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## **New Acland Coal Pty Ltd – New Acland Coal Mine Stage 2 Expansion**

### ***Initial Advice Statement***

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#### *Introduction*

New Acland Coal Pty Ltd currently operates New Acland Coal Mine, a 2.5 million tonnes (saleable coal) per annum open cut mine on Mining Lease (ML) 50170 within Mineral Development Licence (MDL) 244, under approval of Environmental Authority No. MIM800129603 (non-standard mining activities).

New Acland Coal Mine is located on the Darling Downs in southern Queensland, approximately 14 km north northwest of Oakey and 35 km northwest of Toowoomba (see Attachment 1). The site is currently 3 km north-northeast of the township of Acland in the Rosalie Shire (see Attachment 2).

New Acland Coal Pty Ltd intends to apply for a new mining lease within MDL 244, adjoining the southern and western boundaries of ML 50170. The new mining lease will allow expansion of the New Acland Coal Mine to a maximum production rate of 4.0 million tonnes (saleable coal) per annum. Attachment 2 shows MDL 244 (yellow line), ML 50170 (red line), the proposed mining lease (blue line), and the current and proposed open cut pit layout (white line). Note, the open cut pit outlines are the full extent of the delineated coal reserves. Based on current economic and geological information, it is unlikely that the active mining pits will reach the full extent of the pit outlines displayed in Attachment 2. Further geological modelling will be conducted to better define the open cut pit boundaries.

Attachment 3 shows a draft concept plan for the proposed mine expansion. The layout of this plan is embryonic and will be modified as project development details are finalised and the environmental impact assessment process evolves (e.g. studies are completed for surface water management, etc.).

#### *Mining*

The expansion of the mine will allow New Acland Coal Pty Ltd over the life of the project to mine the three identified reserves of the Glen Roslyn Deposit - North, South and Centre Pits. Current operations will continue in the North Pit until approximately 2014. If approvals are gained, it is proposed to commence mining in the South Pit during early 2007. Operations within the South Pit are planned to continue at a static rate until the cessation of mining activities (excluding rehabilitation) around 2020.

The Centre Pit will commence with the completion of mining in the North Pit during 2014 (approximately) and continue in parallel with the South Pit until the cessation of mining activities (excluding rehabilitation) around 2020.

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The projected pit lives are subject to minor changes based on future alterations to the planned mining rates and the continued refinement of the geological models for each pit as mining progresses.

A strip mining process based on a block extraction system is currently employed at the North Pit to allow the blending of different quality coals to meet product specification. It is proposed that the same method of development will be applied to the South and Centre Pits.

The development of the South Pit's boxcut (initial mining pit) will require the construction of an out-of-pit dump (see Attachment 3). While development of the Centre Pit's boxcut will probably initially backfill the North Pit's final void on ML 50170 (i.e. based on the close proximity of the two reserves). As mining progresses in each of the new pits, sufficient room will eventually be created to allow the dumping of overburden material in-pit. The new mining pits will then advance in a series of sequential strips across the coal resource in a general southerly direction until the economic reserves are exhausted.

Periodic blasting will be used to loosen overburden. Coal will not be blasted. Currently, an external contractor conducts blasting at New Acland Coal Mine in discrete campaigns, and as a result, no explosives are stored on site at any time. It is envisaged that this practice will continue for the life of the mine.

The mining fleet used will be expanded to facilitate the proposed increase in production. Equipment to be used will include excavators, front-end loaders, scrapers, dozers, graders and rear dump trucks. Ancillary equipment used will include light vehicles, service trucks and water trucks.

Raw coal will be transported by rear dump trucks on unsealed mine haul roads to a central coal handling area (Run-of-mine (ROM) pad) for eventual feed into the upgraded washplant on ML 50170. Alternative on-site coal transport arrangements are under investigation. Upgrade of the washplant to handle the additional throughput is under consideration and will either involve construction of a complete new plant directly adjacent the existing washplant or will involve partial expansion of the existing washplant via the addition and enhancement of various key components.

The coal washplant infrastructure comprises a ROM pad, coal washery, clean coal stockpile, truck loading facility, weighbridge, and workshop. These facilities will be upgraded as required to handle the proposed increase in production. Sufficient area is available within the existing coal washplant infrastructure area on ML 50170 to accommodate any necessary infrastructure upgrades.

Tailings (fine waste stream) from the washplant will be disposed of within the existing tailings storage facility (tailings dam) on ML 50170 and possibly within cells in the backfilled mine pits (i.e. if current tailings reclamation trials prove successful). If necessary, New Acland Coal Pty Ltd also possesses initial approval for further expansion of the current tailings storage facility. New Acland Coal Pty Ltd is investigating other alternative tailings disposal methods to reduce the necessity to expand the existing tailings storage facility (e.g. tailings/paste thickeners).

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Coarse reject (coarse waste stream) from the washplant are disposed of in cells within the former mined areas (e.g. in-pit cells). This current disposal method for coarse rejects will not be affected by the proposed increase in production.

