

Dartbrook Community Consultative Committee Meeting

14th August 2019



Australian Pacific Coal

ABN : 49 089 206 986 ASX CODE: AQC

- 1. Apologies**
- 2. Declaration of Pecuniary Interest**
- 3. Correspondence**
- 4. Confirmation of previous minutes**
- 5. Business Arising from previous minutes**
- 6. Community Concerns**
- 7. General Business:**
 - AQC Strategic Partnership
 - Dartbrook Development Consent MOD 7
 - Summary of environmental monitoring results and activities
 - Care and Maintenance, Property, Exploration & Projects
 - Current & ongoing management matters
- 8. Other Business**
- 9. Next Meeting**

CONFIRMATION OF PREVIOUS MINUTES

- Any issues or comments on the previous meeting minutes?
- Actions from previous minutes:

| Action Item | Action | Outcome |
|-------------|---|---|
| 1. | AQC to clarify its position on the questions raised by Friends of the Upper Hunter following the public meeting in Aberdeen | Comment was sought, however the company elected to not respond given the clear public opposition from the group. |
| 2. | AQC to follow up with leaseholders over stocking rates on ex-Macintyre property | Currently stocked with 30 cows & calves, 150 heifers. Previously stocks were greater, but have been reduced due to the drought. Management plan for the property is rotational grazing. |

- No environmental incidents or complaints since the previous meeting

1. AQC Strategic Partnership

- On 2 July 2019, the Company announced that certain conditions under the Share Sale Agreement (SSA) with SNR were not satisfied by SNR by 1 July 2019 (the cut-off date for satisfaction of those conditions) and the SSA was terminated by AQC effective on 4 July 2019.
- The Company has recently been in discussions with other potential development partners in relation to their interest in recommencing underground mining at Dartbrook. AQC is considering a range of options to optimise returns for all shareholders, including continued dialogue with SNR.

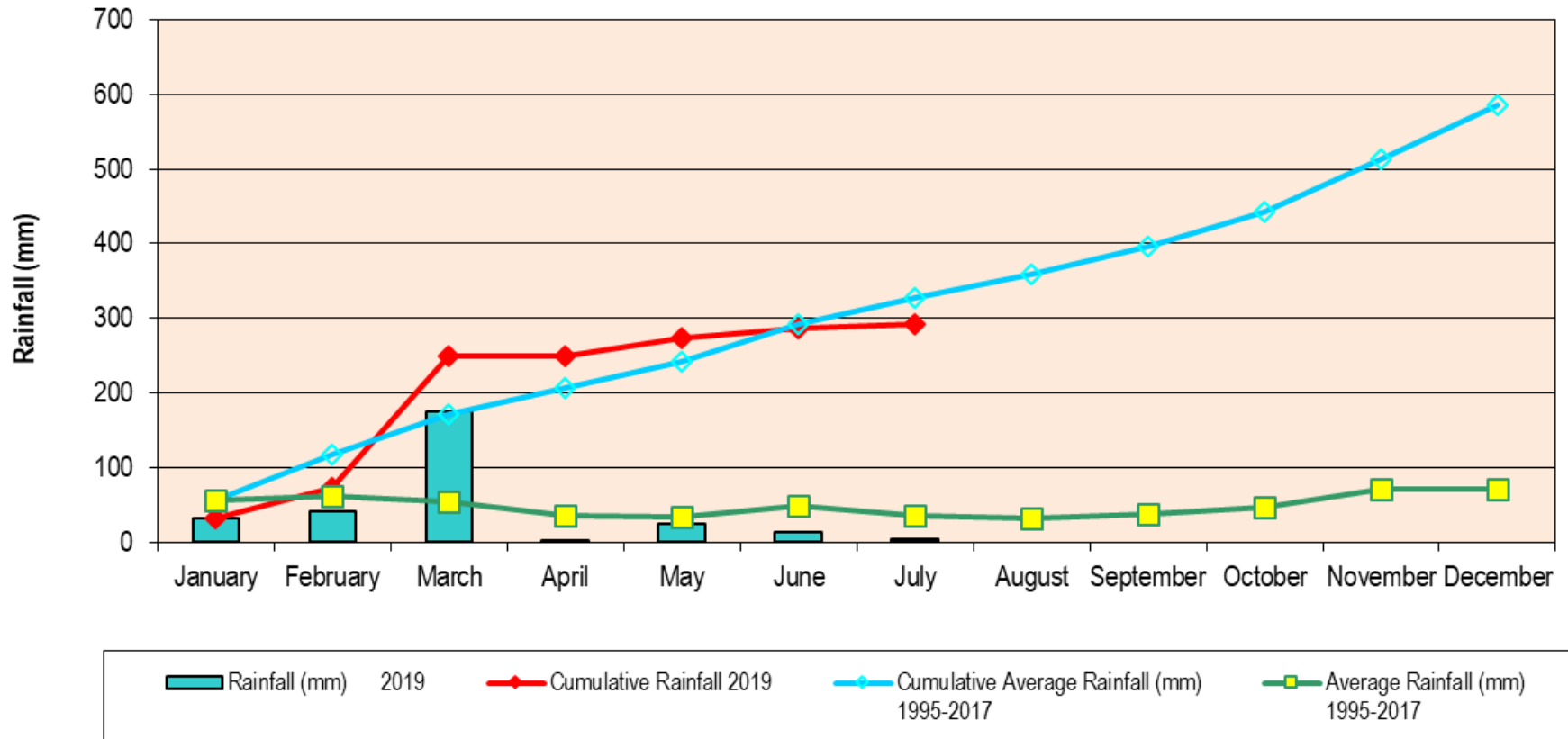
2. Underground Modification (MOD7)

