

MT ARTHUR MINE COMPLEX
Community Consultative Committee Meeting – 13 December 2016



Attendance

Chairperson

Dr. Colin Gellatly Independent Chair MAC CCC

Company Representatives

Nick Woodbyrne Principal Mining Engineer
Demus King Acting Corporate Affairs Lead NSWEC
Andrew Darnell Specialist Environment
Katerina Stojakovic Corporate Affairs Team Administrator

Community Representatives

Alex MacDonald Community Representative
Jenni Hayes Community Representative
Di Gee Community Representative

Apologies

John Bancroft Community Representative

Minutes

Sarah Purser

1. Welcome by Chairperson

Col welcomed members and it was advised that Demus King is MAC's new Corporate Affairs Lead.

2. Apologies;

Advised and recorded.

3. Declaration of Pecuniary Interests;

Ongoing Declaration; Col advised that both he and Sarah are engaged by BHP Billiton to provide the respective roles of independent Chairperson and preparation of the meeting minutes.

4. Approval of the previous Meeting's Minutes

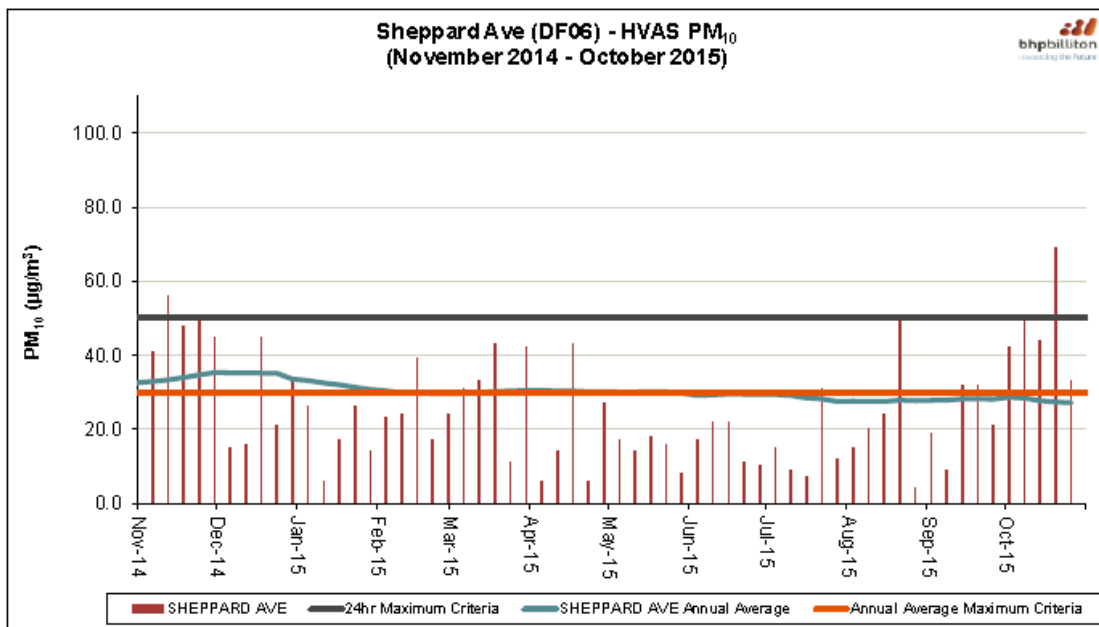
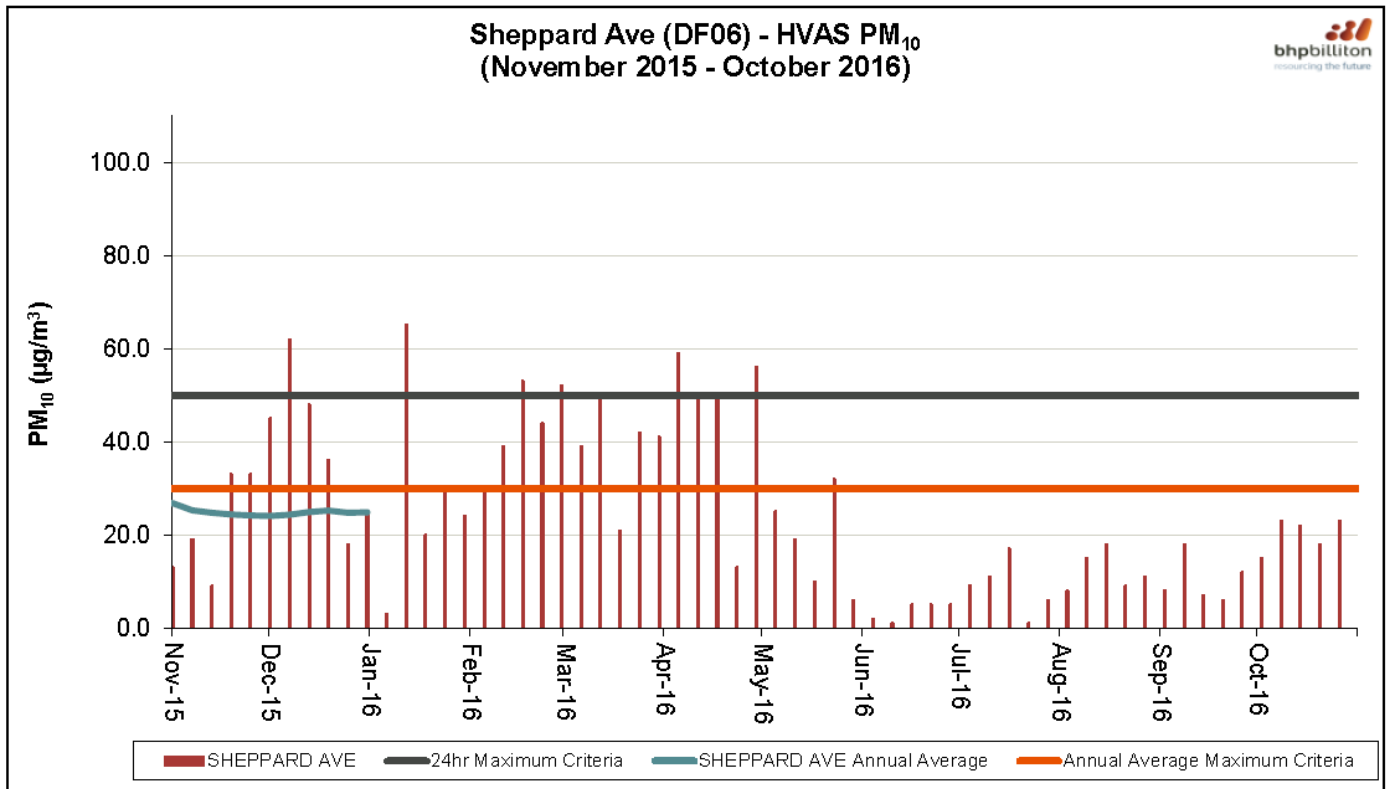
It was confirmed that the Minutes from the Meeting 6 September 2016 had been updated to "Endorsed by Chair" after the comments period close. Kat advised the Meeting Minutes had been uploaded to the Company website at that time.

