,” Minister Pitt said.

“Encouragingly, the recovery in oil prices in the second half of last year saw employment in the oil and gas sector increase by 13 thousand.

Queensland has recorded the highest number of coal jobs ever reported by the ABS in the September to November 2020 quarter.

Queensland Resources Council Chief Executive, Ian Macfarlane, said that the state's coal industry jobs rose by almost 40 percent during the quarter, increasing from 28,072 to 39,075, which demonstrated how crucial the resources sector is to the state economy and to jobs.

“In terms of Queensland, December was a very good month for coal tonnes, with state coal exports up 19 percent on November, increasing from 16 million tonnes to just over 19 million tonnes.”

“This is 18 per cent higher, or nearly 12,000 more jobs, than the same period in 2019, which was unaffected by the global pandemic,” said Mr. Macfarlane.

Stanmore Coal Isaac Plains improved strip ratios boost run of mine quarterly production

Stanmore Coal Limited has reported strong run of mine coal mining performance of 850kt for the December 2020 quarter, reflecting benefits of improved strip ratios.

“Stanmore redesigned Isaac Plains Complex Operations mine plans in the quarter to reduce fleet capacity and strip ratios to further minimise costs while coal prices have been depressed, with achieved prime waste mined of 7.9Mbcm being lower than previous quarters,” the Company said.

Coal production and sales

Quarter ended

Thousands of tonnes	Dec 2020	Sept 2020	Change %	Dec 2019	Change %
ROM coal produced	850	641	33%	864	-2%
ROM strip ratio (reportable)	11.6	13.3	13%	11.3	-2%
Saleable coal produced	582	519	12%	609	-4%
Total coal sales	582	602	-3%	497	17%
Product coal sales	196	190	3%	179	9%
ROM coal stockpile	86	16	426%	96	-10%

The Company also said that it expects coal mining production to be lower at Isaac Plains East in the upcoming March quarter relative to previous quarters as a result of reduced fleet capacity to focus on lowering costs and strip ratios and to also manage the mine plan transition to Isaac Downs.

Product coal produced was 582kt for the current quarter, in line with total sales for the quarter of 582kt shipped.

“Under the requirements of the Australian Government’s Environment Protection and Biodiversity Conservation Act 1999 (EPBC), the Isaac Plains East Extension (IPEE) project was approved in December 2020. Preliminary work has commenced at IPEE,” said Stanmore Coal.

“The Isaac Downs amended Environmental Impact Statement (EIS) was finalised and the Assessment Report is being prepared by the Queensland Government Department of Environment and Science, with completion anticipated by early March, enabling the project to move through the final stages of the approval process. The project remains on track for development in H2 2021. Compensation agreements with the landowner and native title holders have been executed.”

“During the quarter, the Company made the decision to invest in further exploration at Isaac Downs to undertake a bulk sample for testing of proposed product coal cargos with our key international customers. Once mining approvals are finalised (estimated mid-2021) the project can commence operations rapidly,” said Stanmore Coal.

During the December 2020 quarter there were two recordable injuries at Isaac Plains with no injuries recorded at Stanmore’s other projects and tenements. The 12-month total recordable injury frequency rate at the end of the December 2020 quarter was 5.9 (10.2 at December 2019).

Stanmore Coal said that the Company has entered into a secured loan facility with Golden Energy and Resources for a maximum amount of US\$40 million. The facility matures on 30 June 2022 with no penalty for early repayment.

Glencore total coal production down 24% in Full Year 2020

Glencore plc total coal has reported total coal production of 106.2 million tonnes (Mt) for the Full Year 2020 – a decrease of 24% on the previous corresponding period of 139.5Mt.

“The figures reflect the impacts of the pandemic via stopped or reduced work periods in Colombia and South Africa, extended care and maintenance at Prodeco, plus the market-related supply reductions in Australia,” Glencore said.

Australian coking production of 7.6 million tonnes, down 1.6 million tonnes (17%) on 2019.

“The decrease reflects downtime at the Oaky Creek mine, Queensland, with an additional longwall move in the current period, timing of coking coal processing at Newlands and planned wash plant maintenance at Hail Creek,” Glencore states in its Full Year 2020 Production Report.

New South Wales thermal and semi-soft production of 66.7 million tonnes was 12.5 million tonnes (16%) down on 2019, mainly reflecting targetted volume reductions in H2 2020, in response to the weak coal price environment.

“Proactive market-related supply reductions were initiated in H2 2020, primarily with respect to coal production from Australia,” said Glencore Chief Executive Officer, Ivan Glasenberg.

FY 2021 guidance forecasts cautious coal supply increases in Australia, following market-driven reductions in H2 2020.

“The average Newcastle coal (NEWC) settlement price for the period was \$60.45/t. After applying a portfolio mix adjustment (component of our regular coal cash flow modelling guidance) of \$3.60/t to reflect, amongst other factors, movements in pricing of non-NEWC quality coals, an average price of c.\$56.8/t was realised across all coal sales volumes,” Glencore said.

Mangoola Coal Continued Operations Project - Public hearing to be held

Glencore Coal Pty Limited subsidiary, Mangoola Coal Operations Pty Limited, proposes to extend the life of the existing operations by establishing a new mining area (the Northern Extension Area) at the Mangoola Mine located west of Muswellbrook in the Upper Hunter Valley of New South Wales.

The Mangoola Coal Continued Operations Project would extract approximately 52 million tonnes of additional run of mine coal while maintaining the annual extraction rate of 13.5 million tonnes per annum that applies to the existing Mangoola Mine.

The Project would generate approximately 145 jobs during construction and would provide ongoing employment to 400 existing employees and employment for a further 80 operational employees.

The NSW Department of Planning, Industry & Environment (DPIE) has now finalised its whole-of-government assessment for Glencore’s Mangoola Coal Continued Operations Project and provided it to the Independent Planning Commission NSW for determination.

The DPIE Assessment of the proposal notes that the Mangoola Coal Continued Operations Project would continue to use existing infrastructure including the Mangoola Mine CHPP, rail loop and mining fleet and would involve the development of a new haul road overpass which would also traverse Wybong Road and Big Flat Creek, to connect the Northern Extension Area with the Mangoola Mine.

