



AGM
CEO report
September 2019

1. Business Overview: September 2018- April 2019

- Wongawilli production was not consistent for the period and continued to strain the business
- Ongoing roof failures in old roadways increased the Risk levels prompting a closure by the company for the old Nebo section of the mine in March 2019
- Wongawilli in C&M mode and designing final seals for 2 entries as well as securing all areas and major infrastructure. Fans turned off to save power and allow natural ventilation without any WHS impacts.
- Russell Vale ongoing on C&M with a planned schedule of work to align with the Approvals timeframe in late 2019.
- Additional windfall of being able to transfer good equipment between the mines to save capex requirements.



1. Business overview (cont): April – September 2019

- Major Change decision about stopping Nebo section of Wongawilli to reduce operating and financial risks to WCL – March 19.
- Ongoing work to finalise all critical areas of previous submissions that needed to be addressed with a range of consultation forums held with government and community groups – April – June 19.
- Russell Vale Emplacement coal moved and sold (2 cargoes) on time – April – end July 19.
- Submission has been on “public exhibition” – mid July 19
 - DPEI internal review did not highlight any serious concerns or responses back to UMWELT and WCL
 - All major government departments are now directly enquiring with WCL on specific areas of the report for their assessment.
 - Process is expected to be completed by end August 19.
 - DPEI Response will come back with any additional areas that need to be addressed
 - WCL and Umwelt will then undertake any additional studies to complete our response and resubmit
 - DPIE will review and then prepare for the Independent Planning Committee for review.
 - IPC will review and allow questions and deliberate as next steps
 - Expected date subject to IPC being favourable will end Q4 2019.
- ASIC concerns addressed. WCL needs to submit their case for lifting suspension from ASX.
- Board and Snr Executive Business Risk training and review undertaken – August 19.

3. Health & Safety



Wongawilli performance was above industry average for both LTIFR and TRCFR.

This appeared to be a combination of a high portion of contractor numbers, difficult old mine workings, and inconsistent production. However, since mine is on C&M performance has improved substantially.

Russell Vale with ongoing focus has now got its LTIFR and positive lead safety indicators in the lower quartile. This is also in a period with a lot of work being undertaken to get the mine ready for operations after a 4 year shut down.

Russell Vale Coal emplacement removal. No major issues or injuries to personnel have occurred at either operations or with the trucking of coal from Russell Vale to Huntley mine and the coal terminal.

This has been an excellent quarter, with the redundancies, recovering equipment and ongoing work with the compliance and notification investigations.

Ongoing focus of the Inspectorate and Investigation units on non compliance notifications and improvement notices.

Critical review of Principal Hazard Management plans and specific risk assessments associated with the key areas identified. Also identified Consulting groups for specific third party expertise to overview our re-entry planning and work.

More standardised reports will be used across site for both lag and lead indicators.

Executive formal Environment, Safety and Health Committee to be formulated on a monthly basis:

- Functions to look at E,S&H, compliance, notifications, equipment coding ,audit reports, effectiveness and performance.

