

Dartbrook Newsletter

Dartbrook Mine Modification 7

Proposed Modification

In February 2018, Australian Pacific Coal (APC) made an application to modify Dartbrook Mine's Development Consent (DA 231-7-2000). The Modification proposes limited bord and pillar mining in an area of the Kayuga Coal Seam that is currently approved for longwall mining. The bord and pillar mining is proposed as an alternative in addition to the approved longwall mining activities (see Figure 1).

The Modification will facilitate the extraction of up to 10 million tonnes of Run of Mine (ROM) coal at a maximum production rate of 1.5 million tonnes per annum. The proposed mining will occur within the approved mining area. That is, the Modification does not propose to increase the mining footprint. The Modification seeks a 5 year extension of the approval period to enable mining to be undertaken until December 2027.

Bord and pillar mining involves the shearing of coal to develop a network of roadways within the coal seam. The roadways are separated by blocks of intact coal, which are referred to as "pillars". The pillars will be designed to be stable in the long-term. As a result, bord and pillar mining will result in substantially lower levels of subsidence than longwall mining.

The extracted ROM coal is intended to be hauled by road registered trucks from the existing Kayuga Entry to a new shaft facility, which will be constructed approximately 250 m west of the New England Highway and adjacent to the Western Access Road (see Figure 1). The conceptual layout of the new shaft facility is shown in Figure 2.

APC will implement best practice environmental controls including watering of the private road network, covering of truck loads and enclosing the new shaft within a colourbond shed. The new shaft will connect to the eastern end of the existing Hunter Tunnel, which will then convey the ROM coal to the existing Coal Handling and Preparation Plant.

Coal will be transported by rail to the Port of Newcastle using the existing rail loop and train loadout facility.

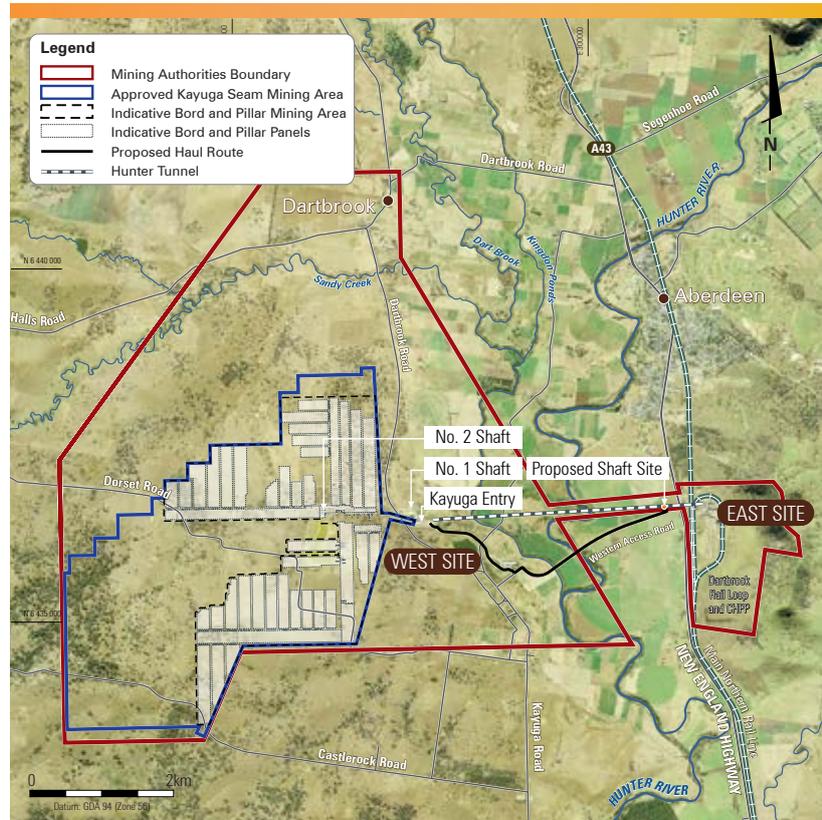


Figure 1 Conceptual Modification Layout

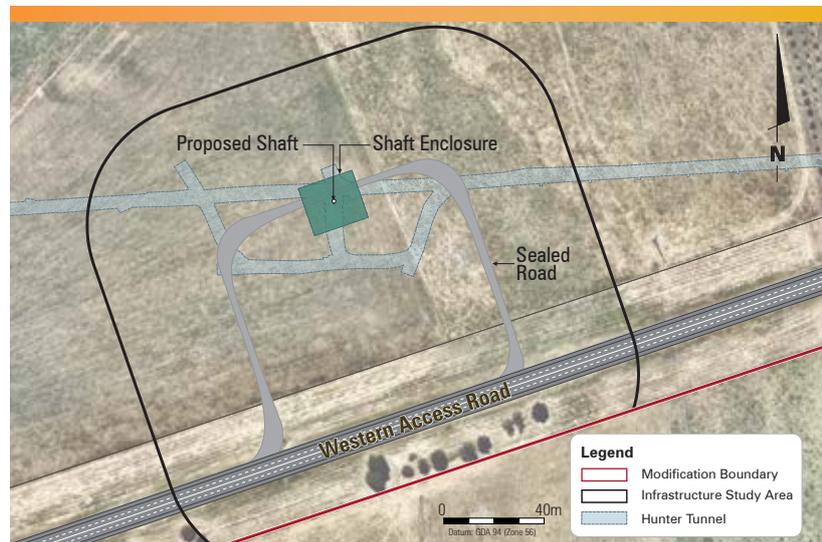


Figure 2 Conceptual Layout of New Shaft Site

Underground mining and train loading activities will be conducted 24 hours per day, 7 days a week. To reduce noise levels at night, truck haulage of ROM coal will only be undertaken on weekdays between 7am and 6pm.