The DPIE states that on balance, its assessment has concluded that the impacts of the Project would generally comply with relevant assessment criteria, policies and guidelines, and that the residual environmental and social impacts of the Project could be managed through Glencore’s proposed mitigation measures, the Department’s recommended conditions and a detailed suite of management plans.

NSW Minister for Planning and Public Spaces, Rob Stokes, has requested that the Independent Planning Commission conduct a public hearing into the carrying out of the Project prior to determining the state significant development application for it.

The Electronic Public Hearing will take place from 10am AEDT on Wednesday 03 March 2021 to hear directly from community members. The Commission states that it has also tentatively set aside Thursday 04 March 2021 to extend the public hearing to a second day should it be necessary.

Persons wishing to speak at the Electronic Public Hearing, must complete the registration form available on the Commission’s website by no later than 5pm AEDT on Thursday 25 February 2021. Those who are registered to speak will be provided further technical information closer to the hearing.

This Electronic Public Hearing will be broadcast on the Commission’s website:

www.ipcn.nsw.gov.au/livestream.

Comment invited on Wollongong Coal revised Russell Vale Colliery Draft Public Environment Report
The Draft Public Environment Report for Wollongong Coal Limited’s Russell Vale Colliery Revised Underground Expansion Project is on public display.

Wollongong Coal is seeking approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) to continue mining operations in the Wongawilli Seam using long term stable bord and pillar mining techniques at its Russell Vale Colliery located in the Illawarra Region, approximately 8 kilometres (km) north of Wollongong and 70 km south of Sydney.

Extraction of approximately 3.7 million tonnes (Mt) of run of mine coal over a period of five years at a reduced production rate that will not exceed 1Mt of product coal per year is also proposed.

The NSW Independent Planning Commission approved the development application for the Russell Vale Underground Expansion Project on 08 December 2020 the

The report, prepared by Umwelt, and relevant documents, will be available at Wollongong Council, at the NSW Department of Planning, Industry and Environment, Parramatta and at <https://wollongongcoal.com.au/approvals-r/>

Interested persons are invited to comment in writing by 25 February 2021. Submissions can be sent to mail@umwelt.com.au or in writing to 75 York Street , Teralba, NSW 2284.

Public comment invited on Mach Energy Mount Pleasant Optimisation Project

MACH Energy Australia Pty Limited proposes to extend the life of open cut mining operations within the Mount Pleasant Operation Mining Leases in Muswellbrook, New South Wales to 2048.

The Mount Pleasant Optimisation Project proposal includes extraction of an additional 247 million tonnes of run-of-mine (ROM) coal over the life of the Project, through the mining of deeper coal seams and optimisation of the North, Central and South Pits; extracting and processing up to 21 million tonnes per annum (Mtpa) of ROM coal; transporting up to 17 Mtpa of ROM coal by rail; dispatching up to 10 laden trains per day, with an average of 6.5 laden trains per day; constructing new ancillary infrastructure, including water management facilities; relocating, upgrading and augmenting existing ancillary infrastructure; increasing the operational workforce to 830, with an average workforce of 600; realigning the future Northern Link Road; and changes to the approved final landform.

The NSW Department of Planning, Industry and Environment will exhibit the State Significant Development application, Environmental Impact Statement and other accompanying documents from Wednesday 03 February 2021 until Wednesday 03 March 2021.

Submissions may be made on the proposal during the exhibition period.

NSW Coal Titles: Withdrawal, Application and Renewal

The NSW Government has given notice that the following Mining Lease Application has been withdrawn: Singleton No. 446, Gloucester Resources Limited, Parish of Avon, County of Gloucester; and Parish of Gloucester, County of Gloucester, (9233-1-N, 9333-4-N). Withdrawal took effect on 21 January 2021.

Notice is given that Shoalhaven Coal Pty Limited has applied to renew Exploration Licence No. 7517. The Licence embraces an area of 1803 hectares.

Notice is given that the following authorities have been renewed: Exploration Licence No. 5965, Hunter Valley Energy Coal Pty Limited, County of Durham, Map Sheet (9033), area of 4131 hectares, for a further term until 15 July 2026. Renewal effective on and from 23 December 2020.

Anglo American met coal production down 33% in December 2020 quarter

Anglo American plc reports that export metallurgical coal production decreased by 33% to 4.2 million tonnes during the December 2020 quarter.

“The decline is due to the suspension of operations at the Grosvenor Mine in Queensland following the underground gas incident in May 2020, and lower Moranbah production owing to geotechnical challenges.”

“Open cut operations have been scaled back at Dawson and Capcoal in response to reduced demand for lower quality metallurgical coal, while Grasstree benefitted from not having a longwall move,” Anglo American states.

Metallurgical coal – Anglo American attributable share of production

Metallurgical coal Australia (000t)	Q4 2020	Q4 2019	Q4 2020 v Q4 2019	Q3 2020	Q4 2020 v Q3 2020	2020	2019	2020 v 2019
	4,182	6,284	-33%	4,836	-14%	16,822	22,852	-26%

The ratio of hard coking coal production to PCI/semi-soft coking coal was 77:23, lower than in Q4 2019 (81:19), due to a lower proportion of product coming from the underground operations.

The average realised price for hard coking coal was \$112/tonne, which was lower than the benchmark price of \$124/tonne as sales consisted of a lower proportion of premium quality hard coking coal from Moranbah and Grosvenor.

“Production guidance for metallurgical coal is unchanged at 18-20 million tonnes, subject to the extent of further Covid-19 related disruption,” said Anglo American.

South African export thermal coal production decreased by 10% to 4.1 million tonnes despite strong underlying operational performance, as the mines continued to operate at c. 90% capacity due to the impact of Covid-19 measures to help safeguard the workforce, as well as the impact of sections at Goedehoop reaching their end of life.

In Colombia, attributable export thermal coal production decreased by 85% to 0.3 million tonnes as a result of a three month strike, which ended in the first week of December.

