

The Rosehill Project

NEWSLETTER

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Established 1907
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exploration so far

Stage 1 of the Rosehill Project's coal exploration drilling commenced in February 1998. It is planned to drill a total of 24 boreholes. The drilling programme has been affected by wet weather and Stage 1 is expected to be completed by October/November. At 25 August, 17 boreholes, ranging in depth from 69 m to 605 m, had been completed in the southern and northern parts of the area. Some important geological features were encountered during drilling:

- four boreholes (RH1, 4, 13, 14) found the target Blakefield coal seam and some other coal seams had been intruded or partially intruded (that is, burnt out) by volcanic rock; such seams are rendered uneconomic for mining surrounding the borehole locations
- borehole RH6 intersected a diatreme (pre-historic volcano)
- six boreholes (RH7, 8, 9, 11, 12, 16) revealed that the target Blakefield coal seam was reduced in thickness and uneconomic for mining surrounding the borehole locations

A map showing the location of the completed boreholes is on the back page of this newsletter.

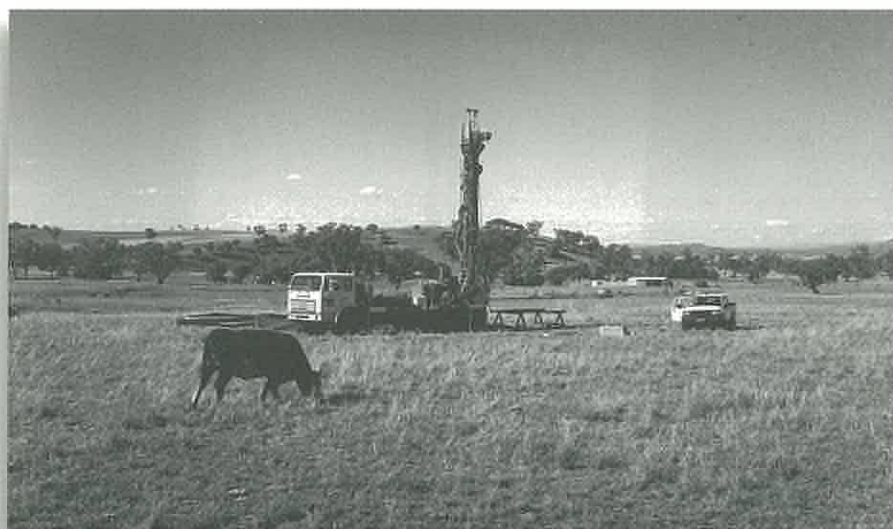
All boreholes were sealed with cement, including two boreholes (RH4 and RH16) which had piezometers installed which monitor water quality and water flows from the Blakefield coal seam.

Coal seam gas has been detected and will continue to be monitored during the exploration programme.

INTRODUCTION

In December 1997 an information session was held at Scone in the Upper Hunter Valley to introduce the local community to a project by Muswellbrook Coal Company (MCC) to find coal in their area. The Rosehill Project, as the exploration project is known, is currently taking place over 73 square kilometres of land south-west of Scone and west of Aberdeen, and bounded to the west by the Rossgole Range. The NSW Department of Mineral Resources awarded Muswellbrook Coal Company an Exploration Licence (EL5431) for the area on 21 January 1998 for a period of three years.

This newsletter is to inform all interested people in the local community about the results of exploration so far. Stage 1 of the exploration drilling in the area is nearing completion and our policy is to keep the community fully informed of our activities at all stages of the Project.



An exploration drill rig began work in February near Dorset Road at the first borehole of the Stage 1 drilling programme.

COMMUNITY CONSULTATION

A community consultation programme is well established, and has been under way since February. Brett Peterkin & Associates have been engaged and are assisting Muswellbrook Coal Company in keeping the local community well informed on exploration progress. To date 120 people have been contacted by telephone and have had the opportunity to meet with Brett Peterkin and Stuart Dayman to discuss the Rosehill Project. Should anyone wish to contact Brett or Stuart, please ring (02) 4938 9519 or (02) 4934 4498.

A public meeting will be held on completion of Stage 1 exploration drilling, probably during October/November. At the meeting information will be shared and the future of the Rosehill Project will be discussed, along with the future process of consultation.

