



# West Muswellbrook Project

Community Newsletter

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## Introduction

Muswellbrook Coal Company (MCC) was granted Assessment Lease 19 (AL19) by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS), previously Industry and Investment NSW, on 9 September 2009 for a period of five years over an area of 8,101 hectares. This has allowed MCC to continue its ongoing program of exploration within AL19 in order to refine data on the coal resource present in the area. The results of the completed drilling programs have indicated that the development of an open cut coal mine within AL19 is possible. MCC will now conduct a Prefeasibility Study in the second half of 2011 to explore and evaluate the best possible options for developing an open cut coal mine within AL19. A timeline has been developed to reflect the proposed schedule for the possible further development of the Project assuming a positive outcome from this work.

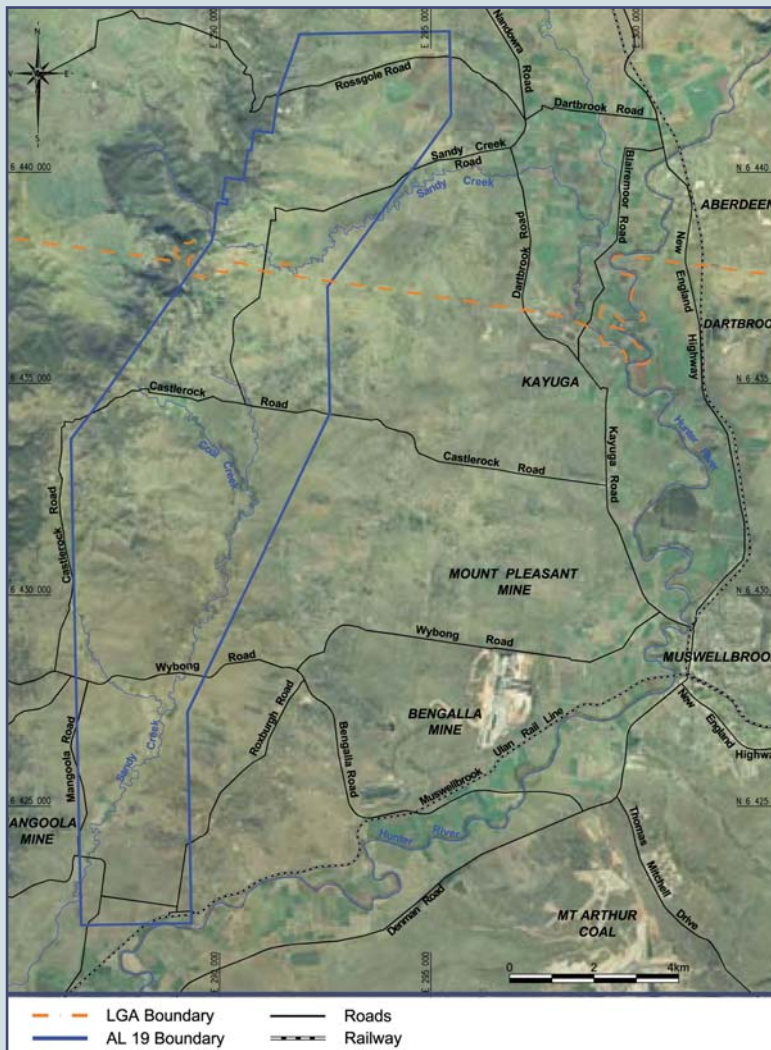


FIGURE 1 ASSESSMENT LEASE BOUNDARY

## Land Acquisition Provision

In recognition of the ongoing uncertainty for landowners who have properties that fall within the boundary of AL 19, MCC requested that DTIRIS include in the conditions of the AL a requirement that provides affected landowners with the opportunity under certain circumstances to be acquired by MCC at a fair and reasonable, independently determined market-value at any time while the AL is held.

### AL 19 provides landowners with the following assurance:

*"The property acquisition strategy must make provision for the purchase of land which is within the lease area from any land owners who can demonstrate hardship and despite bona fide efforts, have been unable to sell for Rural Land Values as a consequence of the proposed open cut mining..."*

*...the lease holder must be prepared to purchase the land at a price which is in accordance with Rural Land Value."*

The above offer will continue to remain in place for the duration of AL 19. Going beyond this, MCC is committed to maintaining the above offer whilst ever any form of mining authority is held by the company over the area in question.

To date, MCC have purchased eight properties in accordance with condition 44 of AL 19.

Copies of the AL 19 document are available from DTIRIS by emailing [webcoaltitles@industry.nsw.gov.au](mailto:webcoaltitles@industry.nsw.gov.au) or by contacting Hansen Bailey.