New Acland Coal Stage 3 expansion decision to head back to Land Court

On 03 February 2021, the High Court of Australia upheld an appeal by Oakey Coal Action Alliance Inc (OCAA) against New Hope Corporations (NHC) wholly owned subsidiary, New Acland Coal Pty Ltd (NAC) in relation to the Queensland Court of Appeal’s decision on final orders which was handed down on 01 November 2019.

NHC said in a statement that OCAA’s appeal to the High Court concerned technical matters of procedure relating to findings of apprehended bias against NAC which resulted in the High Court ordering that NAC’s mining lease applications and environmental authority application be remitted to the Queensland Land Court for reconsideration.

“There was no challenge by OCAA in the High Court with respect to groundwater or any other environmental issue that had been successfully argued by NAC in the Queensland Courts and that is relevant to any Queensland Government approval decision. The Federal Government has already granted New Acland Stage 3 all required Federal Government approvals to proceed,” said NHC.

“Given the unusual circumstances of the High Court proceedings, being only in respect of the Court of Appeal’s final orders and not the substantive issues decided by that Court, the High Court’s decision does not provide any certainty for the Company and the current workforce. The Company will meet with the State Government to determine the process for finally deciding on NAC’s outstanding State approvals.”

Once approved, New Acland Stage 3 will provide ongoing employment and create new job opportunities for the people of Oakey and surrounding areas. The Company supports local businesses and suppliers across the Darling Downs and South East Queensland and is expected to inject \$7 billion into the Queensland economy.

Federal Minister for Resources, Water and Northern Australia Keith Pitt said that the High Court decision on Oakey’s New Acland mine shows the urgent need for the Queensland Labor Government to reform its approval process for resources projects and that the decision to send the matter back to the Land Court puts hundreds of job in jeopardy.

“This is a classic example of the Queensland approval process allowing activists to use the courts and legal system to delay legitimate resources projects,” Minister Pitt said.

“Once again a regional area is in danger of missing out on the job and economic boost a project like this will bring because out-of-town and interstate activists know how to use the legal system to support their agenda.”

Australian Resources and Energy Group Director Operations, Tara Diamond, said, “After beginning the approval process 13 years ago, it is disappointing New Acland’s job-creating expansion will be subject to another frustrating layer of uncertainty,” AMMA Director Operations Tara Diamond said.

“This is a shovel-ready project that would create hundreds of critically-needed jobs as Queensland looks to recover from the employment and economic impacts of the COVID-19 pandemic.”

“New Acland’s operator New Hope Group is an Australian-owned company with a long track record of local employment, responsible environmental stewardship and being a well-respected and integral member of the Darling Downs community.”

“The company has long proven to be a responsible operator and its planned expansion had passed a significant number of rigorous assessments, including by the Federal Government’s Independent Expert Scientific Committee, an original Land Court approval recommendation and the Government granted the project its environmental authority,” said Ms. Diamond.

Terracom Blair Athol sales performance remains strong in 2021

Terracom Limited reports that its Blair Athol thermal coal mine located in Queensland’s Bowen Basin continued to achieve strong sales performance throughout January 2021, with 206,000 tonnes being sold, equivalent to an annualised run rate of 2.48 million tonnes per annum.”

Blair Athol achieved 1.20 million tonnes of coal sales for the 6 months ended December 2020, therefore operating at an annualised run rate of 2.41 million tonnes per annum.

“The Blair Athol Mine has successfully delivered under its fully owner managed operational model, trading on a significantly reduced Free on Board (FOB) operating cost base of sub AU\$60 per tonne since transition. This places the Blair Athol mine in the first quartile of seaborne export FOB operating costs per tonne,” Terracom said in its December 2020 quarterly report.

“Compared to the 2020 financial year, the Company has reduced annualised coal sales by only 179,000 tonnes (7%), yet at the same time refined the FOB operating costs to be sub AU\$60 per tonne per tonne, resulting in more than a 15% reduction.”

Blair Athol

Thousands of tonnes (kt)	Dec 2020	Dec 2019	Change %	Dec 2020	Sept 2020	Change %
ROM coal production	550	772	-29%	550	740	-26%
Saleable coal	573	627	-9%	573	608	-6%
Coal sales	585	611	-4%	585	620	-6%
Inventory (ROM)	35	79	-55%	35	178	-80%
Inventory (Saleable)	121	165	-27%	121	136	-11%

Export coal prices (Newcastle index) have risen by 40% since 01 November 2020. Coal shipments from the Company's Australian operation, Blair Athol, have already been secured for the remainder of Q3 FY2021.

“With the FOB operating cost base now set and maintained at sub AU\$60 per tonne, at the Company's Blair Athol Mine in Queensland, and the implementation of the South African export strategy, the Company is well positioned to take advantage of the improved export pricing,” TerraCom said.

“Whilst the pricing throughout the first half of FY2021 has been depressed, the improved pricing will have a direct positive impact to the Company's overall earnings results during 2H FY2021, particularly given the recent focus on cost reductions at Blair Athol.”

Company News – Allegiance Coal, Atrum Coal, Cokal, CS Energy, East Energy Resources, Laneway Resources, NuCoal Resources, Stanwell Corporation, Tian Poh Resources, White Energy Company, Yunaga Civil & Earth

Allegiance Coal Limited is working to bring forward production at the New Elk hard coking coal mine in Las Animas County, southeast Colorado, US, to take advantage of the immediate strong demand for US coking coals on the seaborne market. “At this time, the planned production commencement date remains June 2021, but this date is under review and Allegiance will advise the market should it be feasible to bring this date forward,” the Company said. To assist in immediate mine and equipment refurbishment costs until Allegiance secures its project debt finance, Allegiance has raised a further A\$2M through the issue of convertible notes under the A\$8M Convertible Note arrangement with Mercer Street Global Opportunity Fund LLC, a New York based investment fund, bringing the total value of funds raised to date through the Notes to A\$5M.

