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Press Release: Olive Downs Coking Coal Project Receives Approval

Pembroke Resources (“Pembroke”) is pleased to advise that the company’s Olive Downs Coking Coal Project (“Olive Downs”) has been approved by Queensland’s Coordinator General and is expected to begin producing coal for steelmaking as early as next year.

The approval is a major milestone for the project, which is expected to deliver significant economic benefits for the State of Queensland. The development will create up to 500 jobs during the construction phase and up to 1,000 new jobs, when the project reaches name plate production capacity. The project is also expected to generate billions of dollars in royalties for the Queensland Government over the mine’s 79 years life.

The Olive Downs Coking Coal mine is located 40km south east of Moranbah in Queensland’s Bowen Basin, a well-established coking coal area with existing infrastructure.

The project is 100% owned by Pembroke, an Australian specialist steelmaking coal company and backed by its major shareholder, leading global energy and resources private equity firm, Denham Capital.

Pembroke Resources Chairman and CEO Barry Tudor welcomed the approval, noting that it was a significant development for the project that reflected close co-operation with the Queensland Co-ordinator General.

“This world class project will have a production life of almost 80 years.” Mr Tudor said.

“There is no viable alternative to coking coal in the primary steel production process for the foreseeable future and Olive Downs will be a major supplier to the world’s leading steel producers and as such, will be a valuable contributor to the Queensland and Australian economy for generations.”

Mr Tudor also said that the company shared the Queensland Government’s view that Olive Downs will bring employment and other opportunities to the State’s regional communities.

“Our focus is on workers living locally, including in the local economies of Moranbah, Nebo and Dysart and hiring locally from the surrounding towns of Central Queensland. There will be no fly-in, fly-out rosters.”

The first stage of the project will require capital expenditure of A\$450 million and will produce 4.5 million tonnes per annum of steelmaking coal, which will be exported through the Dalrymple Bay Coal Terminal.

Pembroke has been committing resources and investing in preparation for this approval. Most recently, Pembroke awarded an A\$184 million contract for the design and construction of a coal handling and preparation plant at Olive Downs, scheduled for commissioning in 2020.



Pembroke has also acquired substantial agricultural property holdings in the area and will operate its pastoral and mining ventures together. The mine will be developed on predominantly cleared land and will not impact strategic cropping land. Pembroke has rigorously assessed and offset any environmental impact.

Olive Downs has also entered into an Indigenous Land Use Agreement (ILUA) with the Barada Barna Aboriginal Corporation, the traditional custodians of the land. The ILUA will not only provide a commercial benefits package for the life of the mine to the traditional owners, but also instigate an employment program for members of the Barada Barna community.

Mr Tudor said Pembroke had been working consistently and collaboratively with stakeholders, regulators and potential customers over the past three years noting that, while large, it is a relatively straightforward coking coal project in an existing mining basin, which brings welcome local employment.

“We now need to receive a mining lease before we can start construction, but we anticipate starting mining in 2020 and shipping first coal soon after.”

“Today’s approval is not only a sign of confidence in this project but also an acknowledgement of Pembroke’s adherence to the highest of standards throughout the approvals process.”

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About Pembroke Resources

Pembroke Resources is an Australian-based company focused on the acquisition and development of a portfolio of high quality, steelmaking coal assets.

The company is currently developing the Olive Downs Coking Coal Project, a large-scale world class steelmaking mine located in the Bowen Basin, approximately 40km south-east of Moranbah, Queensland.

A construction workforce of between 500 and 700 people will be required for the Project. At full development, the Project will have an operational workforce of approximately 1,000 people. The Project delivers high quality steelmaking coal of up to 15 million tonnes per annum for almost 80 years. The Project is expected to commence and then ramp up operations from 2020.

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