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Media Release:

Donaldson mine to go on care and maintenance

Yancoal Australia's ("Yancoal") Donaldson operation will move to care and maintenance in June 2016, following a reduction in mining activities and commencement of new feasibility studies.

The move to care and maintenance is in response to ongoing global market challenges as the operation considers the future development of new underground working areas.

From 14 March, the Donaldson operation will reduce its current mining activities from the running of three mining units to two at its Abel underground mine, directly affecting 10 existing roles.

Yancoal will work to redeploy immediately-affected employees to its neighbouring Ashton underground mine.

Yancoal will also commence offering voluntary redundancies across its Abel, Ashton and Austar underground operations prior to the move to care and maintenance, and is seeking expressions of interest from Donaldson employees willing to move to Austar and Ashton if new opportunities become available.

Donaldson currently operates with 103 employees, including staff. It is anticipated 11 fulltime roles will be required to support the operation as it moves to care and maintenance and continues feasibility studies in June.

Yancoal is committed to redeploying affected Donaldson employees across its Hunter Valley underground operations where possible.

Care and maintenance includes the ongoing rehabilitation of the Donaldson site in accordance with existing approvals, as well as the management of the site both above and below ground as Yancoal works to consider all options for the potential further mining of the Abel underground.

Yancoal will continue to engage with its employees throughout the change in operations to ensure they understand their options and have access to redeployment, external employment, redundancy and counselling assistance services as required.

Located in the Hunter Valley, Donaldson's underground Abel mine produces thermal and semi-soft coking coal for blending, exporting via the Port of Newcastle. Donaldson's Abel underground mine produced 1.81 million tonnes of ROM coal and 1.34 million tonnes of saleable coal in 2015.

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