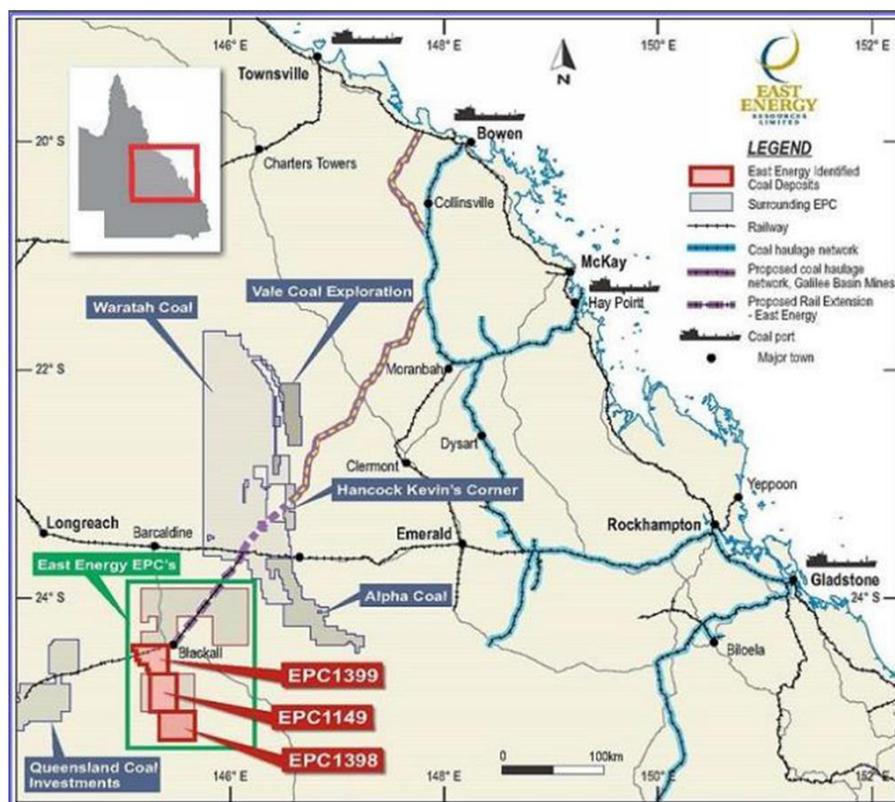
Atrum Coal Limited is currently finalising the 2021 Elan field programme for its 100%-owned Elan Hard Coking Coal Project in southern Alberta, Canada. Atrum said that key components are expected to include continuing environmental baseline studies, further detailed coal quality assessment including larger scale carbonisation test work and additional drilling targeting further resource classification upgrades and geotechnical/hydrogeological parameters for planned Definitive Feasibility Study commencement in 2H 2021. During December 2020, Atrum released an Updated Scoping Study for the Elan Project which incorporates the Isolation South resource upgrade (November 2020) into an enlarged and enhanced mine schedule, which displaces all Elan South mining to drive project simplification, permitting efficiency and development fast-tracking. It also incorporates refined capital cost estimates from the current PFS workstream. All other key input parameters from the Scoping Study (April 2020) remained unchanged (including throughput, yield and HCC price assumptions) and were applied to the Updated Scoping Study. Leading coal technical consultant, Palaris Australia Pty Limited, was the external Study Manager.

Cokal Limited has selected PT. Harmoni Panca Utama (HPU) as the preferred tenderer to provide contract mining services for the development and mining of Cokal's Bumi Barito Mineral (BBM) coal development project, located in Central Kalimantan, Indonesia. The appointment of HPU was conditional upon Cokal and HPU entering into formal agreements between the parties, which has now been completed. Cokal said that it is now striving to commence development of BBM in an expedited timeframe and is working with HPU on the necessary operational and logistical matters.

Cokal Chairman, Domenic Martino said, “Cokal has negotiated a strategically advantageous mining services contract, with mining costs linked to international coking coal prices. This mechanism will protect Cokal’s operating margin in lower coal price environments, whilst retaining margin enhancements for Cokal as coal prices rise” BBM is Cokal’s most advanced project – a high quality metallurgical coal project with a mining lease area of 14,980ha.

CS Energy Limited and IHI Corporation Japan have partnered to assess the feasibility of establishing a renewable hydrogen demonstration plant next to Queensland Government owned CS Energy’s coal fired Kogan Creek Power Station near Chinchilla on Queensland’s Western Downs. CS Energy and IHI Corporation will prepare a feasibility study into the Kogan Hydrogen Demonstration Plant concept, which includes the co-location of a solar farm, battery, hydrogen electrolyser and a hydrogen fuel cell at the Kogan Creek Power Station near Chinchilla. CS Energy CEO Andrew Bills said the demonstration project will focus on the hydrogen electrolyser being only powered by behind-the-meter solar energy, making it one of the few truly ‘green hydrogen’ projects in Australia.

East Energy Resources Limited (EER) undertook exploration activities during the December 2020 quarter including the assessment of the demand for thermal coal and the potential for further development of the coal resource within MDL 464 and the three EPCs covering the main body of the Blackall Coal Project, Queensland. EER said that the Board continues to monitor the progress of coal projects in the Galilee Basin and the proposed rail line for Adani’s Carmichael Coal Mine, which will provide a crucial link for the future transport of coal from the Blackall Project. The Blackall Project consists of three main coal resource areas within MDL464, EPC1398 and EPC1399. These permits host a combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of thermal quality coal.



Laneway Resources Limited focussed activities on the Ashford Coking Coal Project, New South Wales, during the December 2020 quarter. Environmental and other studies required for the Mining lease Application together with further work on transport logistics for the pathway to market for coal from the project was undertaken. Progress was also made towards satisfaction of condition’s precedent to the completion of the proposed staged sale of the Ashford Coking Coal Project to Aus Tin Mining Limited. Consideration to be received for the sale of the Ashford project is to include: Laneway being issued an initial 20% shareholding in

Aus Tin; a further \$7m payment (consisting of \$2m cash and a further \$5m in cash or Aus Tin shares issued at a 20% discount); and a retained royalty interest for Laneway to be paid \$0.50 per tonne for every tonne of coal produced from the Ashford project. The current Indicated and Inferred Resource at the Ashford project is 14.8 million tonnes of in-situ coal. The Ashford Coking Coal Project is located approximately 60km north of Inverell (northern NSW). The Project is comprised of EL 6234 & EL 6428 which covers approximately 14 km². The tenures hold part of the Ashford Coal Measures covering the only commercial operation to mine the Ashford Seam the “Ashford Colliery”. The Ashford Colliery was operated from 1959 to 1990, utilised to supply coal to the Ashford Power Station. In 1976 a study was undertaken to ascertain the quality of the Ashford Seam. The study revealed that the Power Station was burning premium quality coking coal.

