

BANKTRACK

Glencores Coal Expansion Plans

October 2024

This briefing presents a summary of Glencore's current coal production and expansion plans in one place. These include:

- Ongoing efforts to expand at least **five** thermal coal mines in Australia
- A **tripling** of its metallurgical coal capacity via the Teck Elk Valley Resources acquisition in Canada
- Ownership of significant additional coal reserves and resources at sites across Australia, South Africa, and Colombia, at which new development or expansion of current operations has not been ruled out by the company

Capital expenditures

Far from “responsibly phas[ing] down” coal as Glencore promises in its [latest climate plan](#), Glencore spent \$1.32B on capital expenditures on coal in 2023, a 26% increase from the previous year and an 83% increase from 2021.¹ It plans to spend a record \$5B on capital expansion of coal in the four years to 2026.²

Dropping its coal production cap

In August 2024, Glencore announced that it dropped a previously self-imposed cap of 150 MT of coal production per year³. In 2023, Glencore reported producing 114 MT of coal, and the output of Teck's mines is approximately 25 MT per year. Together, this amounts to 139 MT. Had it left this cap in place, Glencore could have further increased coal production by another 7% even after adding in the Teck volumes. Without a production cap, Glencore could increase production even further above that level. The fact that Glencore has removed this cap may raise questions about its intentions.

Expansion plans in Australia:

- **Hunter Valley Operations.** This project consists of two active mining sites in New South Wales, in which Glencore shares ownership with Yancoal, an Australian mining company controlled by a Chinese state-owned enterprise. Glencore and its partner are seeking to extend current mining permission, which ends in 2025 and 2030, to 2045 and 2050, with plans to mine an additional 400 MT of (run-of-mine)

¹ Glencore plc, “[Pathway to Net Zero: 2021 Progress Report](#),” Dec. 02, 2021

² Glencore plc, “[2023 Preliminary Results web presentation](#),” Feb. 21, 2024. Accessed: Apr. 20, 2024

³ [2024-2026 Glencore Climate Action Transition Plan](#), page 9

coal. The approvals process began in 2020.⁴ On October 11th Glencore and withdrew their extension application after state planning officials raised concerns about the development's greenhouse gas emissions. However, the spokesperson for the extension project said they will continue to pursue the project, and are now applying for a short-term extension of the permit.⁶

- **Glendell Open Cut.** This project consists of the revival of the now-defunct Glendell pit, contained within Glencore's larger Mt. Owen complex in New South Wales and which "reached the end of its planned life" in 2022.⁷ In 2019, Glencore submitted a proposal to regulators to "extend the Glendell Pit...to extract an additional 135 million tonnes of run-of-mine (ROM) coal", and to operate the mine until 2044.⁸ The project would have entailed extending the pit onto a new area that had not previously been mined and more than doubled the annual production limit to 10 MT of coal per year.⁹ The state's Independent Planning Commission rejected the project in 2022, determining that the project would have "significant and irreversible impact to the heritage value of the Ravensworth Homestead complex", a historical site with relevance to the public and to Aboriginal cultural heritage, and which could not be remedied by relocation of the site.¹⁰ But that decision did not end Glencore's pursuit of additional mining at this site. In December 2023, Glencore submitted an application to extract coal from the existing pit until June 2026, a proposal that is currently being reviewed by regulatory officials.¹¹ More importantly, however, news reports suggest that Glencore has not abandoned its larger goals for this site. As recently as December 2023, the company was quoted in a newspaper as indicating that "We remain committed to spending the estimated \$25 million required to relocate the Homestead if the development of the coal

⁴ Australian Government, Department of Planning and Environment, "HVO South Open Cut Coal Continuation Project." Accessed: Apr. 20, 2024. [Online]. Available: <https://www.planningportal.nsw.gov.au/major-projects/projects/hvo-south-open-cut-coal-continuation-project>

⁵ Hunter Valley Operations, "Continuation Project (web page)." Accessed: Apr. 20, 2024. [Online]. Available: <https://www.hvo.com.au/continuation-project/>

⁶ [Proposal for largest coal project in NSW withdrawn after emissions concerns raised](#), The Guardian, October 11 2024

⁷ Glencore plc, "[Glencore Resources and Reserves as at 31 December 2022](#)."