Russell Vale - Operations

Safety Incidents

- **No safety incidents.**

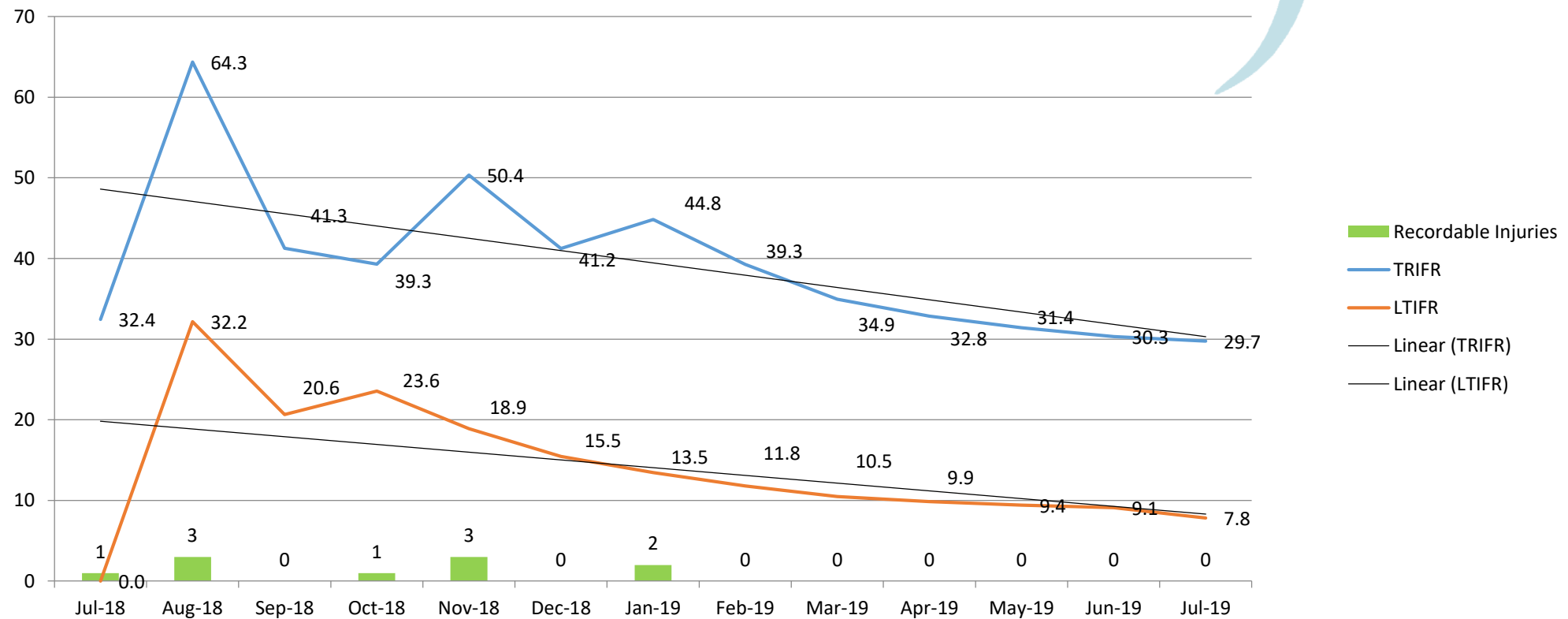
Lead Indicators

- SLAMS YTD - **100%**
- PITS YTD - **100%**
- Work orders completed:
 - ✓ mechanical - **100%;**
 - ✓ mining - **100%;**
 - ✓ electrical - **100%.**
- Strata tell-tales read – no movement after weekly audits.

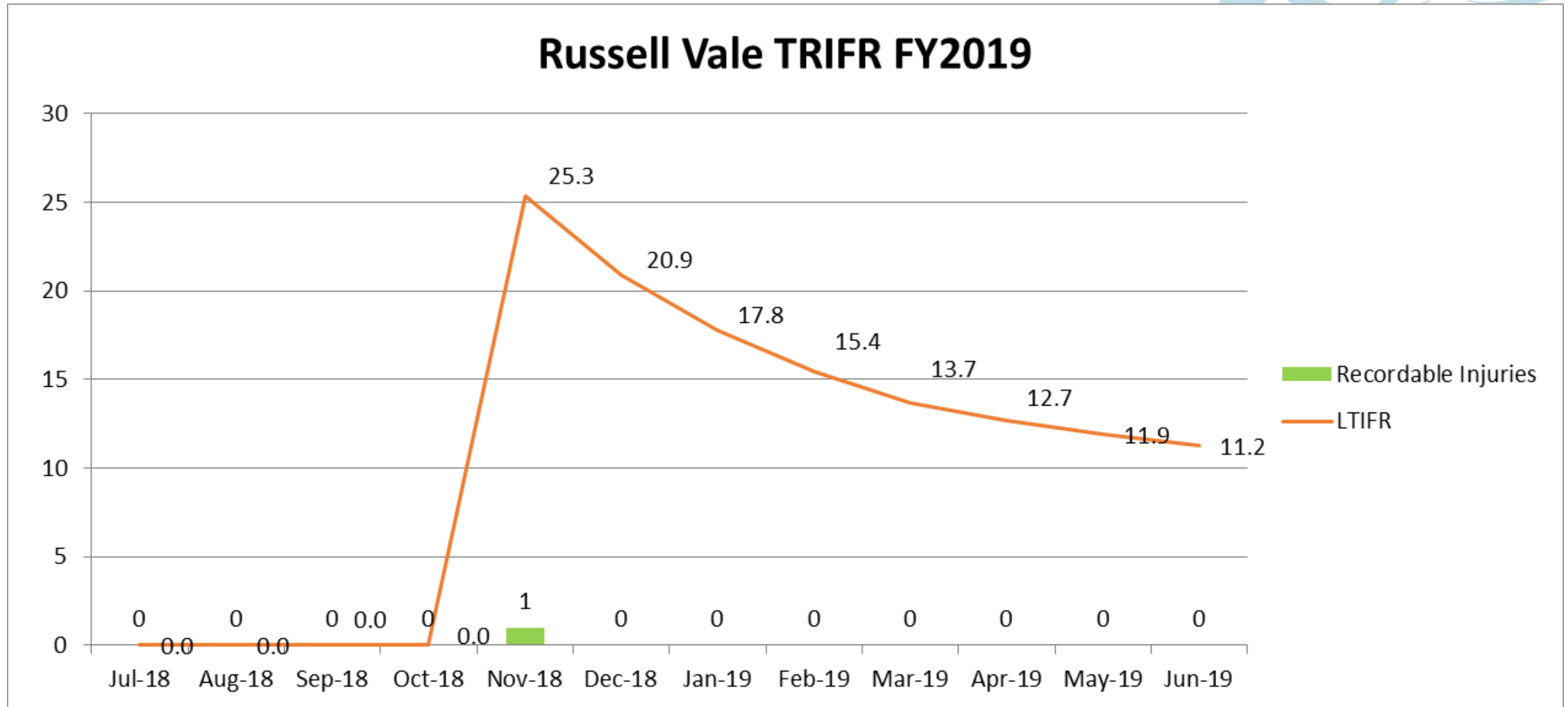
RUSSELL VALE Health and Safety Report 2019												
Topic	Jan	FEB	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Lag Indicators												
LTI	0	0	0	0	0	0	0	0				
LTIFR	0	0	0	0	0	0	0	0				
Total Recordables	0	0	0	1	0	0	1	0				
12 Month Rolling Average TRIFR												
TRIFR	0	0	0	0	41	38	51	43	0	0	0	0
Contractor TRIFR					0	0	0	0				
Contractor LTI					0	0	0	0				
Severity Rate					0	0	0	0				
Environment Inc					0	0	0	0				
Directives					6	0	1	0				
Manning Numbers					23	23	23	23				
Lead Indicators	Jan	FEB	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Slams					85%	100%	100%	100%				
PITS					100%	100%	100%	100%				
Hazard ID,s					5	2	5	5				
RA,s					8	2	2	2				
Document Review					20	6	12	4				
Hour Worked												