Rehabilitation will be conducted progressively behind the active mine path as areas become operationally available. Currently, New Acland Coal Mine has approval for grazing as the final land use, which involves the re-establishment of mainly exotic pasture grass species with scattered areas of local native tree species. Progressive and final rehabilitation requirements will be guided by the outcomes of the environmental impact assessment process. Alternative final land use options will be explored as part of the process.

It is expected that two final voids will remain at the completion of mining activities within the current boundaries of the South and Centre Pits. A study of the final voids will be conducted as a requirement of the future Environmental Authority and will define completion criteria for mine closure, explore alternative uses for the void and investigate critical issues such as groundwater and surface water interactions.

The projected progression of mining activities and the conceptual final topography of the site will be better defined in the near future by the on-going planning process for the mine expansion. This information will further guide proposed rehabilitation activities.

The current administration and workshop infrastructure area will be expanded as required to accommodate the proposed mine expansion. Sufficient area is available within the existing administration and workshop infrastructure area on ML 50170 to accommodate any necessary infrastructure upgrades.

### *Coal Transport*

Coal will continue to be transported from the site either by road trucks and rail or exclusively by road trucks. The majority of the washed coal for export and local domestic markets will be transported 16km by road trucks to the southwest along the Jondaryan-Muldu Road to New Acland Coal Pty Ltd's existing rail siding and coal loading facility, east of Jondaryan. A smaller percentage of the washed coal is transported exclusively by road to local domestic markets (e.g. Swanbank Power Station) and north to the Tarong Energy Power Station. Table 1 outlines the increases in tonnage on the road and rail that are expected from the proposed expansion in production. The Jondaryan-Muldu Road will receive a significant increase in truck movements as a result of the planned increase in production.

New Acland Coal Pty Ltd commissioned the Rosalie Shire Council to upgrade the Jondaryan-Muldu Road prior to the commencement of production by the existing operations at New Acland Coal Mine. New Acland Coal Pty Ltd also recently entered into an agreement with the Rosalie Shire Council for the on-going maintenance of the Jondaryan-Muldu Road. Further upgrades to the Jondaryan-Muldu Road are planned to accommodate the increased haulage rate brought about by the proposed mine expansion.

New Acland Coal Pty Ltd has an 'toll-based' agreement with the Department of Main Roads in relation to coal haulage from New Acland Mine to Swanbank Power Station and from New Acland Mine to Tarong Energy Power Station. The proposed increase in road haulage is covered by New Acland Coal Pty Ltd's existing agreement with the Department of Main Roads.

**Table 1: Projected Road and Rail Tonnage Increases – Mine Expansion.**

<i>Mine Production (Mtpa)</i>	<i>Transport Type + % of production</i>	<i>Transport Destination</i>	<i>Volume Transported (Mtpa)</i>
2.40 (Current)	Road (~14%)	CS Energy (Swanbank)	0.250
		Tarong Energy	0.085
	Rail (~86%)	Port of Brisbane	1.565
		CS Energy (Swanbank)	0.500
3.75 (Proposed)	Road (~16%)	CS Energy (Swanbank)	0.500
		Tarong Energy	0.085
	Rail (~84%)	Port of Brisbane	2.665
		CS Energy (Swanbank)	0.500

(Mtpa = million tonnes per annum & ~ = approximately)

The Jondaryan rail siding and coal loading facility was upgraded during 2004 and will handle the proposed increase in production. New Acland Coal Pty Ltd and Queensland Rail are currently in advanced negotiations in relation to coal transport by rail. The proposed increase in production at New Acland Coal Mine is based on the maximum tonnage under negotiation with Queensland Rail for the transport of coal by rail.

New Hope Corporation Ltd contractual arrangements with Queensland Bulk Handling at the Port of Brisbane are sufficient to handle the additional tonnage of export coal generated by the expansion of New Acland Coal Mine.

#### *Other Infrastructure Issues*

Other key infrastructure issues such as water supply and power supply are under investigation. Currently, New Acland Coal Mine's main water source is groundwater from the Great Artesian Basin (mainly the Precipice Sandstone). No additional use of groundwater as a water supply option is planned.

New Acland Coal Pty Ltd is researching the possibility of using treated wastewater from the Wetalla sewage treatment plant (i.e. as part of Wetalla's future plan to pipe treated wastewater from Toowoomba to various locations on the Darling Downs). This water source will increase reliability of supply, help 'drought proof' the Mine, accommodate the increased water requirements of the proposed expansion and reduce the current reliance on the groundwater bores.

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As explained earlier, other innovated methods of reducing water requirements are being explored (e.g. tailings/paste thickeners, etc.). New Acland Coal Pty Ltd is investigating other potential water supply options and the economic and environmental implications of those options.

New Acland Coal Mine also recycles a significant portion of water from its tailings storage facility and will continue to refine this practice.

Power supply investigations will examine external supply specifically looking at the issues of alternative supply arrangements, reliability of supply and the required changes to the internal distribution network.

The current sewage treatment plant and potable water treatment plant on site were originally designed oversized (i.e. in terms of the current workforce demand). As a result, this infrastructure is capable of handling the demand of the increased workforce.

