

Castlerock Pinnacle
The Castlerock Project
PEAK

NEWSLETTER



Established 1907

MUSWELLBROOK COAL COMPANY
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This eighth newsletter provides an update on the progress of the Castlerock Project, and is in line with our policy to keep the community informed of our activities at all stages of the Project.

Recent Exploration

Muswellbrook Coal Company (MCC) has recently completed a limited exploration programme. The programme consisted of 65 shallow boreholes drilled to assess the coal thickness, coal quality and outcrop of the Blakefield seam. Analysis of sample results is still being undertaken. Please refer to the map over the page for the location of the Rosehill and Castlerock areas and the location of recent boreholes, called limit of oxidation drillholes.

Future Exploration

Subject to approval from MCC's Board, the next stage of exploration will include detailed borehole drilling to determine the thickness, continuity and quality of the coal resource, along with further environmental monitoring. This exploration is expected to be completed by the end of 2003, after which a pre-feasibility study for open cut mine development is planned to be completed.

Project Status

The results from the Conceptual Mine Study completed in August 2001, along with previous and recent drilling results, indicate that there is potential for open cut coal mining both in the Castlerock and Rosehill areas. As mentioned above, further detailed exploration is required to better define these areas.

MCC has applied to the Department of Mineral Resources (DMR) to renew Exploration Licence 5600 (Castlerock Area) for a further three and a half years. If the renewal is granted, both the Castlerock and Rosehill Exploration Licences will expire at around the same time in January 2006. This will allow MCC to manage the project as one resource.

Land Protocol

From our continued discussions with landholders we have developed an appreciation of the issues and anxieties which exploration activities create for them. With this in mind MCC has prepared a "Land Protocol". The Protocol is a brief document that establishes principles and options available between Muswellbrook Coal and Landholders of any "mining land" and "mine impacted land" should the project proceed.

It should be noted that there is no defined area of "mining land" and "mine impacted land" at this point in time. These areas cannot be correctly defined until all exploration activities and studies are complete. The Protocol is designed to set out a clear path for future land use whilst necessary exploration activities continue.

The Protocol will be mailed to all Landowners within both the Rosehill and Castlerock Exploration Licences towards the end of August.

Public Information Session

A public information session will be held on *Tuesday 24th September 2002 at 7:00 pm at the Muswellbrook RSL Club, upstairs auditorium* to discuss the status of the project, results of recent work and the Land Protocol. All interested persons are welcome to attend and participate.

Should anyone have any questions, please contact: Shane Duffy or Mark Howes, Muswellbrook Coal
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