MT ARTHUR MINE COMPLEX

COMMUNITY CONSULTATIVE COMMITTEE MEETING

Wednesday 3rd August, 2011

AGENDA

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>4:00</td>
<td>1 Welcome and Apologies</td>
<td>Chairperson</td>
</tr>
<tr>
<td>4:01</td>
<td>2 House Keeping &amp; Safety</td>
<td>MAC</td>
</tr>
<tr>
<td>4:05</td>
<td>3 Declaration of Pecuniary Interest</td>
<td>Chairperson</td>
</tr>
<tr>
<td>4:07</td>
<td>4 Confirmation of Previous Meeting Minutes</td>
<td>Chairperson</td>
</tr>
<tr>
<td>4:10</td>
<td>5 Action Points Since Last Meeting</td>
<td>Chairperson</td>
</tr>
<tr>
<td>4:15</td>
<td>6 Review of Process for Depositional Dust Results</td>
<td>Michael Campbell (Steel River Testing)</td>
</tr>
<tr>
<td>4:30</td>
<td>7 Rehabilitation Strategy</td>
<td>MAC</td>
</tr>
<tr>
<td>4:50</td>
<td>8 Overview of Operations to Date</td>
<td>MAC</td>
</tr>
<tr>
<td>5:00</td>
<td>9 Overview of Monitoring Systems</td>
<td>MAC</td>
</tr>
<tr>
<td>5:15</td>
<td>10 Overview of Community Support</td>
<td>MAC</td>
</tr>
<tr>
<td>5:25</td>
<td>11 Explanation of Sigma Theta</td>
<td>MAC</td>
</tr>
<tr>
<td>5:35</td>
<td>12 General Business</td>
<td>MAC</td>
</tr>
<tr>
<td>5:50</td>
<td>13 Next Meeting Date</td>
<td>Chairperson</td>
</tr>
<tr>
<td>6:00</td>
<td>14 Meeting Close</td>
<td>Chairperson</td>
</tr>
</tbody>
</table>
Minutes of Meeting (15)

Location: Mt Arthur Coal Boardroom
Date: Wednesday 3 August 2011
Apologies: Bruce MacPherson (BM) Resident.

Meeting Commenced: 4:15pm

1. WELCOME AND APOLOGIES
MR welcomed everyone to the Mt Arthur Coal Community Consultative Committee August 2011 meeting and apologies were received.

2. HOUSEKEEPING AND SAFETY
JM provided information on general housekeeping and safety at Mt Arthur Coal, this included:
- Entry/Exit
- Emergency Procedure
- Muster Area
- Amenities
- Tea/Coffee

3. DECLARATION OF PECUNIARY INTEREST
No pecuniary interests were declared.

4. CONFIRMATION OF PREVIOUS MEETING MINUTES
MR and RW had not seen the previous meeting minutes. MR requested the confirmation of the previous meeting minutes be deferred until the next meeting. It was confirmed that all other CCC members received their minutes.

BM contacted RS prior to the meeting and requested that his attendance at the meeting on 25 May 2011 be recorded.

5. ACTION POINTS FROM PREVIOUS MEETING
Not addressed in the meeting. To be posted with August 2011 meeting minutes. (ACTION ITEM 1)
6. REVIEW OF PROCESS FOR DEPOSITIONAL DUST RESULTS

MC presented information on the following based on a request from the CCC at a previous meeting:

- Steel River Testing is an independent environmental testing laboratory that has National Association of Testing Authorities (NATA) accreditation for dust and water analysis.
- The Australian Standard used for the analysis of depositional dust is AS/NZS 3580.10.1.2003.
- Dust deposition establishes long term trends and investigates localised dust fall. This procedure has been widely used in Australia for over 40 years.
- Dust deposition measures the amount of particulate matter that is deposited from the atmosphere and is reported in grams per square metre per month (g/m².month).
- The NSW Environment Protection Authority (now known as Office of Environment and Heritage) assessment criteria is:
  - A maximum increase in deposited dust (insolubles) from a background level of 2 g/m².month.
  - A maximum total deposited dust (insolubles) level of 4 g/m².month.
- Dust particles from the air settle on a 150mm funnel which is connected to a glass bottle. These particles are washed into the bottle by rain or by the field technician when collecting the bottle. The sample is taken back to the laboratory where it is passed through a 1mm aperture sieve to remove large leaves and insects. The sample is then filtered to separate the insoluble and soluble matter. Filter papers are dried and weighed before being placed in porcelain crucible inside a furnace at 200 to 850 degrees. This process removes the organic matter and only the ash is remaining.
- 10 millilitres (mL) of copper sulphate solution is added to each bottle before being placed out in the field to inhibit algal growth.
- Contamination is determined by various factors including:
  - Sample description recorded on field sheets
  - Insolubles to ash ratio (a low ash percentage suggests mostly organic matter)
  - Visual assessment on turbidity
  - Visual analysis under magnification

CF raised concern over depositional dust results for DD16 (on page 23 of the agenda) as results for October and November 2010 were contaminated yet the result for December 2010 which had similar insoluble matter and ash content levels was not contaminated.

MC responded that the contamination would be dependent upon a number of factors such as the visual assessment in the field, turbidity, insolubles to ash ratio and visual analysis under magnification at the laboratory.

7. REHABILITATION STRATEGY

SP and DM presented information on the following:

- The Rehabilitation Strategy is an overarching document that will guide the rehabilitation program and build on what Mt Arthur Coal already have in place.
- The Rehabilitation Management Plan will contain the details and specifics of the rehabilitation program.
MT ARTHUR COAL COMMUNITY CONSULTATIVE COMMITTEE

- Some of the key issues as stated in the project approval include:
  - Prepared by a team of suitably qualified and experienced persons whose appointment has been endorsed by the Direct General
  - Prepared in consultation with relevant stakeholders
  - Investigate options for future use of disturbed areas including voids
  - Describe the final landform and use
  - Define the rehabilitation objectives for the site
  - Provide for at least 30 per cent of the disturbance area for open cut operations to be rehabilitated to woody vegetation

MR expressed concern over the interpretation of condition 42.(a) in Schedule 3 of the Project Approval and feels that the CCC should have some input into who is chosen on the team of suitably qualified and experienced persons to prepare the strategy.

MR expressed concern over the timeframe for the preparation of the strategy. MR also noted that the Rehabilitation Strategy will need to win the community support given that it will decide the final landform, such as water courses, catchments, connectivity of trees and rehabilitation.

MR stated that he thought the CCC were not consulted during the preparation of the Rehabilitation Strategy and that the whole community needs to view the Rehabilitation Strategy before it is submitted to the Department of Planning and Infrastructure (DoPI) at the end of September and be given the opportunity to provide comments and feedback on the strategy.

JM replied that the purpose of the Rehabilitation Strategy is to provide a high level strategy that will inform the rehabilitation management plan, due to the department in March 2012. The strategy would be high level and provide for future changes and modifications as Mt Arthur Coal find better ways of doing things. JM provided the example of the fluvial geomorphic landform assessment that Mt Arthur Coal are currently assessing.

JM to provide to the council a process detailing how Mt Arthur Coal is going to deliver the strategy. (ACTION ITEM 2)

MR requested a meeting be held with council staff in the next week to discuss the Rehabilitation Strategy. (ACTION ITEM 3)

MR raised a motion to “express his disappointment at being provided a revised table of contents on the day of the meeting for the development of the Rehabilitation Strategy”. (Seconded by JB)

MR raised a motion that “the chairperson of the CCC be able to write to the Director General of the Department of Planning and Infrastructure requesting an extension to the due date for the Rehabilitation Strategy and express the concerns of the community consultation committee in respect to the process to date”. (Seconded by JB)

MR raised a motion for “the chairperson to be able to recall the CCC after liaising with the Director General of the Department of Planning and Infrastructure at short notice”. (Seconded by JB)
DM questioned that if the CCC were to be involved (depending upon the interpretation of condition 42.(a) in Schedule 3 of the Project Approval) with selecting a team of suitably qualified and experienced persons to prepare the strategy then what information would they like provided?