⁸ New South Wales (Australia) Government, Department of Planning and Environment, "[Glendell Continued Operations Project](#)." Accessed: Apr. 20, 2024.

⁹ Umwelt Environmental & Social Consultants, "[Glendell Continued Operations Project: Environmental Impact Statement](#)," Nov. 2019. Accessed: Apr. 20, 2024.

¹⁰ [New South Wales \(Australia\) Independent Planning Commission, "Glendell Continued Operations SSD-9349 and SSD-5850-Mod-4 Statement of Reasons for Decision," Oct. 2022.](#)

¹¹ "[Glendell Mine Modification 5 - Life Extension | Planning Portal - Department of Planning and Environment](#)." Accessed: Apr. 20, 2024.

resource that underlies Ravensworth Estate can be approved.”¹² The description of the larger project remains on Glencore’s website as of October 2024.¹³

- **Rolleston Open Cut.** In June 2023, Glencore submitted a request to the Queensland authorities to extend its existing Rolleston Open Cut mine onto an area that was already contained in a mining lease but “has not previously been approved for mining”. Though the proposal does not seek to increase the mine’s production rate or life (up to 16 MTs per year through 2040), it is intended to lead to “increase[d] resource recovery”. The request is currently being reviewed the authorities.^{14 15}
- **Ulan Underground.** In November 2022, Glencore submitted a request to New South Wales authorities to modify the scope of its current approval to extend the life of the mine by two years (from 2033 to 2035) and allow mining on an area outside the current approved area. Coal production rates would not increase, but the total amount mined would increase by 16 MT. The project is still undergoing review.¹⁶
- **Hail Creek.** In February 2024, Glencore submitted a proposal to Queensland authorities to allow open-cut mining on additional 6 square kilometres of surface area within an existing mining lease but outside of approved disturbance areas and that had not previously been the subject of an environmental assessment study.¹⁷

Expansion plans in Canada

- **Fording River Operations** In April 2020, the previous owner, Teck Coal limited, submitted a request to the British Columbia Environmental Assessment Office to expand the Fording River metallurgical coal mine¹⁸. The expansion of the mining area would allow Glencore to continue mining at the current production levels (10 MT per year) until the 2070s.¹⁹ The project is till under review from the government of British Columbia, and the Federal government of Canada.²⁰ When Glencore purchased Teck Coal limited from Teck Resources in July 2024, it made no

¹² “Ravensworth’s future the battle continues,” The Singleton Argus. Accessed: Apr. 20, 2024. [Online].

Available: <https://www.singletonargus.com.au/story/8447742/ravensworths-future-the-battle-continues/>

¹³ Glencore plc, “Glendell Continued Operations Project.” Accessed: May 16, 2024. [Online]. Available: <https://www.glencore.com.au/operations-and-projects/coal/projects/glendell-continued-operations-project>

¹⁴ [Glencore Coal Assets Australia and Metserve Mining & Energy Technology Service Pty Ltd](#), “Supporting Information for Application for Amendment to EPML00370013 for Rolleston Coal Holdings Pty Ltd.” May 10, 2023. Accessed: Apr. 20, 2024. [Online]. Available:

¹⁵ [“Rolleston Open Cut.”](#) Accessed: Apr. 20, 2024. [Online]. Available:

¹⁶ [“Modification 6 - underground mining extension | Planning Portal - Department of Planning and Environment.”](#) Accessed: Apr. 20, 2024. [Online]. Available:

¹⁷ [“Hail Creek Open Cut.”](#) Accessed: Apr. 20, 2024. [Online]. Available:

¹⁸ [“Fording River Extension Project”](#), Government of Canada

¹⁹ [Fording River Extension Project Detailed Project Description, July 2021](#), Page 33

²⁰ [Fording River Extension Project](#), Glencore Website, Accessed: 24 Oct 2024

commitments to cancel the expansion project. It published the Fording River Extension Project webpage on its website in September 2024.

