

DRAYTON SOUTH



## Stakeholder Engagement

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APRIL 2011

## COMMUNITY NEWSLETTER 1

This community newsletter provides an introduction to the Drayton South Coal Project for the local community and interested stakeholders. It aims to provide relevant information with regard to the requirement for the Project, what it involves, the approvals process that needs to be followed and how the community can be involved in the process.

# DRAYTON SOUTH COAL PROJECT



## INTRODUCTION

Drayton Mine commenced production in 1983 and currently holds Project Approval (PA) 06\_0202 to mine at a maximum of 8 Million tonnes per annum (Mtpa) of Run-of-Mine (ROM) coal. Drayton Mine's Project Approval expires in 2017; however, based on current production schedules the coal resources at Drayton Mine are expected to be exhausted by 2015 at which time the operation will have to close.

The Drayton South Coal Project (the Project) will allow for the continuation of mining at Drayton Mine by the development of open cut and highwall mining operations within the Drayton South area (Drayton South) while continuing to utilise the existing infrastructure and equipment from Drayton Mine. Collectively the Project encompasses Drayton Mine, Drayton South and the transport corridor which will link the two operational areas (see Figure 1).

The Project is located approximately 10 km north-west of the village of Jerrys Plains and approximately 13 km south of the township of Muswellbrook in the Upper Hunter Valley of NSW.

The Project will extend the life of Drayton Mine ensuring the continuity of employment for its workforce, the ongoing utilisation of its infrastructure and the orderly rehabilitation of Drayton Mine's completed mine areas.

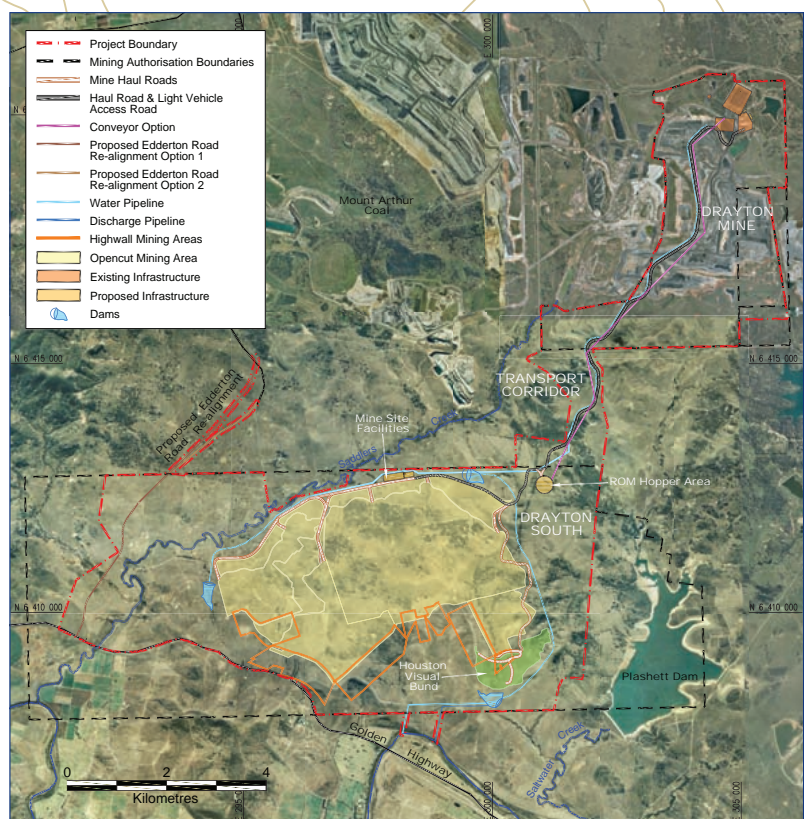


FIGURE 1: PROJECT LAYOUT



## THE PROJECT

Anglo American's Metallurgical Coal business (Anglo American) plans to develop the Project to allow for the extraction of coal by both open cut and highwall mining operations to the south of the existing Drayton Mine within Exploration Licence 5460. The Project comprises:

