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Yancoal brief

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China's Yancoal saw its Australian metallurgical coal production rise in the January-March quarter following the acquisition of Rio Tinto's New South Wales-based Coal & Allied assets in September last year, the company said in its quarterly report. Yancoal, which is now Australia's largest independent coal producer, produced 2.25 million mt of metallurgical coal in the March quarter, up 19% year on year, it said. On March 7, Yancoal also completed the purchase of Mitsubishi Development's 28.898% interest in the Warkworth joint venture. The miner now owns about 84.472% of the Warkworth JV, taking its share of production from the integrated Mount Thorley Warkworth operations to 82.9%. In New South Wales, it operates the Moolerben (81% ownership) and Stratford Duralie (100%) mines, and manages the Austar (100%), Ashton (100%) and Donaldson (100%) underground mines on behalf of Watagan Mining Co.

The Mt Thorley Warkworth and Hunter Valley operations produced 3.05 million mt and 2.89 million mt, respectively, volumes that Yancoal did not have a year earlier. The two mines produce both semi-soft coking and thermal coal for domestic and international markets. Production from Stratford Duralie, which produces high fluidity semi-hard coking and thermal coals, fell 11% year on year to 98,000 mt as it prepared to start development of the 1.2 million mt/year ROM extension project in April, Yancoal said. The Ashton and Austar mines produce semi-soft and semi-hard coking coal, respectively, for export through the port of Newcastle. Ashton produced 289,000 mt and Austar 333,000 mt, up 50% and 18%, respectively. In Queensland, bad weather dragged down production of ultra-low volatile, semi-anthracite PCI coal to 358,000 mt, down 47% on the year. The Middlemount mine, a 50:50 joint venture between Yancoal and Peabody Energy, produced 1.01 million mt of coal, up 13% on the year, despite bad weather, the company said. Middlemount produces both low volatile PCI coal and hard coking coal, which is exported through the Dalrymple Bay and Abbot Point coal terminals.

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