

Industry Update

Duratray continue to go against the trend with investments into new markets. From July 1, 2017 office opening in Johannesburg and Saint Petersburg will allow the platform for continued growth within those regions.

Remaining committed to significant investment in R&D, the development of sustainable products not only improve productivity of its clients but also exceeds in its focus on health and environmental factors within the community.

After a huge success in our Noise Reduction strategy within NSW, we are proud to announce we have increased our Stealth Fleet at Moolarben Coal Mine and we expect to duplicate the size of our footprint within Hunter Valley in 2017.

Duratray remain passionate working together with the community and its customers to bring sustainability to the industry.

- Marcelo Medel, Managing Director



INVEST IN THE NOISE REDUCTION SOLUTION: DURATRAY

Moolarben Coal, located 45 kms north-east of Mudgee, operating since 2013 knew from early in the development phase that minimising noise impacts is an important part of the mine's profile. The company were operating within noise compliancy conditions but continued community feedback prompted further research into ways to improve the levels of noise coming from the mine.

Moolarben sent its employees into the community at night to assess. Following that investigation they came up with the key source of concern with banging and crashing noises which was the first pass loading activities. At this point Moolarben Coal Mine were complying easily with the conditions but due to the community feedback thought - what can we do about this?



To this end the company teamed up with Komatsu and Duratray to implement a solution for its 220 tonne truck fleet that would help to reduce noise impacts. Duratray provided Moolarben with a specific design body which reduced loading noise while still maintaining truck efficiency. Unlike regular truck bodies, Duratray's suspended dump body is designed to reduce loading noise, with all trucks fitted with non-standard sound attenuated kits provided by Komatsu. Not only did the new bodies reduce loading

noises by up to 10 decibels, but it was found that payloads were also increased, improving productivity and efficiency at the mine. The bodies are able to carry 20-27 metric tonnes more than the mine was producing before, reduced vibration jarring for the operator and reduced spillages.

The initial Suspended Dump Body trial successfully delivered a notable measurable benefit of noise reduction during loading of adverse hard rock materials and with the success of the first trial the company

invested into four new SDBs to fit the fleet of Komastu haul trucks. A spokesman for the NSW Minerals Councils said the investments being implemented at Moolarben to help ease community concerns around mining showed the ways in which mining

companies were listening and responding to concerns.

At the time, Moolarben Coal's Stealth Fleet was recognised for its environmental excellence at a NSW Minerals Council's awards ceremony. The initiative won them a finalists position, placing them highly commended at the Community and Environment Excellence Awards. This investment by Moolarben Coal was seen as setting a new industry benchmark for environmental noise reduction impacts on the community.

AROUND THE WORLD...



KYRGYZSTAN

The six Cat-789 Duratray suspended dump bodies (SDB's) at Kumtor Gold were inspected by our Field Service leader Mr Don Wright.

Having passed more than 3-years in service the SDB dump bodies have demonstrated exceptionally low wear rates of approximately 10mm per year on the Wear Mats.

This indicates that the replacement life of the wear mats (original thickness 90mm) would be approximately 40,000-hours or some seven years.



MONGOLIA

The fifteen Terex MT4400 Duratray SDB's supplied to Mongolia in 2010-11 are still working successfully.

On a recent visit to Ulaanbaatar Dr Pablo Rossi of Duratray met with mine operators South Gobi Sands, and was pleasantly surprised to hear that there was minimal need for spare parts, even after 5-6 years of operation

Duratray expects to continue growing its fleet and footprint in Mongolia, with the largest mining contractor Khishig Arvin LLC and a potential new KOM 930 fleet with the biggest mine in the region.



RUSSIA

Manufacturing operations are now well advanced at both St Petersburg and Magnitogorsk facilities in preparation for the first deliveries of Caterpillar-793D lightweight steel dump bodies within the next month.

Preparatory work has been completed on detailed drawings, material specifications, production jigs, inspection methods, acceptance criteria and project management aspects.

Enthusiastic support has been received from local steel manufacturers, all of whom are vertically integrated companies which conduct their own mining operations. Those iron ore and coking coal mines provide future opportunities for supply of Duratray products.