- MOD7 was determined on 9 August by the IPC.
- The IPC determination:
 - Approved mining of the Kayuga Seam using bord and pillar methods:
 - Approved use of the varied coal clearance system; and
 - Refused the proposed five year extension to the duration of the Dartbrook development consent.

- **Rainfall**
- **High Volume Air Sampling**
- **Dust Deposition**
- **Surface Water – Hunter River and Dart Brook**
- **Surface Water – Stream and Riparian Vegetation Monitoring**

GENERAL BUSINESS – Environmental Monitoring continued

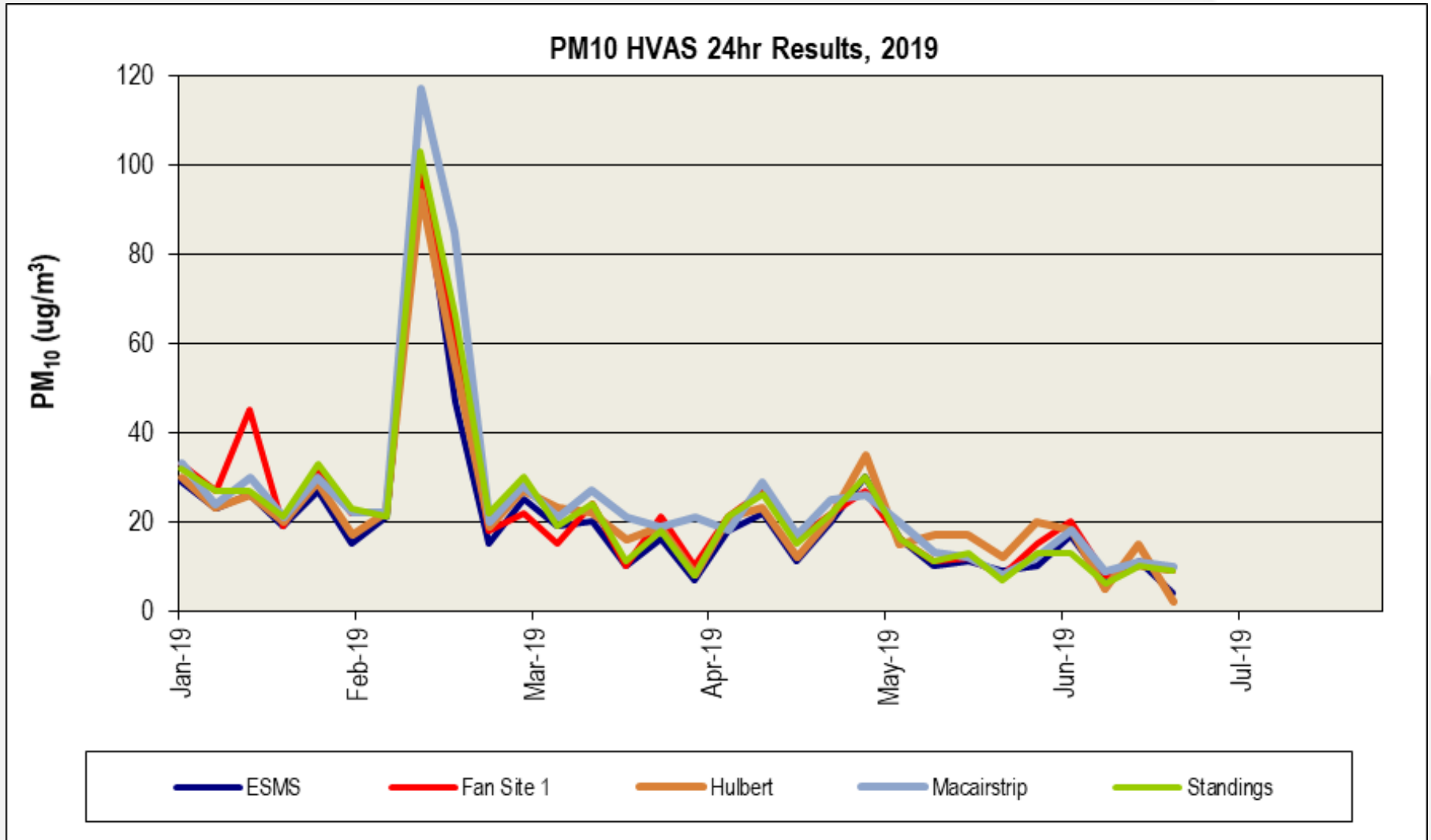
Dartbrook Monthly and Cumulative Rainfall, 2019