The Modification will employ up to 26 construction personnel and up to 99 personnel during mining operations. It is estimated that the Modification will generate the following economic benefits:

- \$38 million (present value) in mining royalties;
- \$14 million (present value) in NSW's share of Australian company tax;
- Increased business turnover within the local economy; and
- Increased wages to the local labour force.

Status Update

The Department of Planning & Environment (DP&E) has accepted AQC's modification application and the accompanying EA. The EA is on public exhibition from 28 June to 25 July. During this period, interested persons may review and provide comments on the EA. Printed copies of the EA will be accessible at the following locations:

- **Nature Conservation Council NSW**
Level 14, 338 Pitt Street, Sydney;
- **Muswellbrook Shire Council Offices**
157 Maitland Street, Muswellbrook; and
- **Upper Hunter Shire Council Offices**
135 Liverpool Street, Scone.

The EA can also be accessed electronically on the DP&E website (www.planning.nsw.gov.au) and the AQC website (www.aqcltd.com) or at any Service NSW Centre.

Submissions can be made using the online form on the DP&E website or by mail to:

Planning Services
Department of Planning & Environment
GPO Box 39
Sydney NSW 2001

Following the exhibition period, AQC will prepare a Response to Submissions to address the issues raised in submissions.

Site Update

AQC has appointed Terrequip Mining as the Operator of Dartbrook Mine, effective 7 June 2018. Terrequip Mining replaced former contractor UGM Mining with principle responsibility for care and maintenance activities at site. AQC looks forward to a positive working relationship with Terrequip Mining as AQC prepares to re-commence underground mining at Dartbrook Mine.

FURTHER INFORMATION

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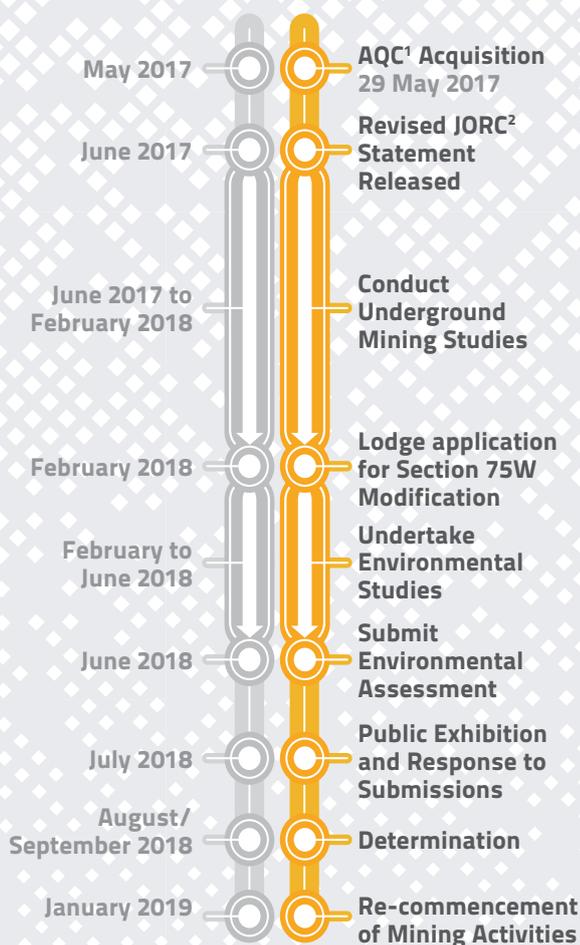
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Approvals - Hansen Bailey

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Stakeholder Engagement

AQC has consulted with various stakeholders including NSW regulatory authorities, local councils, other mining stakeholders, the Dartbrook Community Consultative Committee, Aboriginal parties and near neighbours. The stakeholder engagement program has identified a number of issues that are of concern to external stakeholders. The outcomes of the stakeholder engagement process informed the preparation of the Environmental Assessment (EA) for the Modification.

Schedule for Re-commencement of Underground Mining at Dartbrook Mine



¹ Australian Pacific Coal

² The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

Note - The scheduled dates are for planning purposes and as such may be subject to change

DARTBROOK OPEN CUT PROJECT

AQC is continuing to refine feasibility studies on an optimised open cut plan to further develop the valuable coal resources at Dartbrook Mine. As and when these plans materialise, AQC will consult with a range of stakeholders in a logical and progressive manner.