- The extraction of up to 7 Mtpa of ROM coal over a period of 26 years;
- The utilisation of the existing Drayton Mine workforce and equipment fleet (with an addition of a highwall miner and coal haulage fleet);
- The use of Drayton Mine's existing voids for rejects and tailings disposal and water storage to allow for the optimisation of the Drayton Mine final landform;
- The utilisation of the existing Drayton Mine infrastructure including the coal handling and preparation plant, rail loop and associated loadout infrastructure, workshops, bath houses and administration offices;
- The construction of a transport corridor between Drayton South and Drayton Mine;
- The utilisation of the Antiene Rail Spur off the Main Northern Railway to transport product coal to the Port of Newcastle for export;
- The realignment of part of Edderton Road and its intersection with the Golden Highway; and
- The installation of water management and power reticulation infrastructure for Drayton South.

The general layout of the Project is illustrated in **Figure 1**.

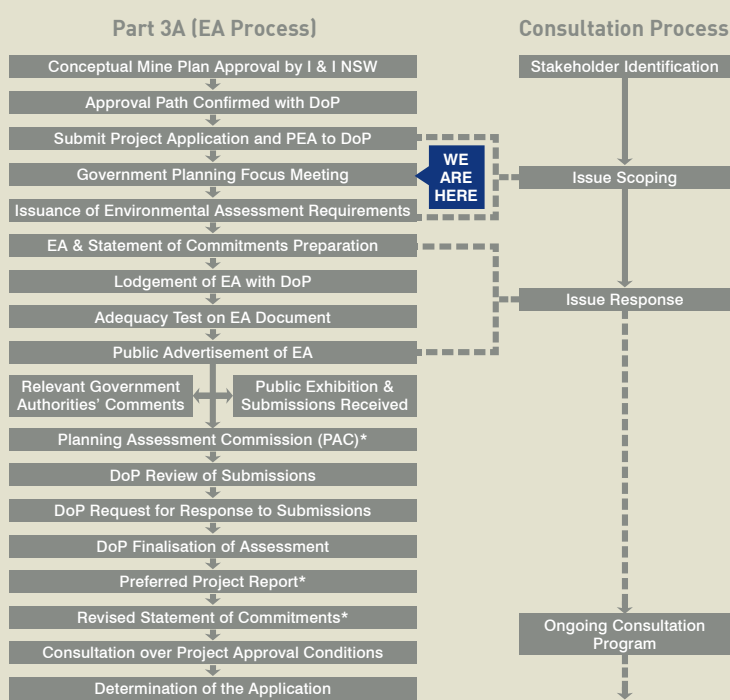
Drayton Mine will continue to operate under and in accordance with the existing Project Approval 06\_0202 and there will be a period when Drayton Mine and Drayton South operate concurrently.

## PLANNING APPROVALS PROCESS AND ENVIRONMENTAL ASSESSMENT

Anglo American submitted an application for Project Approval under Part 3A of the *Environmental Planning & Assessment Act 1979* in early March 2011. As a component of this Application, a Preliminary Environmental Assessment (PEA) was prepared and submitted to the Department of Planning (DoP). A planning focus meeting is planned for late April 2011 after which DoP will issue the Environmental Assessment Requirements that will need to be addressed within the Environmental Assessment (EA) for the Project.

Anglo American is currently preparing a detailed EA to be submitted as part of its Application for Project Approval. This work is being undertaken by Hansen Bailey, a specialist environmental consultancy firm based in Singleton. Specialist technical studies that are currently being undertaken for inclusion in the EA include:

- Aboriginal and Non-Aboriginal Heritage;
- Acoustics (Noise and Blasting);
- Air Quality and Greenhouse Gas;
- Ecology;
- Economics;
- Geochemistry;
- Social Impact Assessment;
- Soils and Land Capability;
- Surface and Groundwater;
- Traffic and Transport; and
- Visual.