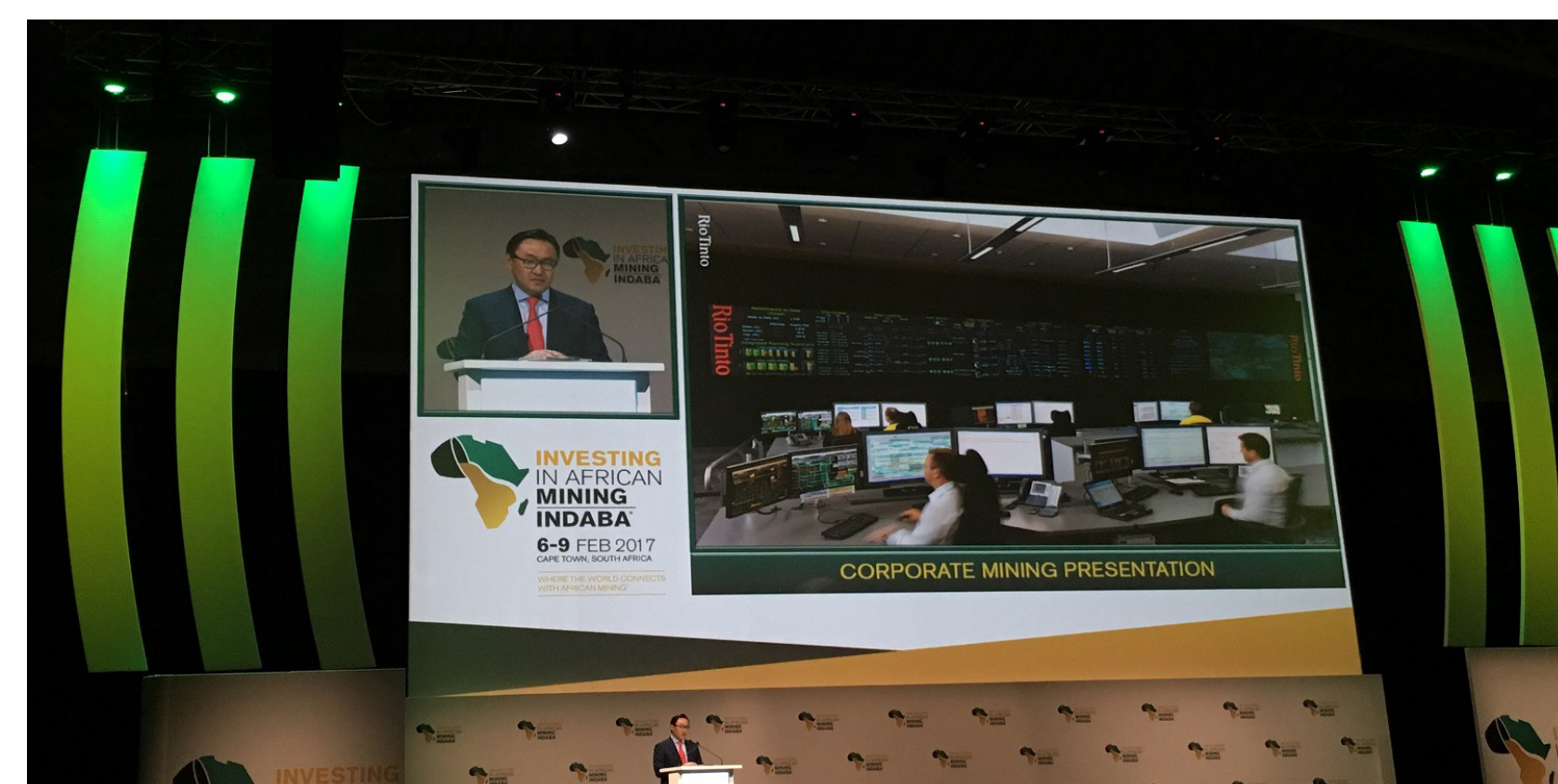


CANADA

Duratray service engineers have conducted another service visit to De Beers Canada new open pit diamond mine Gahcho Kué near Yellowknife.

Mining in tough granite, the oldest of twelve Duratrays has now worked for more than 10,000-hours. As the mine deepens and the waste ratio increases, an additional four units of Komatsu 830E suspended dump bodies were recently delivered across the 2017 Ice Road.

Duratray's exclusive distributor for Canada (SMS Equipment) fully maintains the 830E SDB fleet, loading and support equipment at De Beers.



SOUTH AFRICA

In February 2017 Pablo Rossi and Steve Hall participated in the legendary Africa Mining Indaba which was held in Cape Town.

An improved level of optimism was noted among the significant world mining leaders who were present. These included Mark Cutifani of Anglo American (a Duratray client company), Robert Friedland of Ivanhoe Mines, Bold Baatar of Rio Tinto (also a Duratray client company), and Tom Albanese of Vedanta (where Duratray is tendering equipment). In addition wide-ranging meetings were held with all major mining contractors operating in the Africa region.

Representing the Australian minister for trade, WA Senator Linda Reynolds participated in many events and press conferences highlighting the capabilities of Australian exporters.

After the conference meetings were held with our local fabricator DCD, and a new regional agent Nsimbi Equipment was appointed - and quickly they have moved to achieve their first sale of a 155t Duratray EH3000 suspended dump body in South Africa.



MiningWorld Russia

For the first time Duratray was a participant at MiningWorld Russia Expo which was held in Moscow at the end of April.

Duratray's impressive display was one of 265 companies exhibiting over the 3-day event, which attracted 15,000 attendees through the doors.

Here, many important meetings were conducted with major Russian mining companies, resulting in full support of Duratray's new Russian branch business plan.

Duratray expand with office opening in St Petersburg: COO takes residence

Commencing with participation in a Mining Roundtable with twelve major mining companies, and a three-day exhibition at MiningWorld Russia, Duratray now has a resident manager in the region. Stephen Hall has been appointed Deputy General Manager of Duratray Russia. To be based in St Petersburg, he is charged with responsibility for opening the local branch, promoting Duratray dump bodies in the region, and executing current projects encompassing thirty dumping bodies. Having commenced in the region with sales to Kyrgyzstan in 2014, Siberia in 2015 and Western Russia in 2016. Mr Hall has contributed significantly to the geographic expansion of the company. In conjunction with the Duratray Managing Director Marcelo Medel, an ambitious program of work has been developed for 2017-18.



Duratray participate in Mongolian Mission: Pablo Rossi

During April, Duratray took part in a Mining Mission to Mongolia, an event organised in conjunction with Austmine & Austrade. While this is not a new market, the mission provided great networking opportunities and coincided with the 7th Mongolia Mining Exhibition.

One-on-one meetings were conducted with the Oyu Tolgoi (OT) team and major suppliers Thiess and Jacobs, together with productive discussions with representatives from other prominent miners and local contractors such as Erdenes Mongol, Aspire Mining, and South Gobi Sands.

The mission delegation spent two days at the Mongolia Mining 2017 Exhibition, where we had the exceptional opportunity to conduct a presentation to a crowd of local and International miners and METS.

In addition to the marketing activities, we continued to engage with existing local customers and partners to better support our local operations in this market.

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