2019 rainfall: 292.2 mm to end of July

Dartbrook average yearly rainfall 1995-2017= 586 mm

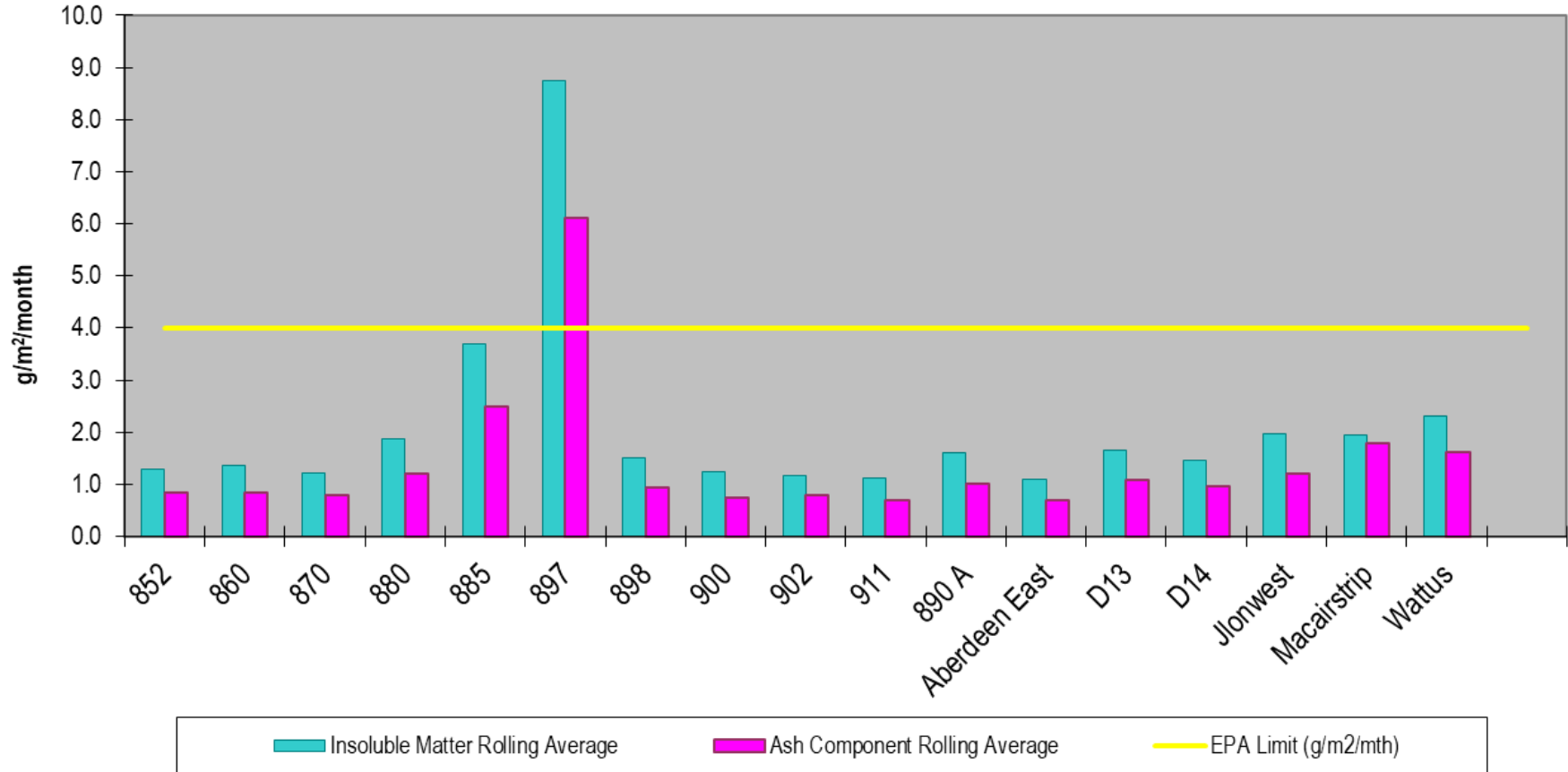
GENERAL BUSINESS – Environmental Monitoring continued