5. Matters Arising from the previous Meeting – Action Items

MAC to continue to provide updates on the TEOM data from Sheppard Avenue in relation to the effectiveness of the road sealing in reducing dust concerns.

- ✓ Andrew presented the below data for the reporting periods; November 2015 to October 2016 and also November 2014 to October 2015. Andrew confirmed the road sealing of Sheppard Avenue had been completed in April 2016 and noted this had resulted in a clear difference in monitoring results from previous reporting periods. Andrew advised that results had also indicated a positive impact on this high volume TEOM on Race Days.

TEOM data from Sheppard Avenue



MAC to look into a potential Site Tour for members to view the MacLean's site.

- ✓ **Site Tour scheduled for the next CCC Meeting; 14 March 2017.** Nick would like the Tour to predominantly cover the MacLean's area and focus on the operational details that MAC has shared with the CCC. Nick advised that March may also see the finishing off of some active mining, so the Tour may also provide an opportunity to talk on how that is progressing and to view some rehabilitation and strategies there.

MAC to provide a Rehabilitation update at the December Meeting.

- ✓ Presentation by Nick at today's Meeting.

In relation to rehabilitated land, Andrew to liaise with Blake regarding seed mixes for grazing land and provide detail to Di out of session.

- ✓ Completed; Andrew confirmed this detail had been provided to Di.

In response to a query from John, Andrew to advise what the "P" stands for in the labelling of Bore Holes e.g. GW39"P".

- ✓ At today's meeting:-
"A" = Alluvial; to approximately 10 metres
"P" =Permian; i.e. fractured rock to approximately 43 metres.

In response to a request from John, MAC to provide data for the Dust Monitors located at Muswellbrook and Racecourse Roads, for the previous 6 months; April to September 2016.

- ✓ Andrew confirmed this data is contained in an Appendix at the back of the Annual Environmental Management Report "AEMR" and that this Report is now available on line.

New NSW Government Planning & Environment CCC Guidelines for State Significant Projects.

Col advised these new Guidelines require the Chairperson to provide an Annual Report to the Department and that there will now be a central register of Chairpersons that the Department will select and appoint from.

6. Update from BHP Billiton

Presentation to be distributed with the Meeting Minutes

OVERVIEW OF OPERATIONS

Presentation by Nick Woodbyne

Nick provided the following data indicating actuals from September to November 2016, compared to the three months prior being June to August 2016, and also the September to November period for 2015.