Health & Safety (contd)

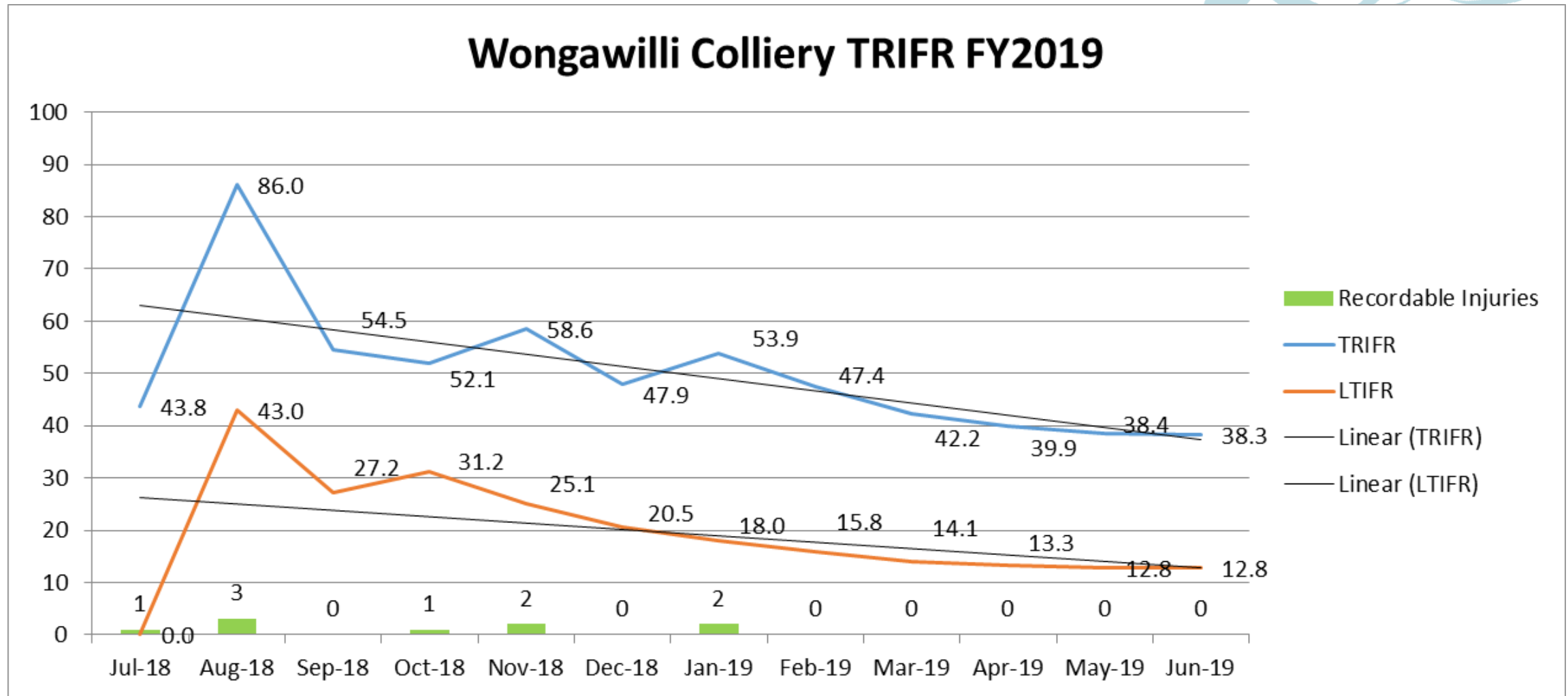
Wollongong Coal TRIFR FY2019



Health & Safety (cont'd)



Health & Safety (cont'd)



4. Operations Group – Overview



Compliance – very strong focus on notifications and completing compliance

- Systems now in place to ensure we respond and review to Regulatory requirements
- Notices: LW (RV) – commitment to no Longwall operations in the future by WCL
- Catchment: ongoing monitoring for subsidence, ecological and water and maintenance of our infrastructure on Water Board and National Parks land

Operations

Wongawilli

- Ongoing age and infrastructure issues to announce closure of old Nebo section on 10/04/2019
- WW equipment recovery completed by mid June from underground. Targeted equipment complete.
- Tidy up surface and scrap removed.
- Focus on utilisation of available resources to move to RV - towards re-start works.

Russell Vale

- Care & Maintenance
- Lots of work on detailed planning to co-ordinate. Identify risk items/address (schedule).
- Priority activities with limited resources – critical path action plans identified.
- Tidy up surface and scrap removed
- Full start-up plan (updated) – consolidating work.
- Updating planning for December RV approval.

5. Approvals Process

UEP – Approvals

Ongoing **engagement with all Govt departments** in the review of the submission. Final meetings at end of August indicated over 50 public submissions. Negative support on no new issues that have not been addressed in UEP and Community Consultation process over the last 6 months.

RVEA – Final Landform and Rehabilitation Implementation Plan in process of final meeting with DPIE, EPA and Wollongong Council. Work was completed on time.

Shafts 4 & 5 - Resources Regulator inspection issues close-out on-going for compliance

Geotechnical Work Proposal Mod 4 Berms and UEP.

Independent Audit – WolfPeak completed

Environmental Compliance Tracking Database (SMEC) – SMEC site visit on 30 August.



RV Approvals – Weekly Schedule

RUSSELL VALE APPROVALS TIMELINE	
ACTIVITY	Week Starting (2019)
	22 April 29 April 06 May 13 May 20 May 27 May 03 June 10 June 17 June 24 June July August September October November December 2020
Noise report - peer-reviewed	■
Finalise noise report	■
Community consultative meeting - CCC	■
Meeting with OEH	■
Meeting with EPA	■
Community information session	■
Social impact assessment report	■
Review report	■
Submit final report	■
DPIE adequacy assessment - no issues raised	■
Public exhibition on DPIE website	■
Response to matters raised in public exhibition - Submission Report	■
DPIE recommendation report to IPC	■
IPC assessment and public hearing then back to DPIE for final determination	■
IPC determination	■
Approvals - with additional conditions	■

- ✓ DPIE completed adequacy assessment on 26 July.
- ✓ Public exhibition: 1-29 August.
- ✓ Meeting with DPIE (Dept Planning NSW) and fed dept 28 Aug.
- ✓ UEP application submitted 17 July.

6. Financial & Business Reporting - Overview

Very tight budget controls put in place with twice weekly reviews.

Funding for compliance related, statutory and approval work only with no discretionary spends in place from May to December.

Organisation review taken after decision to put Wongawilli Mine on Care and Maintenance to essential numbers to cover essential duties at each operation.

Scrap steel and tidy up of obsolete stores and graveyard areas at both operations.

Ongoing support by major shareholder.

Reduced ongoing creditors payments from 129 to 12 and remainder on short term payment plans to be completed by early 2020.



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