PM10 (Particulate Matter <10 μ m) NEPC guideline limit is 50ug/m³

GENERAL BUSINESS – Environmental Monitoring continued

Dust Deposition - Insoluble Matter / Ash Residue Annual Averages to June 2019

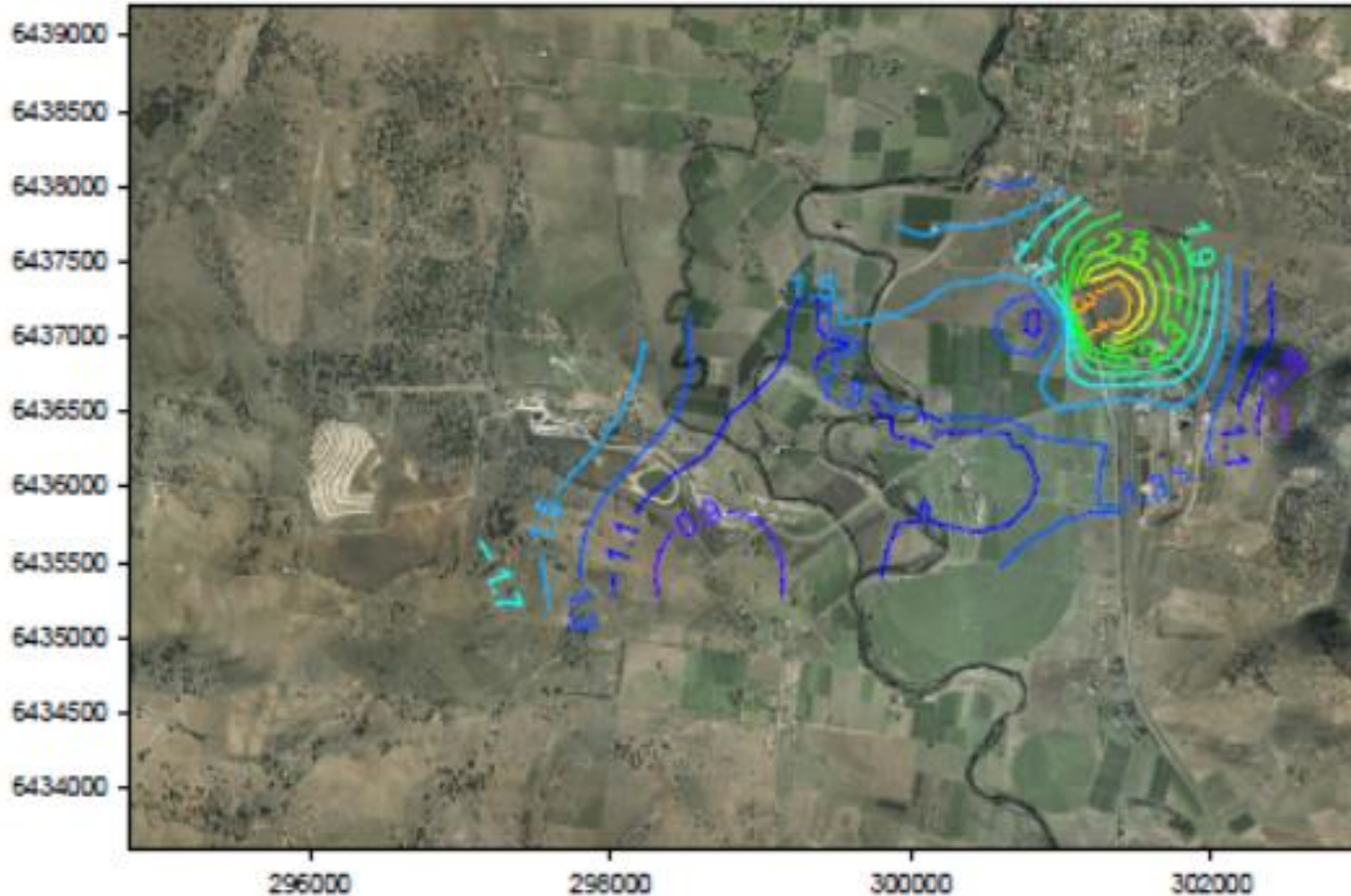


Insoluble Matter is Ash + Combustible Matter

Ash is more representative of dust component, remainder is typically organic matter (e.g. insects)