**FIGURE 2: APPROVALS FLOWCHART**

\*Avenue(s) available to the Minister

## STAKEHOLDER CONSULTATION

Anglo American is committed to striving for best practice environmental management and establishing and maintaining open two-way communication with its neighbours and other stakeholders.

Preliminary consultation has been undertaken with various authorities including: DoP, Department of Industry and Investment and the Muswellbrook and Singleton Shire Councils.

Hansen Bailey has been appointed by Anglo American to coordinate an independent community consultation program. Community consultation will include personal visits to adjacent neighbours, regular presentations to the Drayton Community Consultative Committee and the distribution of regular newsletter updates to all interested parties.

The main purpose of the community consultation program is to determine the community's views on the Project, so that they can be carefully considered in the planning approvals process. The best way to stay informed or learn more about the Project is to register your interest by contacting Hansen Bailey.

**Figure 2** illustrates the process by which Anglo American will consult with the community during the approvals process for the Project.

## WHERE TO FROM HERE?

Anglo American will continue to progress the environmental and community assessment activities required as part of the preparation of the EA for the Project. The specialist's EA technical studies are underway and anticipated to be completed by Quarter 3 2011 with plans in place to submit the EA to DoP in Quarter 4 2011.

## FURTHER INFORMATION

If you have any questions regarding the Project or the environmental assessment activities please contact:

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**Hansen Bailey**  
ENVIRONMENTAL CONSULTANTS





## OCTOBER 2011 COMMUNITY NEWSLETTER 2

This Community Newsletter provides an update on the progress of the Drayton South Coal Project for the local community and any other interested stakeholders. It aims to provide a summary of the findings from the stakeholder consultation process to date, give an update on the preparation of the Environmental Assessment and outline the next key steps for the Project.

# DRAYTON SOUTH COAL PROJECT

## INTRODUCTION

Anglo American Metallurgical Coal Pty Ltd (Anglo American) submitted an application for Project Approval under Part 3A of the *Environmental Planning & Assessment Act 1979* (EP&A Act) in March 2011 to allow for the continuation of mining at Drayton Mine by the development of open cut and highwall mining operations within the Drayton South mining area. In June 2011, the New South Wales (NSW) Government repealed Part 3A of the EP&A Act; however, the Drayton South Coal Project (the Project) has been granted the benefit of transitional provisions and despite the recent repeal is one to which Part 3A applies.

The Project comprises:

- The extraction of up to 7 Mtpa of Run-of-Mine coal over a period of 26 years;
- The utilisation of the existing Drayton Mine workforce, infrastructure and equipment fleet (with an addition of a highwall miner and coal haulage fleet);
- The use of Drayton Mine's existing voids for rejects and tailings disposal and water storage;
- The construction of a transport corridor between Drayton South and Drayton Mine;
- The utilisation of the Antiene Rail Spur off the Main Northern Railway to transport product coal to the Port of Newcastle for export;
- The realignment of part of Edderton Road and its intersection with the Golden Highway; and
- The installation of water management and power reticulation infrastructure required at Drayton South.

An Environmental Assessment (EA) is currently being prepared by Hansen Bailey Environmental Consultants (Hansen Bailey) to support the application for Project Approval and is likely to be submitted in Quarter 1, 2012.

Details of the Project were initially provided in the Drayton South Coal Project Community Newsletter 1, which was distributed in April 2011.

