

## Surging Coal Price is driving NSW Coal Continuation & Development Projects

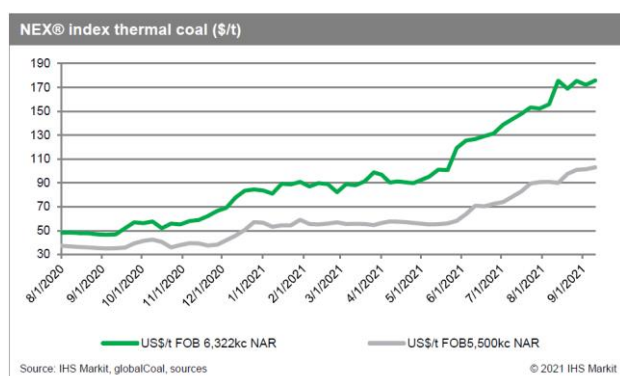
### Surging Coal Price is driving NSW Coal Continuation and Development Projects

*NSW Coal operational continuation and extension projects offer immediate ongoing opportunities for goods, consumables, technology and services supporting Mining Equipment, Technology and Services [METS] firms.*

Business Intelligence report by Bede Boyle September 2021

**Coal continues to be NSW's most valuable export commodity, with export earnings of \$16 billion in 2021 as well as \$1.6 billion in royalties paid to the NSW Government.**

There has been a significant surge in the export coal price over recent months with the Newcastle 6,322kc Thermal Coal Price of +US\$170 per tonne in September 2021– a more than tripling in price over the last 12 months from US\$50 in September 2020.



In September 2021, Illawarra Premium Low Vol Metallurgical Coal for steelmaking was US\$357.00 per tonne almost tripling in price over the last 12 months from from US\$124.50 in September 2020.

Australian coal industry revenues are boosted by the exchange rate with 1US\$ buying 1.3A\$.

**The NSW Coal Industry comprises 37 operating open cut and underground mines in 6 coalfield areas mining over 250 million tonnes in 2020.**

#### NSW CY 2020 ROM Production (Mt) from Open Cut and Underground Mines

Coalfield Area	Number of Mines	Total ROM (Mt)	Open Cut (Mt) %	Underground (Mt) %
Western Coalfield North - Mudgee	2	48.0	29.3 61%	18.7 39%
Gunnedah	5	29.0	6.2 21%	22.9 79%
Hunter Valley	16	147.9	136.0 92%	11.9 8%
Newcastle	6	10.2	2.1 20%	8.2 80%
Western Coalfield South - Lithgow	3	6.5	0	6.5 100%
Southern Coalfield Wollongong	4	12.1	0	12.1 100%
<b>Total</b>	<b>37</b>	<b>253.7</b>	<b>173.5 68%</b>	<b>80.3 32%</b>

Source: GEOS Mining

## Surging Coal Price is driving NSW Coal Continuation & Development Projects

### NSW Minerals Resources Council RESOURCES FOR RECOVERY | August 2021

[https://assets-us-01.kc-usercontent.com/b1c065f0-3877-009c-39ba-a9df6fc06e39/57faba4a-1d2a-48cb-86e3-0f3c72df4c39/210830%20Pipeline%20projects\\_Final%20\(1\).pdf](https://assets-us-01.kc-usercontent.com/b1c065f0-3877-009c-39ba-a9df6fc06e39/57faba4a-1d2a-48cb-86e3-0f3c72df4c39/210830%20Pipeline%20projects_Final%20(1).pdf)

Demand for NSW coal has remained strong despite the global pandemic, with top three traditional markets being Japan, Korea, and Taiwan, as well as important emerging markets including India, Vietnam and the Philippines. This demand is expected to remain strong for at least the next two decades.

The higher coal price is supporting profitability of NSW current operations and driving developments, with a range of coal projects under assessment. Most are for extensions of existing operations. The NSW Minerals Council has identified 4 new coal projects and 15 mining extensions and modifications of existing operations projects.

#### New Coal Projects

1. Hume Coal Project
2. Maxwell Project
3. Wallarah 2 Coal Project
4. Vickery Extension Project

#### Continuation of Existing Mines

1. Pine Dale Extension
2. Angus Place West
3. Tahmoor South Coal Project
4. Russell Vale Underground Expansion
5. Chain Valley Consolidation Project
6. Newstan Extension Project
7. United Wambo Open Cut Coal Mine
8. Mangoola Coal Continued Operations Project
9. Glendell Continued Operations Project
10. HVO Nth OC Continuation Project
11. HVO Sth OC Continuation Project
12. Mt Pleasant Optimisation Project
13. Ashton South East Open Cut
14. Bulga (Mod 3 & Mod 7)
15. Narrabri Underground Stage 3 Extension Project

#### Company

POSCO  
Malabar Resources  
Wyong Coal Pty Ltd  
Whitehaven Coal

#### Company

Energy Australia  
Centennial Coal  
Tahmoor Coal  
Wollongong Coal  
Chain Valley Colliery  
Centennial  
Glencore  
Glencore  
Glencore  
Glencore  
Glencore  
MACH Energy  
Yancoal  
Glencore  
Whitehaven Coal

### Operational Continuation & Extension Projects offer Immediate Opportunities for METS

My observation is that proponents of new mine developments and contentious extension projects have ever increasing challenges and timelines in securing development approvals with risk of rejection by NSW Independent Planning Commission (IPC).

The IPC on 31 August rejected plans by Hume Coal to develop their \$533 million underground mine 7 kilometres from the town of Moss Vale and associated Berrima rail loop project, because its potential impacts were found to be too significant to be reasonably managed. This follows the IPC's refusal of the Dendrobium Extension Project in Illawarra in February 2021 and highlights the increasing risks in gaining planning approvals for coal projects.

However the law of unexpected consequences applies and constraints on new developments results in tightening of supply boosting coal prices, increasing value of existing operations and supporting investment in operational continuation and extension projects.

**NSW Coal operational continuation and extension projects offer immediate ongoing opportunities for goods, consumables, technology and services supporting Mining Equipment, Technology and Services [METS] firms.**