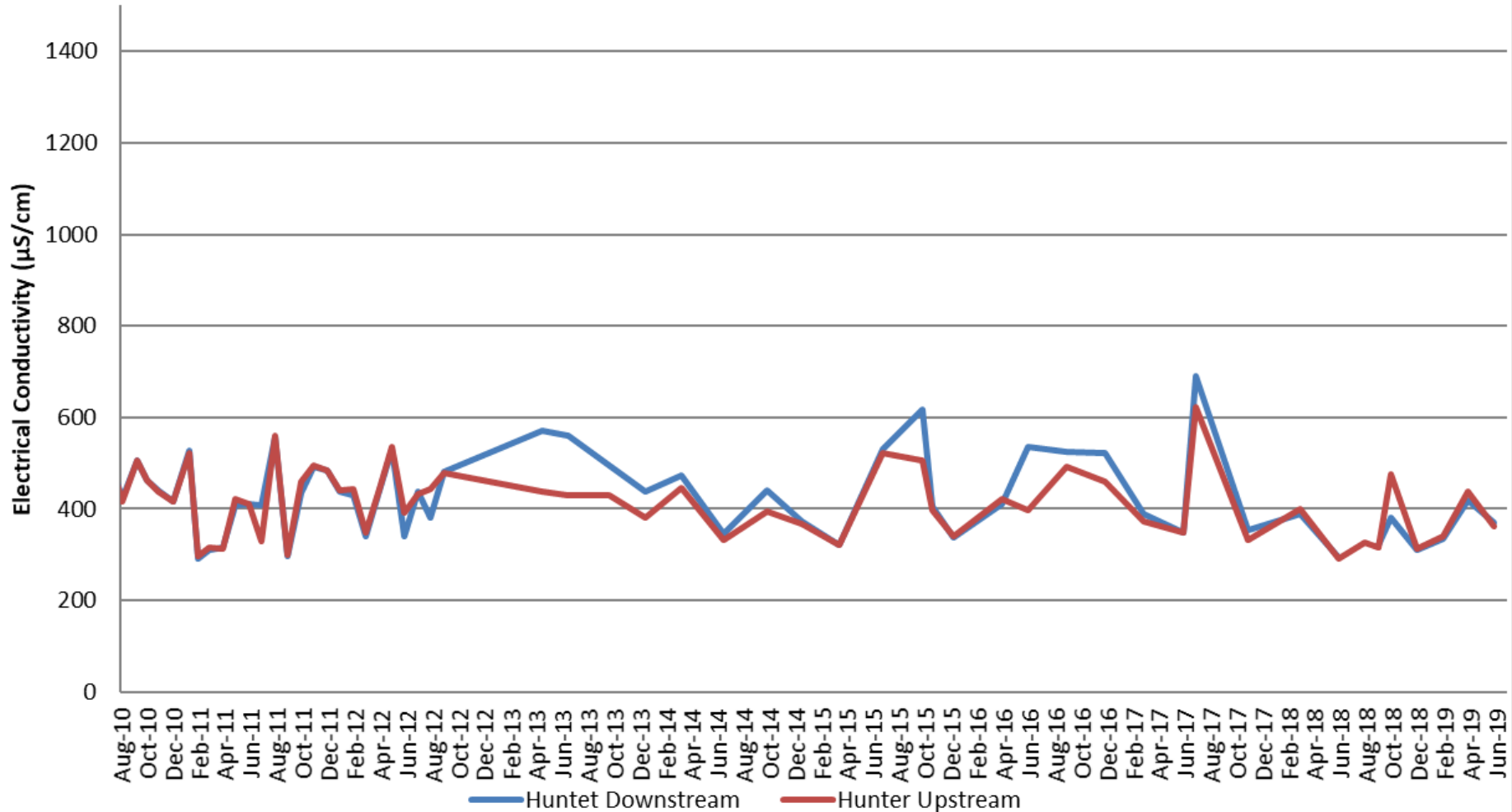
GENERAL BUSINESS – Environmental Monitoring continued