The feedback we've had so far from the community regarding the consultation process has been positive with most people appreciative of the opportunity to discuss the Project at this early stage.

environmental monitoring

Muswellbrook Coal Company has established a baseline environmental monitoring programme, which has been designed in conjunction with ERM Mitchell McCotter, an environmental consultant. The aim of the baseline monitoring programme is to obtain initial environmental information for the evaluation of a potential mine. Following is a brief summary of the features of the programme:

Weather station: An automatic weather station powered by a solar cell has been installed near Rossgole Road, Dartbrook. The station continuously measures rainfall, temperature, humidity, wind speed and wind direction. A weekly summary of weather data collected is printed on page 3 of the *Scone Advocate*.

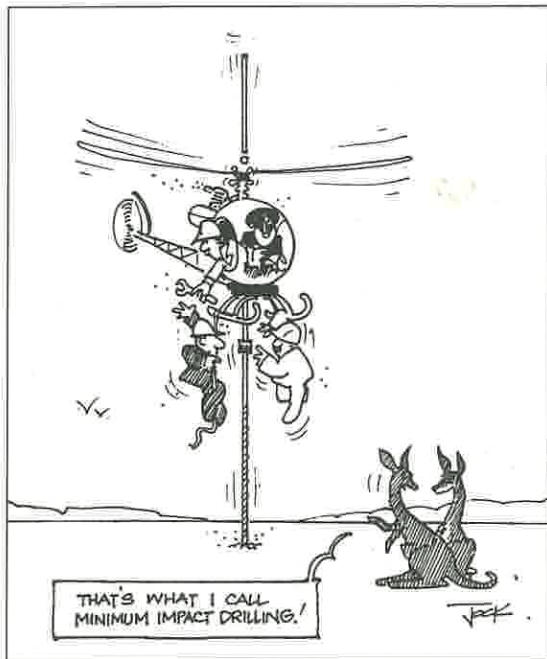
Surfacewater and groundwater: Fourteen surfacewater and 25 groundwater sites have been identified for monitoring. The surfacewater sites include the major drainage lines of the area: Dartbrook, Sandy Creek, Moobi Creek, Spring Gully, Deadmans Gully, Coffin Creek, as well as local dams. The groundwater sites include wells along the Dartbrook and Sandy Creek alluvial aquifer system, and windmill and monitoring bores within the hardrock aquifer system. Regular monitoring has begun at these sites.

Dust: Fifteen static dust gauges, which measure dust deposition, have been installed around the project area. Two high-volume air samplers, which measure dust concentration, are also being rotated each month to five different sites.

Other studies: Noise monitoring will commence soon at selected locations around the area. Other studies including flora and fauna, land use, visual, heritage, transport and socio-economic will be undertaken during or after any Stage 2 drilling programme.



A typical dust monitoring location with a dust deposition gauge and two high-volume air samplers.



Reprinted from 'Best Practice Environmental Management in Mining' booklets, with the kind permission of Environment Australia.

One of the boreholes sunk during Stage 1 exploration; this one is off Moobi Road.

where to from here?

Muswellbrook Coal Company has had discussions with the NSW Department of Mineral Resources to obtain permission to conduct limited exploration activities in the northern part of the Castle Rock area. MCC proposes to drill three shallow boreholes on the property 'Lyndale', shown on the map on the back page of this newsletter. Four more boreholes are also planned in the exploration area.

A public meeting is planned for October/November to discuss the findings of the first stage of drilling and to discuss the Rosehill Project's future direction. A decision on whether to proceed with a Stage 2 exploration programme will be made upon completion of Stage 1. Environmental monitoring of meteorology, surface water, groundwater, air and noise will continue throughout the Stage 2 programme until the establishment of a viable project.



SUMMARY

A summary of the outcomes of the Stage 1 drilling programme is:

- A total of 17 boreholes have been drilled up to 25 August.
- The Stage 1 programme is expected to be completed by October/November this year.
- **North of Rossgole Road:** The Stage 1 programme north of Rossgole Road has been completed. Results to date indicate that there is *no potential* for open-cut mining in this area. However, there may be deep underground mining there some time in the future
- **South of Rossgole Road:** Seven boreholes remain to be drilled south of Rossgole Road. This will indicate whether there is any open-cut mining potential. Underground mining may also be possible in this area.
- A decision on whether to proceed with a Stage 2 drilling programme will be made upon completion of Stage 1.