Glencores Coal Reserves

Glencore reports controlling approximately 15 *billion* tonnes of coal resources. Much of this is at currently undeveloped or non-operating sites. Some of these already have approvals fully granted, and others appear to be partway through approval processes. These include:²¹

- **Wandoan (Australia):** 7,950 MT of coal resources. Glencore reports that it has received “all the necessary approvals”. (See sidebar “Glencore’s coal expansions”).
- **Valeria (Australia):** 935 MT of coal resources. Glencore withdrew this project from a previous approval process, but says the project is “under review” and appears to maintain active exploration permits for this site. (See sidebar “Glencore’s coal expansions”).
- **Paardekop (South Africa):** 770MT of coal resources. According to Glencore, “a new order mining right was granted in 2017 for 30 years. This right has not been executed due to an on-going dispute with Department of Mineral Resources and Energy. Awaiting approval of environmental licensing and permitting.”
- **Zonnebloem (South Africa):** 210 MT of coal resources. Mining at this site was put on hold in 2021, but Glencore reports active exploration and geological investigations at this site. (See sidebar “Glencore’s coal expansions”).
- **Hendrina (South Africa):** 124 MT of coal resources. According to Glencore, “A mining right application was accepted by the Department of Mineral Resources in June 2016. The application remains pending.”
- **Belfast (South Africa):** 88 MT of coal resources. According to Glencore, “The environmental authorisation was approved on 01 August 2023. Numerous appeals were lodged against the environmental authorisation and are currently being reviewed.”
- **Argent (South Africa):** 29 MT of coal resources (including 22MT of marketable reserves). According to Glencore, “The Argent Coal Resource will be exploited

²¹ Unless otherwise stated, all information in this section comes from [Glencore Resources and Reserves as at 31 December 2023](#). Additional details regarding Australian projects are provided elsewhere in this paper. The South African government apparently has no online resource from which official status reports on the projects in that country can be obtained. (See Ref. [48], which describes “piles of paper scattered around the [government] offices.”) Therefore, information on these projects comes exclusively from what is disclosed by Glencore.

through opencast truck and shovel and is awaiting finalisation of the environmental licensing and permitting before mining can commence. The mining right was granted 31 May 2016 and will expire on 30 May 2031.”

- **Two additional “undeveloped resources” at locations known as Amersfoort and Boschmanspoort.** These have a total of 112 MT of coal resources, but this amount is not broken out separately for the two sites. According to Glencore, “Applications for mining rights have been submitted for all the undeveloped Coal Resources. The mining right for Amersfoort was granted and will expire on 30 May 2037, while the Boschmanspoort mining right is still pending.”

Glencore has two other sizable active mines with resources that could potentially be mined well beyond the current approved lifetimes and beyond Glencore’s stated plans. These are:

- **Cerrejón (Colombia).** This active mining site contains total resources of 5,150 MT of coal but only 260 MT are declared as marketable reserves. The language used by Glencore to describe these resources suggests, however, that they could potentially be mined economically: “The Coal Resources include that coal for which the continuity, quality and mineability are established but occur outside the LOM [life-of-mine] plan... Coal Resources comply with current and foreseen mining and marketing criteria and are considered to have reasonable prospects of eventual economic extraction.” Furthermore, the company indicates ongoing exploration and/or refinement of its estimates at this site: “Resource estimation in 2023 used an updated geological model with additional information from exploratory holes and also including reinterpretation of complex geological structures...which resulted in an increase in Coal Resources (142Mt).” The current mining rights expire in 2033, and Glencore has indicated an intent to close Cerrejón at that time. But the active exploration at the site may raise questions about its longer term intentions, or the possibility for a different owner to pursue continued mining.
- **Goedgevonden (South Africa).** This active mining site contains total coal resources of 450 MT and total marketable reserves of 150 MT, enough for a remaining mine life of 26 years. However, Glencore has indicated an intent to close Goedgevonden by 2035, potentially leaving viable coal in the ground that could yet be mined.