Depositional Dust Contours June 2019



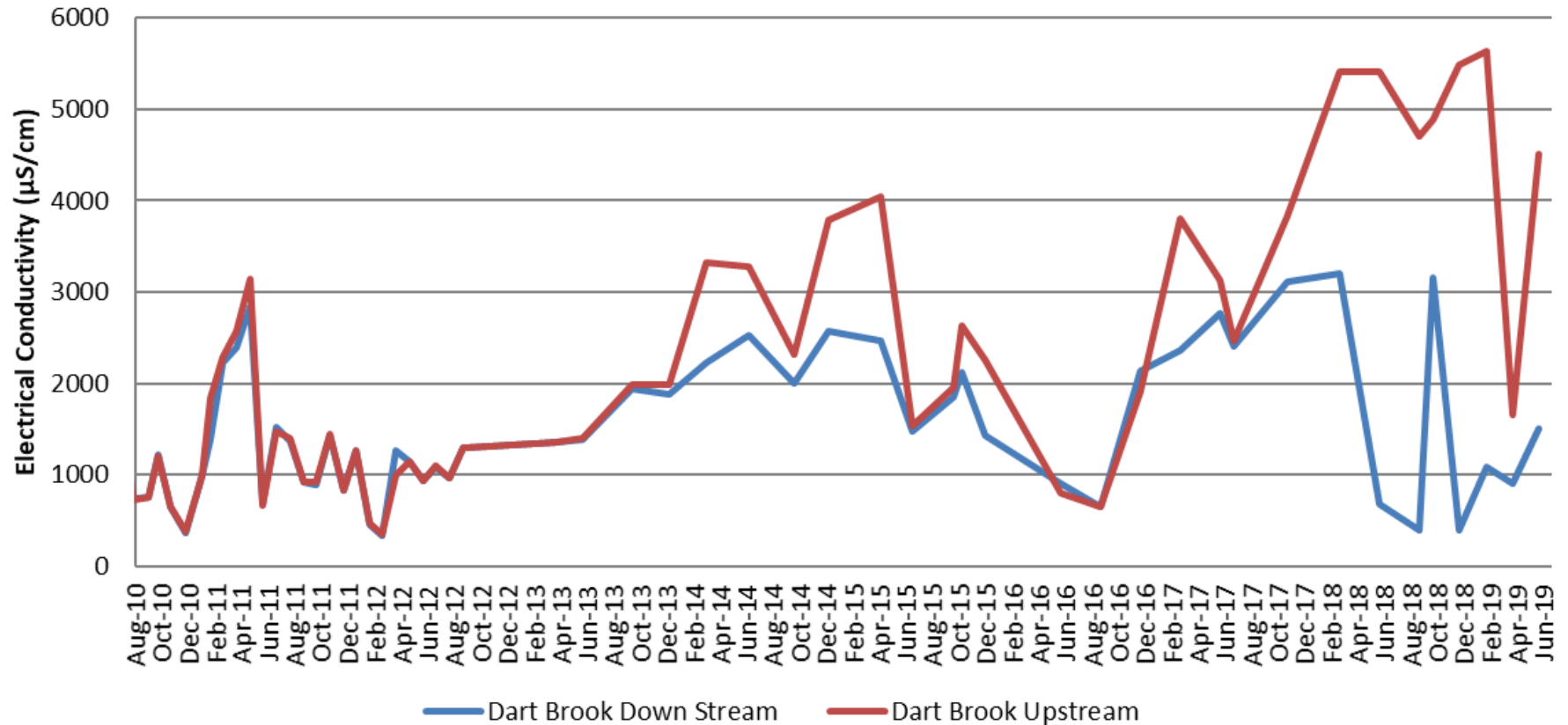
GENERAL BUSINESS – Environmental Monitoring continued