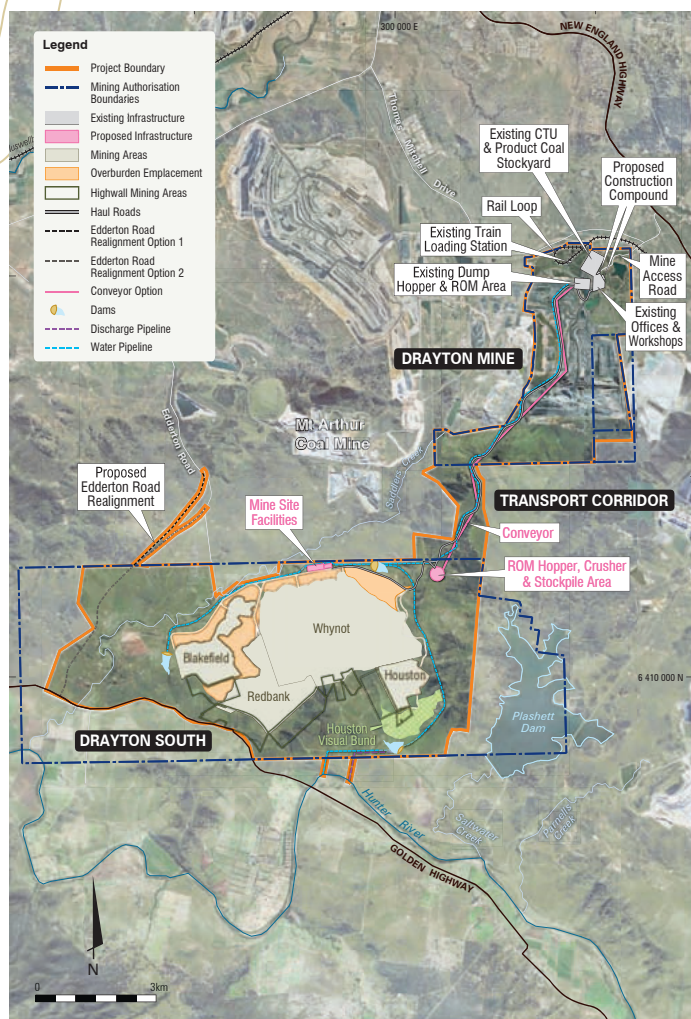


FIGURE 1: PROJECT LAYOUT

# STAKEHOLDER ENGAGEMENT

Anglo American remains committed to engaging with our neighbours, the surrounding community and other interested stakeholders to identify and actively respond to all key issues and areas of concern as they are raised. Over the past 12 months Anglo American has directly engaged with each of our immediate neighbours in a range of working group forums and issue scoping meetings.

One on one Project briefings have also been provided to interested residents from Jerrys Plains and the surrounding areas following the distribution of Community Newsletter 1 in April, 2011. Project briefings have also been provided to both Muswellbrook and Singleton Shire Council's, various State and Federal Government agencies and the Drayton Mine Community Consultative Committee (CCC).

The feedback received throughout the stakeholder engagement process to date has been valuable and will assist the overall development of the EA for the Project.

This Community Newsletter provides a summary of the key Project issues raised by stakeholders.

## STAKEHOLDER KEY ISSUES AND PROPOSED ACTIONS

A range of environmental and social issues were raised by stakeholders during the consultation process. A summary of the key issues and proposed actions to be considered for the EA are outlined below.

### AIR QUALITY / DUST

Dust generation from the Project has been identified as a key concern, particularly in relation to potential impacts on neighbouring residences, thoroughbred horses and livestock health. Stakeholders also asked if Particulate Matter (PM) at a scale of 2.5 microns (PM<sub>2.5</sub>) will be considered as part of the EA and future air quality monitoring for the Project.

**ACTION:** Dust impacts will be assessed in the air quality impact assessment for the EA with reference to sensitive receptors. This assessment will be prepared in accordance the NSW government *Approved Methods for the Modelling and Assessment of Air Pollutants* (NSW DEC, 2005) and the National Environmental Protection Measure. The assessment will also comment on the potential for impacts on thoroughbred horses and livestock. Where applicable, mitigation and management measures will be proposed and detailed in the EA to address any potential impacts. It is anticipated that the monitoring program for the Project will include recording of PM<sub>2.5</sub> dust particulates.

### NOISE AND VIBRATION

The impacts of noise and vibration as a result of the Project (including blasting) have been highlighted as a key concern for many stakeholders, particularly in relation to potential impacts on neighbouring residences, thoroughbred horses and livestock.