NuCoal Resources Limited is continuing to implement a legal and political strategy, both domestically and internationally, to seek redress for shareholders following the cancellation of EL 7270 in 2014 by the NSW Government without compensation, following an inquiry by the Independent Commission Against Corruption. NuCoal Non-Executive Director, Glen Lewis, met with a number of US Government politicians and officials in Washington DC in February 2020 to update them on the status of the Company’s compensation efforts. NuCoal said that lobbyists in Washington will re-present its case to any new officials in the Australia – US Free Trade Agreement as part of the incoming Biden administration. “Any successful action directly under the Australia US Free Trade Agreement will benefit only the shareholders who bring and participate in the action (i.e. US shareholders in NuCoal who held shares at the time of expropriation,” said NuCoal.

Stanwell Corporation Limited’s Meandu Mine dragline ‘Hannibal’, located near Kingaroy, Queensland, will undertake an overhaul from 28 January to 25 March 2021. Stanwell Corporation said that the eight-week maintenance overhaul programme on the dragline ensures the reliability, efficiency and safety of this crucial mining machine. “We can deliver lower cost energy as we own two of the most efficient coal-fired power stations in Australia.” “Our Meandu Mine provides affordable fuel for our Tarong power stations, and we have long-term coal deals in place to fuel Stanwell Power Station near Rockhampton, said Stanwell. “Stanwell Corporation and Downer EDI, who operate the mine, share the key priority of safety of our people, their families and the communities in which we operate,” Stanwell Corporation said.

Tian Poh Resources Limited reports that it continued to assess advancing the Nuurst Thermal Coal Project and short-term coal trading opportunities during the December 2020 quarter. The Company’s flagship project is located 120 km south east of Ulaanbaatar, Mongolia, in an area with a number of operating coal mines and six kilometres from existing rail infrastructure allowing direct access onto the existing Trans-Mongolian Railway line.



White Energy Company Limited (WEC) reports that Tranche Three of legal proceeding in Singapore International Commercial Court (SICC) are now complete. Proceedings were initiated by subsidiaries of White Energy, Binderless Coal Briquetting Company Singapore Pte Ltd (BCBC) and Binderless Coal Briquetting Company Pty Limited, against PT Bayan Resources Tbk and Bayan International Pte Ltd. in connection with the KSC joint venture. White Energy reports in its December 2020 quarterly report that Tranche Three of the proceedings was heard by the SICC from 21 to 30 September. “Cross examination of witnesses from both sides is now complete. Written closing submissions were provided by both sides on 19 November 2020 and replies were filed on 10 December 2020,” White Energy said. The final oral submissions from the parties’ legal representatives were made on 09 January 2021. The judgement is reserved. “The only issues remaining to be determined by the SICC in the third tranche relate to the damages which may be payable to BCBCS.” “The SICC has, in the earlier tranche of the proceedings, already made a conclusive determination that Bayan has both breached and repudiated the joint venture deed,” said White Energy. During the quarter, work continued on examining coal gasification and emerging hydrogen opportunities from coal, planning for future exploration activities. The Government of South Australia has granted subsequent Exploration Licence EL6566 for five years over the area covered by the previous licence EL5719. Capital expenditure related to exploration activities of \$15,000 was incurred during the quarter. WEC states that it is investigating the implementation of its BCB technology for use in Yankuang Group’s coal briquetting business in China. Testing of coals from Shandong and Shanxi Provinces has been successfully conducted at WEC’s test facility in Cessnock, New South Wales. The Company’s briquetting machines have been despatched for larger scale tests in China.

Yunaga Civil & Earth (YCE), an Aboriginal owned and managed civil and earthmoving specialist based in the Hunter Valley, NSW, recently put out a call for industry support to help grow its business. A working capital loan provided by Daracon Group and an AU\$2 million small Indigenous-owned business grant from the National Indigenous Australians Agency enabled YCE to get its fleet established and to offer more employment opportunities to Indigenous people. Caterpillar dealer and equipment provider WesTrac supplied heavy machinery including excavators and dump trucks. SME aggregator, ServeGate, was instrumental in connecting and introducing the companies. Asquith Workforce deployed skilled and suitable personnel via its recruitment and labour hire services. Indigenous small business specialist, Dylan Dyer, provided invaluable knowledge. YCE celebrated making its final repayment of the working capital loan to Daracon at an official cheque-handing ceremony hosted by the lender. Speaking at the ceremony, YCE Founding Partner and Chief Operating Officer, Victor Perry, said that the support has been instrumental to the company’s growth. “Without Daracon’s financial assistance, there is no way that we would be in the cash-flow positive position we are today.” “This final repayment is a significant milestone for our company, as it not only reflects our growth and viability, but importantly it affirms our operating model and the quality of service we are providing,” said Mr. Perry. “From the very beginning we’ve had overwhelming support from each of the six entities that got involved.” “For the past 11 years we’ve toiled away with a vision to one day create jobs and employment opportunities for Indigenous people, and in the past few years our growth has really accelerated helping us achieve that outcome.” YCE operates in the mining and construction sectors, as well as offering consultation services on the protection and conservation of Aboriginal heritage.