Long Term Electrical Conductivity Results for the Hunter River, 2010 - 2019



GENERAL BUSINESS – Environmental Monitoring continued

Long Term Electrical Conductivity Results for the Dart brook, 2010- 2019



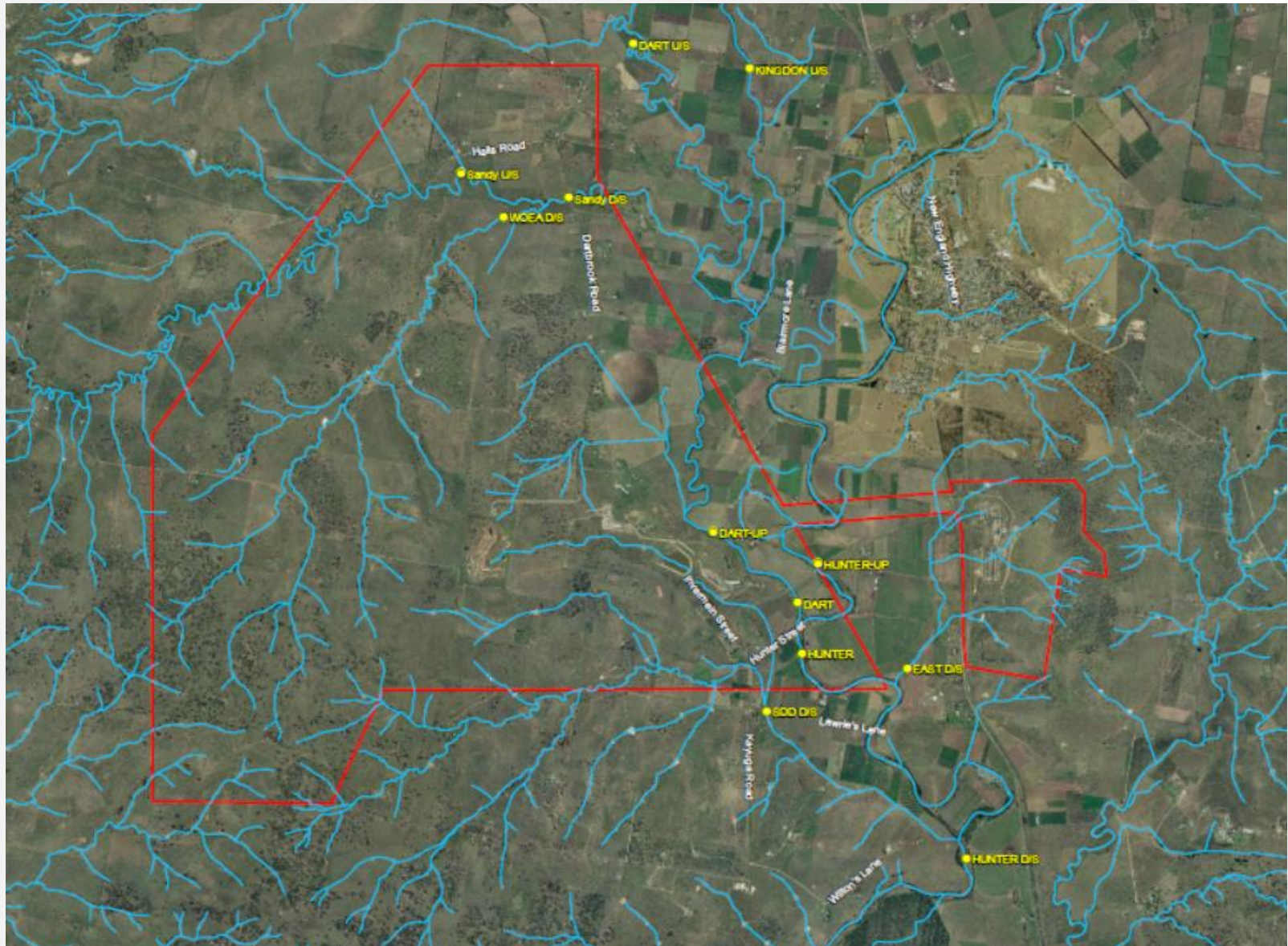
GENERAL BUSINESS – Environmental Monitoring continued

- Riparian & Stream Health Monitoring
 - Baseline monitoring program in October 2018 and May 2019 at twelve locations, looking at:
 - Habitat quality
 - Water quality
 - Macroinvertebrate species diversity
 - Data was not able to be gathered at all upstream sites due to dry conditions. Sites to be monitored in future events to establish baseline.
 - Overall, the surveys confirmed that the sites assessed were in a moderate to highly disturbed state. This was primarily due to impacts from landuse resulting in erosion and the presence of exotic vegetation.

GENERAL BUSINESS – Environmental Monitoring continued



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- Ongoing land management and monitoring, including:
 - Reshaping sections of containment drains at the East and West Site
 - Tree trimming and slashing in powerline corridors to reduce bushfire and safety risks

- Ongoing consultation:
 - Consultation with DPIE and other stakeholders over the three yearly Independent Environmental Audit required under the DA. A draft of the audit report is due to be submitted to DPIE in September.
 - Dartbrook Sponsorship & Donations Initiative continues to call for Applications <http://www.aqcltd.com/irm/content/sponsorships.aspx?RID=463>
 - The Environmental Contact Line continues to operate on:
1300 131 058



- **Business for the next meeting**

NEXT MEETING DATE

2019

January

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September

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October

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November

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December

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NEXT IN NOVEMBER?



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**THANK
YOU**