MR requested a list of the names and qualifications of individuals shown on slide 7 to be sent to the CCC members with the meeting minutes to review and research the companies nominated to prepare the Rehabilitation Strategy. (ACTION ITEM 4)

8. OVERVIEW OF OPERATIONS TO DATE

MR requested the overview of operations, overview of monitoring systems and overview of community support be reduced to writing to give the CCC members a chance to contemplate and provide a record of documentation. (ACTION ITEM 5)

JM noted that the overview of operations is recorded in the minutes, not the agenda.

RH raised concern that the CCC members still need to be given the opportunity to ask questions.

JL noted that many questions are still raised when the overview of operations is given verbally and this often leads to further discussion.

MR stated that his thoughts were that the overview be given in writing and that an operational team member will still be involved in the meeting and there will still be the opportunity to ask questions.

Rob Hayes presented information on the following:

- **MAC20**
  - Embedded the MAC20 project in July 2011
  - Reached overburden targets
  - Broke several production records in July 2011 including ROM to Plant Feed, CPP Feed, CPP Production and Total Product.
  - A third module was installed at the coal handling and preparation plant and the other modules were upgraded.

- **RX1**
  - Started to see arrival of equipment associated with the RX1 expansion
  - First excavator to be commissioned in early November 2011.
  - First intakes of operational personnel to support the expansion will occur in February 2011.

MR questioned whether equipment required for the expansion was contemplated in the Environmental Assessment (EA) given that there had been damage to council infrastructure by equipment from a contracting company used at Mt Arthur Coal.

MR also asked about how many people would be required for the next stage of the expansion and whether this was consistent with the EA.
JM stated that there is not a specific equipment list within the EA, however the environmental assessment modelling was based on the projected equipment required for growth, and all impacts were taken into account for the equipment that will be required as part of this growth phase.

The personnel required over the next 12 months for the expansion will need to be confirmed.

(ACTION ITEM 6)

CF queried whether there was a strategy in terms of who is employed.

RH responded that trainees with no experience and experienced operators will be employed. Trainees will be put onto rosters for crib relief then transitioned on to full time rosters and equipment. RH also highlighted that there is a business advantage to employing experienced operators.

9. MONITORING SYSTEMS

MR expressed concern that the reports to be presented at the CCC meeting need to be provided to CCC members in advance.

RS confirmed all the information provided in the monitoring systems presentation was included in the agenda, which had been sent to all CCC members.

Noise
RS noted that noise monitoring results had been revised since they had been distributed to CCC members. High noise periods were not recorded at any monitor with the exception of Denman Rd West where 8 high noise nights were recorded and 2 high noise evenings were recorded. The number of exceedance periods in 4 weeks remained under the limit of 8 for all monitors during all noise periods (day, evening and night).

MR questioned what was done when these high noise periods occurred.

RS responded saying alarms were sent to open cut examiners (OCE’s) so operations could be modified however, once the alarm has been sent and the OCEs have responded, the high noise period may have already occurred. For example, if a 15 minute period of high noise occurs during an evening, than the evening is determined to be a high noise evening.

Depositional Dust
CF raised concern over the annual average for depositional dust gauge DD16 and noted that it was creeping back up again and exceeding 4 g/m².month. CF raised the question that since DD16 is used for management purposes then what was the management response to this?

JM replied by saying DD16 is part of a data gathering system to help understand what is happening with the dust over time and provide baseline data. Mt Arthur Coal understands that the dust gauge
MT ARTHUR COAL COMMUNITY CONSULTATIVE COMMITTEE

is in close proximity to the operations and it will continue to be dusty in that area but it is useful for modelling activities into the future.

JB asked how depositional dust compares to real time dust monitoring.

JM responded saying real time dust monitoring captures particulate matter less than 10 microns in size (referred to as PM10) at 15 minute intervals. Depositional dust is a dust sample collected over 30 days and generally captures larger particulates that fall out of the air. In both cases you can often see seasonal trends but a direct comparison cannot be made.