Diary Dates

04 Feb 2021	Sydney Mining Club - Presenting the Yancoal Story 2021 - David Moulton, CEO, Yancoal The Ivy Ballroom Sydney NSW
10-12 Feb 2021	Resource Operator's Conference (previously Coal Operators' Conference) University of Southern Queensland Springfield Campus QLD
19 Feb 2021	2021 QEC Technical Forum Stamford Plaza Brisbane QLD
22-23 Feb 2021	Future of Mining Australia 2021 Sofitel Sydney Wentworth Sydney NSW
10 Mar 2021	QRC/WIMARQ International Women's Day Breakfast Royal International Convention Centre QLD
12 Mar 2021	Coal Rush 2020 - ACPS Eighteenth Conference & Exhibition Tamworth Regional Entertainment & Conference Centre NSW https://conference-2021.acps.com.au/
19 Mar 2020	Coal Rush 2020 - ACPS Eighteenth Conference & Exhibition Hunter Valley NSW https://conference-2021.acps.com.au/
29-31 Mar 2021	Coaltrans China
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/

20 May 2021	Coal Lumpers The Newcastle Club 40 Newcomen Street Newcastle NSW 2300 Contact: colin@colinrandall.com.au
11 -12 Aug 2021	30th Mechanical Engineering Safety Seminar Sofitel Wentworth Sydney NSW
22-25 Aug 2021	Queensland Mining Industry Health and Safety Conference 2021 The Star Gold Coast QLD
13 -14 Oct 2021	2nd Mining Engineering Managers Safety Seminar Sofitel Wentworth Sydney NSW
10 -11 Nov 2021	30th Electrical Engineering Safety Seminar Sofitel Wentworth Sydney NSW
16-18 Nov 2021	AIMEX – Breaking New Ground Sydney Showground NSW
30 Nov-01 Dec 2021	2021 Coal Association of Canada Conference: Canadian Coal in a Global Marketplace Sheraton Vancouver Wall Centre Vancouver British Columbia Canada

Personnel

Allegiance Coal Limited has announced the appointment of **Bernie Mason** to the Board of Directors as a Non-Executive Director.

Bowen Coking Coal Limited has announced the appointment of **Daryl Edwards** as Chief Financial Officer for the Company.

Glencore plc has announced the appointment of **Cynthia Carroll** as a Non Executive Director of the Company, effective 02 February 2021.

Queensland Government has appointed Senator **Murray Watt** to the newly appointed position of Shadow Minister for Queensland Resources.

Safety**Weekly Incident Summary**

Source: NSW Resources Regulator

Weekly Incident Summary for week ending [22 January 2021](#)

The NSW Resources Regulator released the investigation report *Open cut coal mine worker contracts interstitial lung disease – Worker D*.

[View the Investigation Report](#)