**ACTION:** A noise and vibration impact assessment will be prepared for the EA with reference to sensitive receptors. Noise impacts will be conducted in accordance with the NSW government *Industrial Noise Policy* (2000). The assessment will also comment on the potential for impacts on thoroughbred horses and livestock. With regards to impacts from blasting, the assessment will quantify vibration and overpressure levels. Where applicable, mitigation and management measures will be proposed and detailed in the EA.



### VISUAL AMENITY

Visual impacts that the Project may have on the surrounding landscape was raised as a concern, particularly given the Project's close proximity to both the Coolmore and Darley horse studs and the village of Jerrys Plains.

**ACTION:** Throughout the mine planning process, the Project has been specifically designed and constrained to limit the visual impacts from key vantage points. To assess this, a visual impact assessment will be prepared for the EA, including photo representations of key locations over the life of the Project.

Alternative visual bund locations are also being investigated as part of the EA.

### WATER

The potential impacts of the Project on water quality (surface water and groundwater) and the potential for groundwater draw down in the surrounding area was raised as a concern by neighbouring land owners. Another key issue is the Project's requirements to extract water from and discharge water into the Hunter River.

**ACTION:** A surface water and groundwater impact assessment will be prepared for the EA to understand the water requirements for the Project. Where applicable, mitigation and management measures will be proposed and detailed in the EA. Should the Project discharge into the Hunter River, activities will be undertaken only during flood events in accordance with the Hunter River Salinity Trading Scheme and other applicable guidelines.





### ABORIGINAL ARCHAEOLOGY AND CULTURAL HERITAGE

The impact of the Project on Aboriginal archaeology and cultural heritage values was raised as a key concern by some members of the local Aboriginal community.

**ACTION:** An Aboriginal archaeology and cultural heritage impact assessment will be prepared for the EA in coordination with members of the local Aboriginal community. This assessment will be conducted in accordance with the NSW government *Guidelines for Aboriginal Cultural Heritage Impact Assessment and Community Consultation* (2005) and *Aboriginal Cultural Heritage Consultation Requirements for Proponents* (2010). Where applicable, mitigation and management measures will be proposed and detailed in the EA. An Aboriginal Heritage Management Plan is proposed for the Project.

### TRAFFIC / EDDERTON ROAD REALIGNMENT

The potential increase in traffic utilising the local road network, including the Golden Highway and Edderton Road was raised as a concern. Another key issue is the proposed realignment of Edderton Road and the impacts associated with travel time and road access during the construction phase.

**ACTION:** In consideration of concerns raised during the operational phase all traffic associated with Drayton South will access the Project via the existing main entrance at Drayton Mine via Thomas Mitchell Drive. During the development of the Edderton Road realignment, construction workers will require limited access off the existing Edderton Road. At no stage will Edderton Road be closed during the construction phase of the Project.

A traffic and transport impact assessment will be prepared for the EA. Where applicable, mitigation and management measures will be proposed and detailed in the EA.

### PROPERTY DEVALUATION

Neighbouring stakeholders raised the concern that property values may decrease as a result of the Project and other existing and proposed operations.

**ACTION:** Property devaluation will be assessed as part of the socio-economic assessment in the EA.

### CUMULATIVE IMPACTS

The Project, when combined with other existing and proposed neighbouring mines may cause collective impacts, particularly with regards to dust, noise and visual amenity.

**ACTION:** Cumulative impacts for each aspect will be addressed in the EA. Where applicable, mitigation and management measures will be proposed and detailed in the EA.

### FINAL LANDFORM AND REHABILITATION

Following the completion of mining at Drayton South stakeholders would like to see the area fully rehabilitated with a mixture of natural vegetation and some agricultural areas consistent with the existing environment.