	Last 3 months	Previous QTR	Previous Year		
Production Information	Sept-Nov FY 16	Jun-Aug FY 16	Sept-Nov FY15	QTR-on-QTR Difference	Year-on-Year Difference
OB Movement (Mbcm)	25.9	24.2	25.4	7%	2%
Coal Mined (Mt)	6.7	7.5	8.4	-11%	-21%
Coal Uncovered (Mt)	4.4	6.0	5.1	-26%	-14%
Product Coal Mt)	3.6	4.2	4.4	-15%	-19%

- ✚ **Overburden Movement;** Waste movement was largely similar with a difference of 7% for QTR on QTR and 2% Year on Year.
- ✚ **Coal Mined, Coal Uncovered & Product Coal;** Nick advised that these had all been down around the 20% mark. Nick explained how these processes are all interlinked; from overburden movement with high strip ratios; meaning the same amount of movement of dirt to get the same amount of coal, to low recovery equating to low coal mined and therefore also the inventory of stock piles of coal.

Nick explained that MAC had put less product coal onto trains and ships than had been planned and the companies full year forecast had been revised accordingly. Plans have been put into place to improve product coal numbers and from an external point of view the mine is business as usual with the same number of diggers and trucks operating.

Jenni noted that MAC would continue to have the equivalent running costs i.e. the same numbers of diggers operating and Nick confirmed there are a lot of fixed costs that are difficult to reduce.

Nick advised there had been some relief due to the high price of coal recently but the tonnages are needed to sell to get this benefit. Nick noted that a lot of coal contracts are locked in so an increase in coal price does not necessarily calculate to added revenue for MAC. Alex asked if MAC will meet their contract obligations and Nick confirmed, yes.

Heat Map; Actuals - 3 Months; September to November 2016

For slide referencing; Hotter colours show where MAC has mined vertically. Blue/Purple indicate vertical rise. Operationally the focus is on the bottom right hand side of the mine where vertical movement to the 30 to 40 metre mark can be seen (Blue/Purple).

Nick provided an overview of where equipment is located and also where MAC is digging and dumping. Mining is heading in a westerly direction and whilst activity is across site, a bit of a barren area can be seen in the middle, Nick advised this particular area is being prepared now for operations to spread across.

Nick confirmed that the emergence of MacLean's Dump had been the focus topic at the previous CCC Meeting and that MAC has commenced putting material in that area with the aim to establish a visual bund between Denman Road and the Pit.

MAC will be mining the sections indicated in Green on the mapping until about February 2017. Over the next few CCC meetings Nick expects members will start to see areas inside the mine being referenced as Blue/Purple when the dump starts to take shape.

Jenni advised that she really liked the provision of mining updates via the Heat Mapping and Nick noted that whilst this mapping was developed specifically for presenting to this CCC, these maps have now spread to applications in other areas around site and can be useful for when reviewing the past and moving forward.

Nick advised the high activity in South Pit will tail off and there will be new breaking ground as operations advance towards the Highway, this will also be seen along the top of the Pit. The Northern Pits will have a fair bit of activity as well, including the MacLean's area. Nick confirmed that mining is trending in a westerly direction to pick up other seams in the Hills as operations progress towards Denman.

Jenni hopes this will all be productive for MAC as she understands there is a lot of coal to be uncovered and Nick responded that MAC try to mine as efficiently as they can, including the balancing of equipment.

Nick explained that geographically MAC is not the largest of mine sites; being 6 kilometres from Mount Arthur to the Denman Road end, however there are 21 seams that can be mined in between and that therefore equates to a large Pit. MAC is the only site in the Hunter that mines full ranges of coal measures, so while other mines may only take certain sections; MAC takes the full 21 seams.

ENVIRONMENT

Presentation by Andrew Darnell

Environmental Management; FY17 Rehabilitation Update

- ✚ During the reporting period so far, MAC has bulk shaped and topsoiled 35.5 hectares of rehabilitation. Of which, 8.3 hectares is grazing pasture rehabilitation and 27.2 hectares is native woodland rehabilitation.
- ✚ Under the modification project approval, MAC has committed to rehabilitate 500 hectares of White Box, Yellow Box, Blakely's Red Gum Woodland (referred to as Box Gum Woodland) to provide large areas of habitat adjacent to the conservation and offset areas and enable connectivity for fauna and flora throughout the woodland rehabilitation corridor.
- ✚ Approximately 5,100 tube stock of Box Gum Woodland shrubs and trees are planned to be planted in a 12.8 hectare portion of the VD1 rehabilitation area by June 2017. Preparation for planting is currently underway; area slashed, rip lines established, local seed being propagated for tube stock and this area is now resting for three months to allow air pockets in the soil to settle before planting occurs.

