

## STRATEGIC PRIORITIES

### PRUDENT CAPEX

#### KEY INVESTMENT PROJECTS

##### Access and development of reserves in the Uskovskaya mine's seam No. 48

The project aim is to prepare the reserves in seam No. 48 for mining and to maintain the current coal production level beyond 2020.

##### Status

Acquired licence for reserves in seam No. 48.

Developed 1,385 metres of stone roadways using new road headers.

**CAPEX in 2018** **US\$20 million**

##### Longwall mining in the Raspadskaya-Koksovaya mine's field No. 2

The project aim is to switch from the board-and-pillar method to longwall mining, thereby increasing annual production of the valuable K-grade coal from 0.7 Mt to 1.4-1.5 Mt.

##### Status

Prepared for installation of a gas suction unit, a modular degassing unit and construction of high-voltage lines therefore.

Acquired a longwall system and upgraded the mine's primary transport chain.

**CAPEX in 2018** **US\$4 million**

##### Access and development of reserves in the Esaulskaya mine's seam No. 29a

The project aim is to relocate mining operations from seam No. 26 to seam No. 29a, thereby increasing annual coal production to 2.5 Mt beyond 2020.

##### Status

Developed 4,722 metres of roadways, including an access flank roadway.

Installed and assembled a ventilation unit at seam No. 29a worksite.

**CAPEX in 2018** **US\$5 million**

##### Development of Raspadskaya-Koksovaya open-pit

The project aim is to begin open-pit mining of the valuable OS (premium low-vol HCC) grade coal at the Raspadskaya-Koksovaya site.

##### Status

Brought in additional contractors to increase mining volumes.

**CAPEX in 2018** **US\$2 million**

#### KEY MAINTENANCE PROJECTS

##### Upgrade of the mining equipment at the Raspadskaya and Alardinskaya mines

The project aim is to acquire powered support units due to the increased longwall length, replacing shearers and longwall conveyors.

##### Status

In 2018, production from the Raspadskaya mine's longwall 4-6-33 totalled 1.9 Mt.

Installation of powered support units has begun at the Alardinskaya mine's longwall 6-1-20.

**CAPEX in 2018** **US\$8 million**

##### Upgrade of the equipment fleet at Raspadsky open-pit

The project aim is to acquire five new dump trucks, an excavator and a bulldozer; replace equipment that has exceeded its optimal operating time; and modernise two dump trucks to be able to operate on the roads, as well.

##### Status

In December 2018, the excavator and bulldozer were received.

**CAPEX in 2018** **US\$0.4 million**

##### Acquirement of the drilling rig to drill large-diameter boreholes of up to 2.5 m for gas control in mines

The project aim is to improve ventilation and degassing in mine roadways.

##### Status

The equipment has been delivered and drilling of a 2m diameter borehole has begun at the Erunakovskaya-8 mine.

**CAPEX in 2018** **US\$0.1 million**