# Moving Forward

MCC has developed a conceptual timeline to illustrate the possible development of an open cut mine within AL 19. MCC is continuing to progress through a staged works program and has commenced a Prefeasibility Study with the aim of moving towards developing the West Muswellbrook Project into a commercially viable open cut coal mine. The Prefeasibility Study will identify all available options for the development within AL 19. The works program will continue to progress and includes the following:

- Ongoing community consultation;
- Continuation of environmental monitoring and data collection;
- Coal sample analysis; and
- Conceptual mine design.

Following the successful completion of the Prefeasibility Study, further exploration drilling will commence in 2012 in the lead up to a proposed Feasibility Study to provide additional understanding of the available coal resources. The Feasibility Study is expected to be completed by mid-late 2013 and will confirm project viability under prevailing market conditions. The Feasibility Study will include the development of a definitive conceptual mine plan and a review of Newcastle Port Access possibilities.

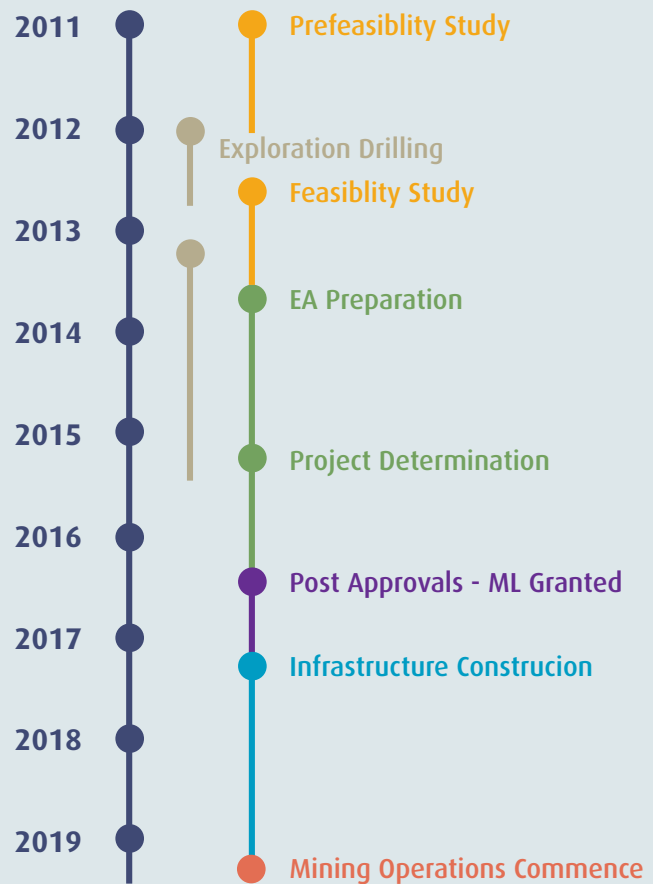
MCC understands the importance of efficiently mining the resource within AL19 and will therefore conduct further targeted exploration drilling in early 2013 through until mid 2015. The results from the exploration drilling will enable mine plans to be developed to ensure the resource is mined effectively to achieve maximum productivity and avoid the sterilisation of coal.

MCC will commence preparing an Environmental Assessment (EA) in late 2013 with completion aimed for early 2015. The EA will assess all potential environmental and social issues that may be associated with the development of a mine in AL19.

MCC will use the completed EA to support an application for Project Approval under NSW planning legislation. Following approval of the Project MCC will hopefully be granted a Mining Lease for AL19. MCC has allowed substantial time for the Project to be determined and is expecting to commence construction in early 2017, with mining to commence in early 2019.

MCC is committed to developing a commercially viable open cut coal mine that will be beneficial to the local and regional community.

Landholder requests for acquisition under the conditions described in AL 19 should continue to be directed to Hansen Bailey, Environmental Advisor & Stakeholder Consultation Co-ordinator for the Project.



\* Note: Each step will depend on the success of the preceding step.

FIGURE 2 CONCEPTUAL TIMELINE

# Environmental Monitoring

MCC is continuing its monitoring studies within and surrounding AL 19 to provide background data for the development of the EA in late 2013. MCC is collecting data for air quality, meteorological conditions, surface and groundwater quality. All the data collected will be used in the development of the EA and this will enable MCC to conduct a comprehensive assessment of all environmental factors and to accurately predict any impacts from the development of West Muswellbrook Project. MCC will continue monitoring studies throughout the life of the Project.

# Contacts and Further Information

Hansen Bailey will shortly be attempting to contact all land holders within AL 19 to offer personal visits by senior mine personnel to further explain the Project.

In the mean time if you have any enquiries you would like to make regarding the ongoing West Muswellbrook Project works, please contact either:

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