

Australia: Polymetals accelerates reopening of Cobar's Endeavor mine after fatal explosion

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Less than two weeks after an unexplained explosion claimed two lives, the mine's owner is rapidly proceeding towards fully reopening the site.

In the early hours of October 28, two miners were killed and a third injured at Endeavor Mine, 40 kilometres north of Cobar in far west New South Wales (NSW).

An initial investigation by the NSW Resources Regulator appears to indicate that the deaths of 59-year-old Ambrose Patrick McMullen and 24-year-old Holly Clarke, and injury to 24-year-old Mackenzie Stirling, were caused by the premature detonation of a ballistic disc explosive.

But this leaves many questions unanswered. The explosives are widely used, and generally thought to be extremely safe. Multiple failsafes are built into the equipment and its use follows well-known safety procedures.

Multiple investigations are underway, by the NSW Police, NSW Resources Regulator and the company itself. The regulator, which is responsible for workplace health and safety issues in the mining sector, told the *World Socialist Web Site* it would not release preliminary findings from its investigation until late November.

The regulator's initial report, published late last week, warned that it may have to ban the ballistic discs, and recommended that mines use alternative methods.

Amid this uncertainty, the mine's owner, Polymetals Resources Ltd, called almost immediately for a "staged" return to work. The WSWS warned that, while Polymetals claimed last week that only exploratory drilling, processing and electrical work would be resuming, the announcement was a clear statement of intent to proceed with a full reopening as soon as possible.

That warning has been quickly confirmed. On Thursday, the company issued a statement to investors and the financial markets, making clear that the return to work is proceeding far more swiftly than previously indicated.

Polymetals said, "Rostered mining, maintenance and processing employees have returned to dayshift and will transition to continuous shift during the coming weeks."

The company further explains, "The area where the incident occurred remains under a statutory non-entry notice and the Company is working with the Resources Regulator to manage access to the area as necessary. There are no other restrictions to the recommencement of operations."

The statement goes on to say that "blasting activities" will resume after the company completes "a rigorous review of its Safety Management System relating to the handling and use of explosives at the mine."

These comments are an indictment, not just of the company, but of the NSW Resources Regulator and the whole workplace health and safety framework.

Less than two weeks ago, two workers were killed and another injured in an incident that has not been explained and which everyone involved agrees should never have happened. But, besides the temporary cordoning off of one section of the mine—and even this can be accessed "as necessary"—"no other restrictions" have been imposed.

The decision to reopen and recommence the use of explosives has been left entirely in the hands of the company!

What do the unions have to say about workers being herded back into a possible death trap? Not a single word. Since their initial phoney professions of concern, and vows to "get to the bottom of this" in the hours and days following the tragedy, the Mining and Energy Union (MEU) and Australian Workers Union (AWU) have not said a thing.

The silence of the union bureaucracy is a tacit endorsement of the reopening and the subordination of workers' safety to corporate profits. But their complicity is not an isolated occurrence. These organisations have much more blood on their hands, having presided for decades over unsafe conditions and deaths in the mines, which still average 10 each year in Australia.

The immediate motivation for Polymetals' rapid resumption is to placate the financial markets. On October 31, following the lifting of a three-day halt on its share trading, 26 percent was wiped from the value of its shares, reflecting market concerns of a protracted or permanent

closure. The company's response was its initial return-to-work announcement, although there was no explanation of the cause of the explosion.

However, to fully understand the urgency with which Polymetals is herding workers back, it is necessary to take a closer look at the company that operates the Endeavor silver, zinc and lead mine.

Polymetals Resources Ltd was founded in 2020, with an initial public offering (IPO) on the Australian Stock Exchange in June 2021. At this stage, the plan for the company was very different from what now exists. Cobar and Endeavor were not remotely on the horizon.

Until early 2023, the company's presentations were solely focused on West Africa, where Polymetals had begun exploratory drilling in March 2020.

As late as October 2022, the company was still telling prospective investors it saw "opportunity for significant gold discovery in Guinea," through its Alahiné and Mansala exploration licences in the resource-rich Siguiri Basin. Then, half the company's executive leadership were West African nationals, based in Guinea.

But when these licences expired, the company was stuck, with "no visible timeframe to renewal," as a result of a September 2021 US and French-backed military coup.

Polymetals was thus compelled to rapidly pivot. By April 2023, all mention of West Africa was struck from its investor presentations. Instead, Polymetals proclaimed it had begun negotiations to acquire the Endeavor mine, which had been shut down in 2020 after 38 years of continuous operation.

A key component of the plan was that Polymetals had secured a commitment from rights holder Metalla to restructure the mine's royalty arrangement. Years earlier, the previous owner of the mine, CBH Holdings, had agreed to a deal in which it had to hand over all the mine's silver revenue in perpetuity, in exchange for \$50 million it needed for urgent repairs to the mine. Foregoing the income from silver, leaving only that of zinc and lead had been a major contributor to the mine's closure in 2020. Polymetals reported it had achieved a much more favourable 4 percent royalty on net smelter returns.

In a November 2024 video, a Polymetals representative said the company had carried out geotechnical test drilling "to demonstrate whether we can use other mining methods which can accelerate the mining rate and reduce costs" and that, "the further we drill this thing the better it gets."

He said, over the 18 months from last November, he expected the mine to "generate in excess of \$120 million of free cash," which would "allow us to repay our debt and start spitting some dividends back to shareholders."

But production did not start as early as Polymetals had

hoped, with continuous production only beginning in June. To get this far, it had been necessary to secure a loan against future receipts through Ocean Partners. By July, the company estimated that it had less than six months of funding left, and had to raise a further \$15 million through the issuance of shares.

Moreover, the global market price of silver hit an all-time high midway through last month, which was cause for celebration for Polymetals, one of the few Australian companies to produce it. This makes it the worst possible time for the company to be shut down until an investigation can conclusively determine what caused the Endeavor tragedy and what must be done to stop it happening again.

The swift resumption of work at Endeavor is thus an existential issue for Polymetals, a relatively small company that is "all in" on the financial success of this mine. But it is also, literally, a life and death question for workers, who are the ones who risk paying the ultimate price if last week's disaster is repeated.

Mining workers cannot afford to entrust their lives to their employers, who are compelled under capitalism to operate on the basis of totally different priorities: returning ever-growing profits to shareholders, whatever the cost to workers.

Neither can the so-called safety regulator be trusted to make sure those who go to work also come home. It has given the go-ahead for this reopening, despite publicly voicing major concerns over the explosives used. The same goes for the unions, which have washed their hands of the whole thing.

This means workers need to take matters into their own hands. A rank-and-file committee of Endeavor workers should be established as the means for workers themselves to oversee the investigation and determine when and if it is safe to return. They must insist that workers receive full pay throughout the investigation, so no-one is forced to choose between providing for their family and coming home safely.

Through such a committee, Endeavor workers can make a powerful appeal for support from their counterparts in other mines, in Cobar and throughout the industry. Until the cause of last week's tragedy is conclusively determined and rectified, miners everywhere could be in danger.



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