Environmental Performance

Elevated Environmental Monitoring Results

- **August and September 2016 - GW39P and GW2 - Groundwater level**
- **September 2016 - GW2 - Electrical Conductivity (EC)**

Jenni asked where these monitors are located and Andrew advised Groundwater 2 is located in the Saddlers Creek area and Groundwater 39P is north up on the alluvial area.

Environmental Incidents

- **18 August 2016 - Water Fill Point Overflow**

A water cart fill located over the back of Edderton Road had been left on for 16 hours and broke containment. Water travelled north under Edderton Road and was captured in a stop water point on the other side of this road. As water left site this was a reportable offence. MAC's testing of the water quality indicated that it was unlikely that there had been any adverse environmental impact as a result of the water discharge.

- **14 October 2016 - Ruptured Pipeline**

A small excavator that was digging for a sign post installation ruptured a water pipe. The water line was not in action at the time but there was a small leak that did cross underneath Denman Road. This was such a small amount of water it was difficult for MAC to obtain a sample and water testing indicated that it was mine affected but within the guidelines for livestock drinking water.

Jenni asked if the Department or EPA would come and do an inspection of these type of incidents and Andrew advised that as soon as there was an incident, samples were taken and MAC's Pollution Management Plan was instigated notifying local Fire, Police and Government Departments of a potential pollution incident. Andrew advised that a report of the pollution incident was submitted within seven days as required.

Andrew confirmed that whilst water did go off site, there was only a minor effect. Jenni noted a number of minor events can lead to people watching the company's activities more closely and Andrew confirmed that the Departments were happy with the investigations conducted and the reports submitted by MAC.

COMPLAINTS

Presentation by Kat

Community Complaints - September to November 2016 = 9

3 x Blast, 5 x Dust, 1 x Lighting and 0 x Noise.

Kat advised that most complaints were from the Muswellbrook area and dust related which was consistent with that time of year being hot and dry. Jenni queried if people may not only phone MAC, but rather a number of mines in hazy conditions i.e. also Bengalla and the Power Station and Kat agreed that people might do this if they feel the issue may be caused by a combination of sources.

Kat noted that sometimes the source of the complaint could be easily identified e.g. a digger and that there is an option to get a call back from MAC. Kat noted that it is useful for the caller to give MAC's OCE's as much detail as they can to assist in working out the potential source of any concern.

Community Support

- ✚ New Corporate Affairs Lead - Demus King
- ✚ Community partnership discussions with Upper Hunter Community Services (Community Capacity Building Project), Hunter Life Education and Graham "Polly" Farmer Foundation.
- ✚ Continue to support Muswellbrook Chamber of Commerce breakfasts
- ✚ Contribution to the Graham Polly Farmer Foundation Steering Committee
- ✚ Renewal of partnerships; Muswellbrook Multicultural Group (as seen in Muswellbrook Chronicle)
- ✚ Mt Arthur Coal Stakeholder Appreciation Event

Kat confirmed that CCC members had been invited to a Stakeholders Event on the 7th of December and Jenni asked what the turnout had been like. Kat advised that it had not been as good as the previous year which could be attributed to the weather being hot that afternoon so MAC may return to a morning event next year.

Jenni asked how the Local Buy Program was going and Kat responded that it continues go from strength to strength. MAC had undertaken an internal launch of this Program on site and that had boosted the number of work instructions going out to the community. MAC are planning a similar event in the near future.

Andrew advised that he looks after Land Management and gave the example of fencing and land weed management requirements that had been put out and that the company had received dozens of responses back from business' who Andrew felt may not have had the opportunity to offer their services in the past. Kat advised also that the Stakeholders Event had all been organised through Local Buy.

7. GENERAL BUSINESS

Kat advised she will be going on Maternity Leave at the end of January and introduced Demus who will be taking the MAC CCC's forward.

Member Feedback

Di asked if employees use mobile phones on site or are they put away. Nick responded that mobile phones are permitted on site but there are strict terms of use, most notably not to be used when moving or operating equipment and that photos are restricted.

8. Date & Time of next CCC Meeting

At Mt Arthur Coal

Tuesday 14 March 2017

1.00 p.m. to 3.00 p.m.

Commencing with a Pit Tour

ACTIONS ARISING FROM THIS MEETING

ACTION 1: Col to follow up on his previous contact with the Department regarding advertising the MAC CCC Community Position.

ONGOING ACTIONS - By Invitation to future CCC Meetings

Ongoing Action; MAC to invite representatives from the EPA to present on the Air Quality Monitoring Optimisation project.

Ongoing Action; MAC to investigate whether one of their Hydro Geologists could present on the depressurisation of coals seams.