Safety Alert - Unattended haul truck rolls 65 metres

Source: NSW Resources Regulator

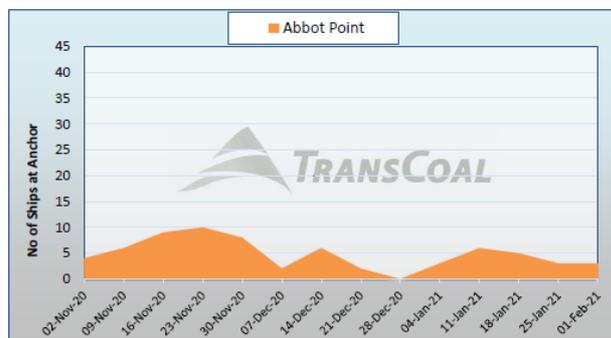
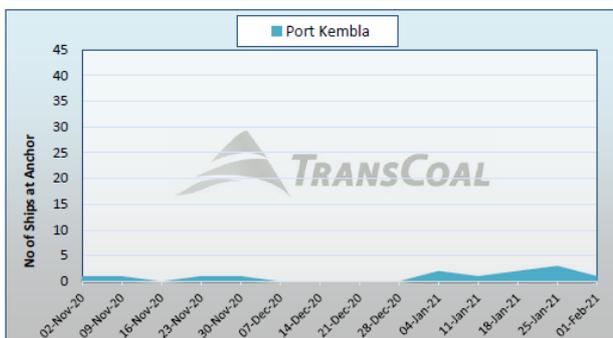
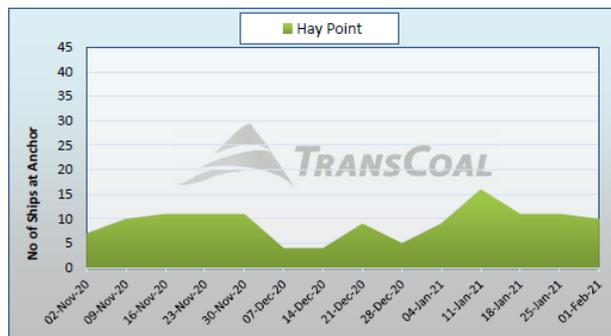
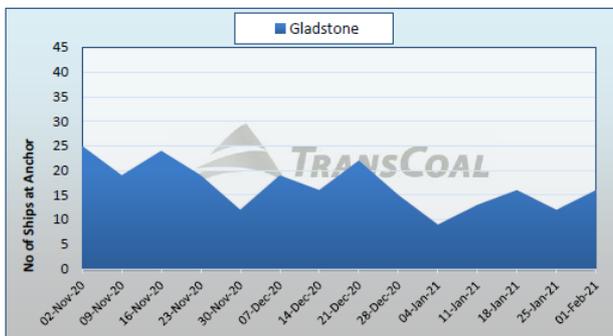
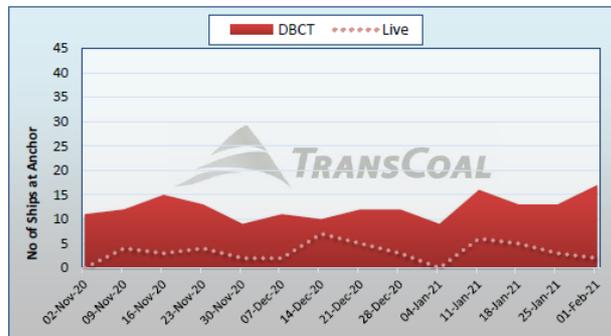
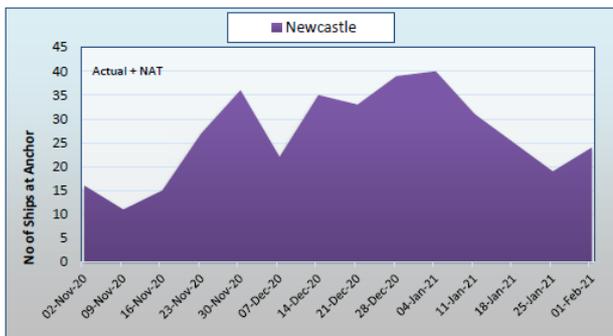
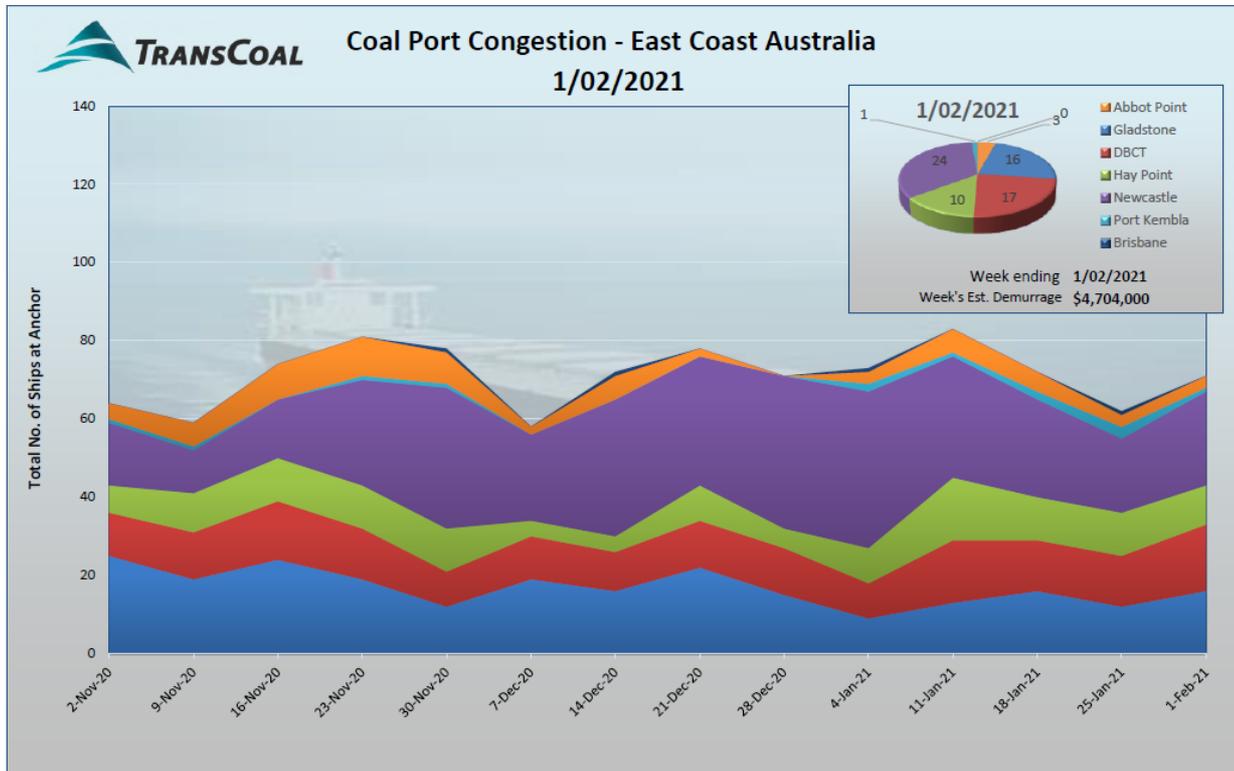
On 10th January 2021, an unattended CAT793D haul truck rolled 65-metres from the workshop designated parking line and collided with a pump and infrastructure at the wash bay.

An operator parked a CAT793D haul truck on the workshop deadline for a defect repair. The truck was parked across a parking hump and the engine was switched off. Soon after the operator disembarked from the vehicle, it started rolling backward. The operator unsuccessfully attempted to stop the runaway vehicle. After rolling 65 metres, the truck collided with a pump and associated infrastructure at the heavy vehicle wash bay.

[View the full Safety Alert](#)

TransCoal Port Congestion Graph

01 February 2021 - The overall vessel queue increased from 62 ships last week to 71 this week. Queensland's queue increased from 40 ships last week to 46 this week. New South Wales' queue increased from 22 ships last week to 25 this week.



Braemar ACM Weekly Scope

02 February 2021

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	\$10,250	\$10,500	\$250	\$4,750	\$5,000	\$250			
32,000	\$10,800	\$11,000	\$200	\$5,800	\$6,250	\$450			
38,000	\$12,500	\$12,750	\$250	\$6,500	\$7,000	\$500			
58,000	\$11,200	\$10,950	-\$250	\$5,650	\$5,750	\$100	\$23,720	\$24,000	\$280
74,000	\$10,250	\$11,500	\$1,250	\$3,200	\$3,000	-\$200	\$22,250	\$21,000	-\$1,250
180,000	\$16,250	\$9,413	-\$6,837	\$7,487	\$1,679	-\$5,808	\$45,520	\$32,651	-\$12,869

Note: The trades 28K, 32K, 38K & 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 year period
38,000	\$11,500	\$10,250
58,000	\$11,750	\$11,000
76,000	\$11,700	\$11,000
82,000	\$12,750	\$12,500
180,000	\$15,000	\$14,250
210,000	\$17,750	\$17,000

CAPE SIZE

The market is undergoing a serious correction in the Pacific. Cyclones have been threatening ports in Western Australia causing disruption. Meanwhile the Brazilian market is fixing at a discount wherever that can be found. We are currently in a dip environment. Inevitably, it raises the question of how the ballasting market will behave once charterers are seeking vessels, which will be in tight supply in February. Likewise, when Australia is functioning as usual, market recovery is expected, though the quantum remains to be seen.

