



Report for Half Year to 30 June 2018

I am pleased to report a very encouraging Half Year to 30 June 2018 ("H1") for the Company both in terms of financial performance and production and sales.

A summary of the comparative financial performance of the Company for half year 2017 and half year 2018 is shown below. We moved into profit in H1 2018 reflecting generally improved Company performance and improving anthracite prices.

	2017 H1	2018 H1
	\$	\$
Revenue	16,681,676	18,795,715
EBITDA	6,795,385	6,035,609
Pro. fit(Loss)	(804,520)	356,868

Clean coal production and sales (see Table below) again reached record levels showing significant increases on H1 2017. While ROM production fell compared with H1 2017 this reflects the cut cycle where we had particularly high production in H1 2017 when we mined the bottom of the Mammoth Basin at Stockton Mine, however, we will shortly be mining the bottom of the Mammoth Basin at Jeansville Mine and commencing coal production at Spring Mountain Wet Slope Mine which will deliver a substantial ROM tonnage in H2 2018. The fall in ROM coal sales reflects our strategic decision to continue to mainly conserve ROM stocks for our own use rather than supply competitors and will see further reductions in ROM sales though the remainder of the year.

	2017 H1 tons	2018 H1 tons
ROM Production	477,543	241,579
Clean Coal Production	129,488	171,027
ROM coal Sales	42,076	40,555
Clean Coal Sales	142,296	196,175

The return to profit, positive production performance and sales figures, together with a healthy order book and strengthening sales prices provides us with good grounds for optimism for the remainder of the year.

Adam R. Wilson
Chairman
10th October 2018