



MUSWELLBROOK COAL COMPANY LIMITED  
Established 1907

December 2005, Issue 13

**Special points of interest:**

- An application has been lodged with DPI-Mineral Resources to renew both the Rosehill and Castlerock Exploration Licences
- Mine Option studies nearing completion
- Additional large diameter drilling to be conducted
- Additional weather station installed near Castlerock Road
- Hansen Consulting engaged for Environmental Assessments

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Castlerock Pinnacle  
**The Castlerock Project**  
PEAK

NEWSLETTER

**Project Status**

Muswellbrook Coal Company (MCC) hold the Exploration Licences over the Castlerock (EL5600) and Rosehill (EL5431) areas which have tenure until 20<sup>th</sup> January 2006. MCC have lodged an application for renewal of these licenses with the Department of Primary Industries (Mineral Resources) for a further period of 3 years.

Exploration continued within the Rosehill and Castlerock areas during 2005 with the Stage 4 drilling programme. This programme commenced in March 2005 and was completed in September 2005, and comprised 43 boreholes that ranged from 12 metres up to

148 metres in depth which targeted the most prospective coal seams.

Six groundwater monitoring wells were also installed which continuously monitor groundwater levels and are sampled for groundwater quality.

Baseline environmental monitoring is continuing with dust deposition gauge and high volume air sampling, surface water and groundwater monitoring of wells, dams and watercourses, and continuous monitoring of meteorological conditions. This information will be used for any future

Environmental Assessment.

It was identified that additional meteorological data would be useful in the Castlerock Road area, so a second meteorological station was installed at the Orion Estate on Castlerock Road in November 2005. The station records wind speed, wind direction, temperature, humidity, rainfall, and barometric pressure over 15 minute intervals.

MCC emphasises at this point in time that a viable project is yet to be proven and further work during the feasibility process is required to determine the final project viability.

**Mine Option Studies**

A Mine Option Study is currently underway and completion is expected in January 2006. The aim of the study is to:

- Identify potential options for opencut mining
- Examine coal quality, coal preparation and marketing potential
- Identify potential infrastructure locations and transport corridors
- Undertake broad economic assessment of these options

The initial results from the studies indicate that further

exploration is required to assess the coal quality for coal preparation and marketing studies, which is a critical component of the project.

If a positive result is obtained from the Mine Option Study, a Detailed Feasibility Study will be commenced. The purpose of the Detailed Feasibility Study is to develop the project planning and economic evaluation up to an increased level of detail so that an accurate assessment of the project viability can be determined. It is anticipated the Detailed Feasibility Study will commence from January 2006

and take approximately 5 to 6 months to complete.

If the MCC Board gives the go-ahead for mine development after assessing the Detailed Feasibility Study, then:

- Land Agreements can be entered into
- An Environmental Assessment will be prepared and finalised
- A Development Application will be lodged.



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## What further work is planned?

Additional drilling of 200mm diameter boreholes is planned to be commenced in January 2006, and will last for around 3 to 4 months. This programme will provide further detailed information on coal quality and coal preparation requirements for feasibility studies, along with geological information of the coal seams.

Additional slimcore drilling, nominal 96mm diameter boreholes, is also planned to be undertaken over the next two year period for further resource and geotechnical assessment, installation of groundwater monitoring bores and to obtain samples for geochemical characterisation of overburden.

Seismic refraction survey lines are planned to be undertaken in early 2006 to identify the lateral extent and thickness of sub-alluvial material around the two Sandy Creeks in the project area. This information will be used in the feasibility studies and any future Environmental Assessment.

The environmental consulting company, Hansen Consulting, have been engaged by MCC to undertake preliminary environmental studies and an Environmental Assessment should the project prove to be viable.



▲ Large diameter bore core

## What about property acquisition?

MCC intends to await the results of the Detailed Feasibility Study and the assessment of the project viability before committing to any property acquisition.

MCC has placed an emphasis on the importance of commencing negotiations with landholders as early as possible should a project be proven to be economically viable. MCC will contact landholders once we are in a position to commence any discussions.

There is a Land Protocol available which provides a framework and defines the process of land purchases should a Development Application for a mine proceed.

*Should anyone have any questions or requires further information on any aspect of the Project, please contact us on the numbers on the front page.*

*From all of us here on the Project Team, we wish all readers a safe and happy upcoming festive season.*