### *Social Issues*

Currently, mine workers live in private accommodation in Toowoomba, Oakey and the surrounding district. This arrangement will continue for the expected expansion of the workforce from 120 to approximately 175-180 people. The priority use of local labour will continue for workforce recruitment.

Mining and coal washing activities are expected to operate on a 5-6 day, 24 hour per day roster, which is similar to the existing operational arrangement at New Acland Coal Mine.

New Acland Coal Pty Ltd will expand on its existing community consultation regime, which has been running on a six monthly basis since late 2001 (i.e. prior to the commencement of mining operations on-site). To date, community consultation has focussed specifically on the local community, the township of Acland and the Mine's near neighbours.

### *Visual Amenity*

New Acland Coal Pty Ltd has commenced tree screening operations along the Oakey-Cooyar and Acland-Silverleigh Roads to improve the visual amenity of the southern portion of the future mining operations.

### *Cultural Heritage*

New Acland Coal Pty Ltd has signed legal agreements with the two Traditional Owner groups – the Western Wakka Wakka and the Jarowair. New Acland Coal Pty Ltd has signed Cultural Heritage Management Plan with the Jarowair People and will have a signed Cultural Heritage Management Plan with the Western Wakka Wakka People in the near future. These documents apply to MDL 244, and therefore, cover the existing and future operations at New Acland Coal Mine.

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### *Key Environment Issues*

New Acland Coal Pty Ltd believes the following key environmental and project issues will be associated with the proposed expansion of New Acland Coal Mine.

- Air quality (dust deposition and possibly PM<sub>10</sub>).
- Noise and vibration (general mine noise and blasting).
- Flora and Fauna (endangered regional ecosystems and threatened communities).
- Surface water management.
- Groundwater (mainly the shallow basalt and coal seam aquifers).
- Rehabilitation (including final land use).
- Community consultation.
- Coal transport.
- Water supply.
- The specific effects on the township of Acland.
- General land management (weed management, etc.).
- Cultural Heritage (significant sites).

This is not an exhaustive list and may expand as issues are further defined out of the environmental impact assessment and consultation processes. The accompanying draft 'Terms of Reference' outlines what environmental and other investigations will be conducted, the assessment and consultation processes, the format of the output of the final product and the mechanisms for feedback by the various stakeholders.

### *Approval Process (To-date)*

A 'referral application' for the proposed mine expansion was lodged with the Department of Environment and Heritage (Federal Government) under the *Environmental Protection and Biodiversity Conservation Act 1999* on 24 November 2004.

The proposed mine expansion was deemed a 'controlled action' under the *Environmental Protection and Biodiversity Conservation Act 1999* by the Department of Environment and Heritage on 21 December 2004 (i.e. in relation to Sections 18 and 18A – listed threatened species and communities).

The Federal approval process for the controlled action will be managed by the Queensland Environmental Protection Agency under the bilateral agreement that exists between the State and Federal Governments, and as a result, the environmental impact assessment process will be conducted under the *Environmental Protection Act 1994* with input provided by the Department of Environment and Heritage on matters relating to the controlled action. New Acland Coal Pty Ltd will require approval for the mine expansion from both the State and Federal Governments.

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Prior to receiving the outcome of the referral application, New Acland Coal Pty Ltd was intending to lodge a 'voluntary Environmental Impact Statement application' under the *Environmental Protection Act 1994* and as described above has developed a draft Terms of Reference based on the Environmental Protection Agency's current guidelines for the environmental impact assessment process. New Acland Coal Pty Ltd's draft Terms of Reference also incorporates the Department of Environment and Heritage's controlled action requirements.

New Acland Coal Pty Ltd engaged the services of Sinclair Knight Merz (environmental consultants) during mid-December 2004 to manage the environmental impact assessment process and assist with the community consultation process for the proposed mine expansion.

On 11 January 2005, New Acland Coal Pty Ltd and Sinclair Knight Merz attended a 'pre-lodgement' meeting with the Environmental Protection Agency to discuss the environmental impact assessment process and to further explain the proposed expansion of New Acland Coal Mine.

On 1 February 2005, New Acland Coal Pty Ltd lodged a Mining Lease Application (MLA 50216) and Environmental Authority Application with the Department of Natural Resources and Mines. The Environmental Protection Agency received the Environmental Authority Application on 9 February 2005.

On 14 February 2005, the Environmental Protection Agency gave notice that the application was a 'non-standard application requiring an Environmental Impact Statement'. On 21 February 2005, New Acland Coal Pty Ltd lodged a final draft Terms of Reference for the Environmental Impact Statement assessment process with the Environmental Protection Agency.

It is envisaged that the Environmental Protection Agency will advertise a 'Terms of Reference Notice' for the proposed mine expansion during mid-March and that the public comment period for New Acland Coal Pty Ltd's draft Terms of Reference will run for 30 business days from approximately mid-March to early May.

Following cessation of the public comment period, the Environmental Protection Agency will assess any comments and make the necessary adjustments to New Acland Coal Pty Ltd's draft Terms of Reference. The Environmental Protection Agency will then issue a final Terms of Reference to New Acland Coal Pty Ltd.