JB raised concern about guidelines for PM2.5 (particulate matter less than 2.5 microns in size), and stated that the Upper Hunter Air Quality Monitoring Network (UHAQMN) are reporting against guidelines and what are they?

JM agreed to find out what guidelines the UHAQMN is using to report PM2.5. (ACTION ITEM 7)

10. OVERVIEW OF COMMUNITY SUPPORT
Not addressed in the meeting. MR requested that the community relations update be sent out to CCC members and dealt with on the next occasion. (ACTION ITEM 8)

11. EXPLANATION OF SIGMA THETA
Not addressed in the meeting. To be carried over to the next CCC meeting. (ACTION ITEM 9)

12. GENERAL BUSINESS
MR requested that a report be prepared on how much money Mt Arthur Coal expended in the last financial year (FY11) on community projects.

JM acknowledged that she will take the request on notice. It was noted that Mt Arthur Coal has not put this information out in the past, however JM will discuss with relevant managers to see if this can be provided. (ACTION ITEM 10)

MR put forward that the CCC meeting location be changed to the Council Chambers due to the time constraints posed by having the meeting at Mt Arthur Coal offices.

MR believes the CCC would not be disadvantaged by holding the meeting at the Council Chambers as computers, projectors, tea/coffee and biscuits could all be provided.

MR also raised concern with the sign in procedures at Mt Arthur Coal and the delays it causes for CCC members with getting to the meeting on time.

MR also raised concern that the CCC should be an all access committee and by having to sign in and agree to random drug testing on site that this was not the case.
MT ARTHUR COAL COMMUNITY CONSULTATIVE COMMITTEE

SM responded by saying it was beneficial to have the meeting at Mt Arthur Coal due to ease of access to people and information at short notice. It would also be difficult for some of the operational personnel to attend if the meeting was held at the Council Chambers.

The CCC voted and majority of the vote was to keep the CCC meeting on site at Mt Arthur Coal.

13. NEXT MEETING DATE

The next meeting to be held is the Joint Drayton – Mt Arthur Coal Rail Loop CCC meeting on 25 August 2011, at the Drayton Offices. The purpose of this meeting is to predominately discuss impacts from the rail loop on the Antiene area.

The next Mt Arthur Coal Community Consultative Committee meeting is proposed to be held on 5 October 2011 (first Wednesday of the month).

Meeting Closed: 6:04 pm

<table>
<thead>
<tr>
<th>ACTION ITEM NO.</th>
<th>ITEM</th>
<th>ACTIONED BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Action points from previous meeting to be posted with August 2011 meeting minutes.</td>
<td>RS</td>
</tr>
<tr>
<td>2</td>
<td>Provide to the council a process detailing how Mt Arthur Coal is going to deliver the strategy.</td>
<td>JM</td>
</tr>
<tr>
<td>3</td>
<td>Meeting to be held with council staff in the next week to discuss the Rehabilitation Strategy.</td>
<td>MR</td>
</tr>
<tr>
<td>4</td>
<td>List of the names and qualifications of individuals shown on slide 7 to be sent to the CCC members with the meeting minutes.</td>
<td>SP</td>
</tr>
<tr>
<td>5</td>
<td>Overview of operations, overview of monitoring systems and overview of community support to be reduced to writing.</td>
<td>DMc</td>
</tr>
<tr>
<td>6</td>
<td>Confirm the number of personnel required over the next 12 months for the expansion.</td>
<td>JM</td>
</tr>
<tr>
<td>7</td>
<td>Find out what guidelines the UHAQMN is using to report PM2.5.</td>
<td>JM</td>
</tr>
<tr>
<td>8</td>
<td>Community relations update to be sent out to CCC members and dealt with on the next occasion.</td>
<td>RS</td>
</tr>
<tr>
<td>9</td>
<td>Explanation of sigma theta to be carried over to the next CCC meeting.</td>
<td>SP</td>
</tr>
<tr>
<td>10</td>
<td>Discuss with relevant managers to see if a report can be prepared on how much money Mt Arthur Coal expended in the last financial year (FY11) on community projects.</td>
<td>JM</td>
</tr>
</tbody>
</table>