**ACTION:** Progressive rehabilitation and options for final land use and void management will be outlined in the EA.



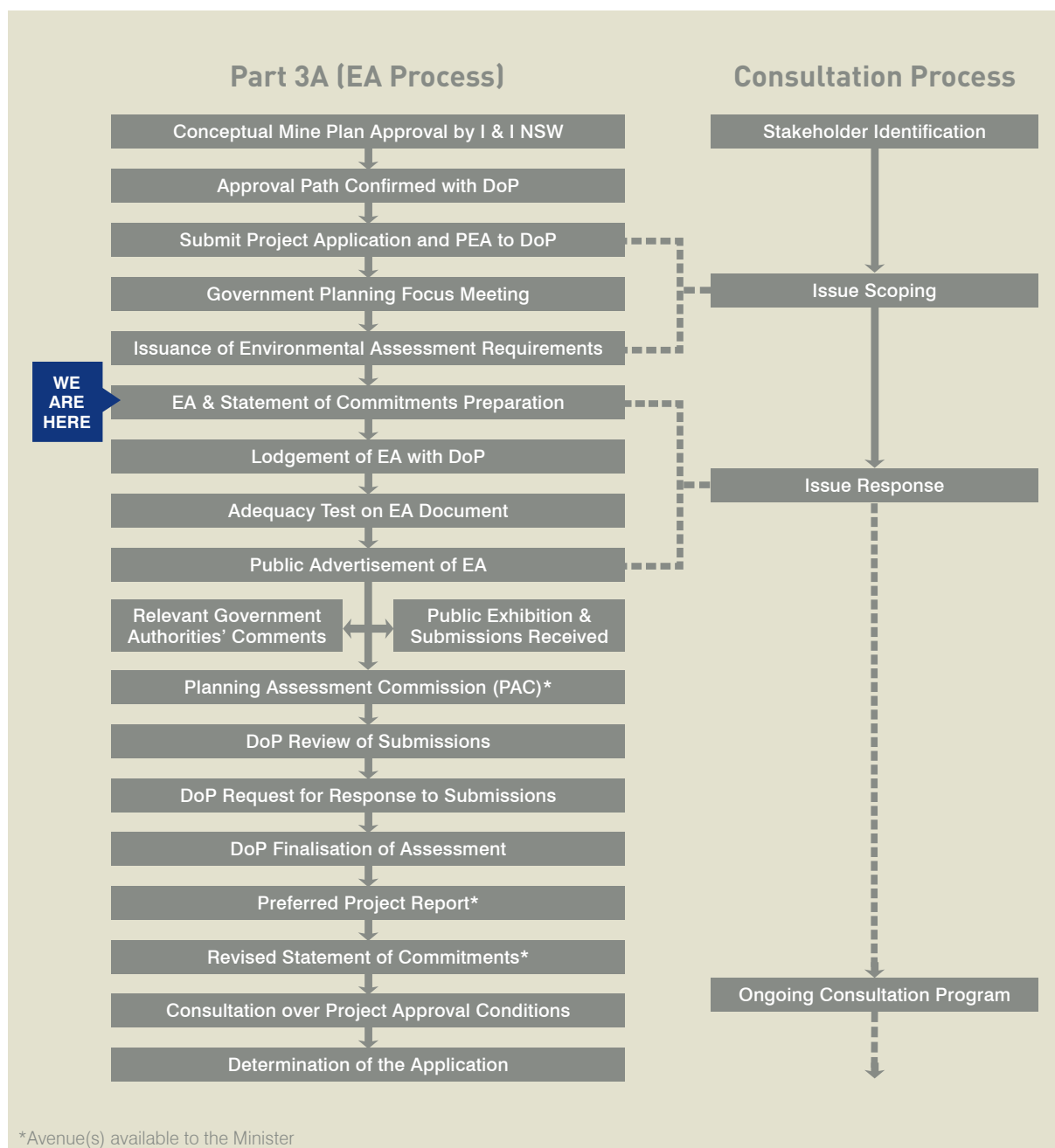


FIGURE 2: APPROVALS FLOWCHART

## WHERE TO FROM HERE?

Hansen Bailey has commenced the preparation of the EA, which is anticipated to be submitted to the Department of Planning & Infrastructure in Quarter 1, 2012 for consideration and determination. Community Newsletter 3 will be issued at this time providing information regarding the key findings and public exhibition of the EA.

## FURTHER INFORMATION

If you have any questions regarding the Project or the environmental assessment activities please contact:

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