PANAMAX

The market remains mixed at the moment. ECSA, which is the main driver this time of the year, is steady but not firing on all cylinders yet. Much has been reported about the reason, i.e., poor weather in Brazil has delayed the crop and truck strikes is adding to further logistical uncertainty. All this is short term though and the situation is expected to be clearer in a week or two. One thing most are confident about is that the crop from ECSA is expected to be bigger than last year, with exports expected to be at least at same levels as last year. The transatlantic is more stable and current rates are providing support to the market. The main focus for ECSA is now mainly 1-10 March with nice Kamsarmax asking \$16,000/day but the bids are around \$13,500/day and transatlantic basis Gibraltar is close to \$16,250/day on a Panamax.

Meanwhile, the Pacific market is witnessing reduced demand especially from EC Australia, while there seems to be a few Chinese charterers who want to find cover for trips out of Indonesia, before the Chinese New Year holidays, albeit with laycans for 2H-March which is not helping prompt vessels. An eco-Kamsarmax was heard fixing \$11,500/day for Indonesia/ South China and Panamax is expected to be close to \$10,000/day basis South China. For EC Australia, an average Kamsarmax was heard fixing at \$11,500/day basis North China and Panamax is expected to be close to \$10,250/day basis CJK. NoPac has been active, however, charterers have been slow to move. A Kamsarmax was heard holding at \$11,750/day basis CJK and Panamax is expected to be at \$11,000/day basis Japan. Period interest is very strong with a Kamsarmax heard fixing \$13,500/day for short period.

SUPRAMAX

It has been a slow start to the week in the Pacific, with less activity, especially with fewer cargoes to China compared to what we saw in January. It remains to be seen if it's start of a slowdown, heading into Chinese New Year. There are rumours that a 56,000 dwt fixed in the range of \$6,000/day from South China to WCI, while Supramaxes have been reportedly breaking \$11,000/day mark for Australian round voyage basis North China.

Period inquiry is absent since middle of last week, with many ships failing, indicating a loss of faith from charterers' side. Indian Ocean market remains firm, but even there has been much less cargo movement this week; however, an exceptionally thin tonnage list is keeping rates high. Ultramaxs are seeing rates in the range of \$20,000/day in WCI for China redelivery, and not far from that for coastal trips and voyages to Bangladesh. With less pressure on tonnage availability and fewer cargoes coming up, South Africa is also seeing a correction, with 58,000 dwt facing now mid-to-high \$12,000/day + mid-to-high \$200,000 BB for trips back to the Indian Ocean.

HANDYSIZE

The market in Southeast Asia and Australia was quite firm at the end of end last week, however, this week it has been noticeably less active (compared to last 3-4 weeks). So far this week, demand for prompt vessels open Southeast Asia has been lower compared to last week. Consequentially, rates for 1 TCT are mostly flat. Coastal rates, which jumped up last week and had been lagging until now due to support from broader Pacific market, have caught up the market trends. Large Handies were heard done at around \$19-20,000/day for trips out of Australia and vessels open end-February are asking in the range of \$20,000/day. Rates for short period have firmed up and large non-logger Handies were heard fixed around \$12,000/day. Loggers remain tight and can demand a premium for short period, with rates touching \$13,000/day. Overall, fixing activity was subdued compared to January, however, market sentiment remains positive and we do not expect rates to drop next week with limited upside potential.

Meanwhile in the Far East, activity mellowed down compared to last 2 weeks, though rates remained close to last done. Offers from end last week were not being pushed up by owners, whereas bids for remaining prompt vessels were coming close, if not meeting these offers. CIS/ Far East route remained firm. Bids for 28,000 dwt basis CJK-Japan range were heard starting around \$11,000/day against offers between \$12,000-12,500/day DOP, bids for large Handies were heard starting around \$14,000/day. Spreads for trips to Southeast Asia opened to about \$1,000/day within the last done range, basis CJK-Japan range. The momentum seen on the longer duration routes in prior weeks seemed to have cooled off this week. On the NoPac front, some offers were seen around, \$10,000-10,500/day for 28,000 dwt, \$11,000/day for 32,000 dwt and \$12,000/day for 38,000 dwt. For legs / short period, offers were heard in the range of high-\$9,000/day to 10,500/day for 28,000 dwt, \$10,000-11,000/day for 32,000 dwt and \$12,000-12,500/day for 38,000 dwt against bids at \$500-1,000/day range lower. Spreads remained wide on the backhaul front, ranging from \$1,000-2,000/day for 32,000 to 38,000 dwt vessels and higher for Continent/ Americas direction. Prompt tonnage has accumulated this week, but market still isn't in oversupply. Rates are expected to hover close to last done unless there is a significant change in cargo volumes.

Commodities (USD)						
Coal	Ther.Newc.6k	Change	Ther.Kalim 5k	Change	Cok.Prem.Oz	Change
	\$88.00	\$2.05	\$72.80	-\$5.15	\$160.50	\$15.25

<i>Bunkers (USD)</i>						
<i>Port</i>	<i>HSFO</i>	<i>Change</i>	<i>VLSFO</i>	<i>Change</i>	<i>MDO</i>	<i>Change</i>
Singapore	\$340.00	-\$1.00	\$453.00	\$4.00	\$465.00	\$3.00
Hong Kong	\$348.00	-\$1.00	\$440.00	\$8.00	\$452.00	\$1.00
Japan	\$436.00	\$13.00	\$469.00	\$1.00	\$649.00	-\$6.00
Sth Korea	\$375.00	-\$6.00	\$510.00	\$7.00	\$516.00	\$1.00
<i>As at 02 February 2021 (Source: Universal Bunkering Pty Ltd)</i>						

<i>Indices</i>			
<i>Date</i>	<i>02 Feb 2021</i>	<i>26 Jan 2021</i>	<i>Change</i>
BHSI	706	683	23
BSI	1,149	1,158	-9
BPI	1,624	1,660	-36
BCI	1,694	2,497	-803
BDI	1,380	1,659	-279
<i>As at 02 February 2021 (Source - Baltic Exchange)</i>			