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TRANSCRIPT OF PROCEEDINGS

TRANSCRIPT IN CONFIDENCE

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INDEPENDENT PLANNING COMMISSION

MEETING WITH APPLICANT

RE: DARTBROOK COAL MINE – MODIFICATION 7

PANEL:	**PROF ZADA LIPMAN** **ROSS CARTER** **PETER COCHRANE**
ASSISTING PANEL:	**DAVID KOPPERS** **BRAD JAMES**
APPLICANT:	**JOHN ROBINSON** **ANDREW ROACH**
LOCATION:	**IPC OFFICE** **LEVEL 3, 201 ELIZABETH STREET** **SYDNEY, NEW SOUTH WALES**
DATE:	**11.04 AM, MONDAY, 18 FEBRUARY 2019**

PROF LIPMAN: Well, good morning and welcome. Before we begin, I'd like to acknowledge the traditional owners of the land on which we meet, the Gadigal people, and pay my respect to elders past and present. Welcome to the meeting today. AQC Dartbrook Management Proprietary Limited are with us today, the applicant, seeking to modify its development consent for the Dartbrook Underground Coal Mine. The project involves the recommencement of underground mining activities at Dartbrook using bord and pillar methods, as well as the alteration of the coal clearance system to partially transport coal overland instead of using the full length of the Hunter Tunnel. The project also involves extending the life of mining operations for a further five years until December 2027.

My name is Zada Lipman. I'm the chair of this IPC Panel. With me today are my fellow Commissioners: on my right, Ross Carter, and on my left, Peter Cochrane. From the secretariat with have Bradley James and David Koppers from the IPC Secretariat. In the – and, of course, we have the two member from the applicant with us, who will introduce themselves in due course. In the interests of openness and transparency and to ensure the full capture of information, today's proceedings will be recorded and the transcript will be produced and made available on the Commission's website.

The meeting is one part of the Commission's decision-making processes. It's taking place at an early stage of the operations and is one of several sources of information on which the Commission will base its decision. It is important for the Commissioners to ask questions and to clarify issues where they consider it appropriate. If you're, in fact, asked a question and you don't know the answer immediately, feel free to take the question on notice, and then you can supply further information in writing later on, and that will be placed on the Commission's website. I request that all members here today introduce themselves when first speaking, and members do not speak over each other to ensure the accuracy of the transcript. Now, could I ask the applicant – members from the applicant to introduce themselves? And you will have received an agenda from today. You may like to take us through some of the issues.

MR ROBINSON: Sure. Thank you, Zada, for the kind introduction of your panel. My name is John Robinson, managing director of Australian Pacific Coal.

MR ROACH: My name's Andrew Roach. I'm the chief financial officer and the company secretary working with John at Australian Pacific Coal. Thanks for having us here today.

PROF LIPMAN: Thank you. Would you like to take us through – you do have an agenda. Would you like to take us through some of the issues? Give us some of the background perhaps to the modification and how you see it all working.

MR ROBINSON: Sure. Before we go through the background of the application, can I respectfully just ask for some background of each of the panel members?

PROF LIPMAN: Well, each of our bios is on the Commission website, which you can look at in detail, but we're happy to give you a slight summary at this stage.

MR ROBINSON: Sure.

PROF LIPMAN: I'm essentially an environmental lawyer. I'm a professor – emeritus professor of environmental law from Macquarie University, and I've been involved in environmental law for the last 30 years as an academic and as a consultant. Ross?

MR CARTER: Yeah. I'm a former public servant, so I've worked across New South Wales and the Commonwealth in a range of natural resource and resource based – mainly regulatory roles on environment protection sort of agendas and natural resource management as well as – as well has greenhouse and energy reporting sort of areas.

PROF LIPMAN: Peter?

MR COCHRANE: I've worked at universities for Federal Government, for the oil and gas industry, and as head of a park agency as well. I've been retired for five years. I'm now on a number of company boards.

MR ROBINSON: Sure.

PROF LIPMAN: If you do have any further questions, just have a look at our website and it lists – it gives quite a lot of detail of the Commission members, and it also provides, you know, our details so you can ensure that there's no conflict of interest and all of those artefacts as well.

MR ROBINSON: Sure. That's actually a good suggestion. Is there any conflict of interest at this stage?

PROF LIPMAN: None that we're aware of.

MR ROBINSON: Okay. Sure.

MR COCHRANE: We go through that process very carefully - - -

PROF LIPMAN: Yes.

MR COCHRANE: - - - at the very beginning before the panel is selected.

MR ROBINSON: Sure. Yeah.

PROF LIPMAN: We don't only look at actual conflicts. We look at perceived conflicts as well, so it is quite broad based.

MR ROBINSON: Thanks. Sure. Yeah. Appreciate your time today. So the Dartbook Mod 7 was first anticipated early last year. We lodged the application and we completed that in December this year, lodged it, and here we are today. So maybe to just have a brief summary of the background that you guys would already have through the department's reporting is the Mod 7 is designed to have a minimal start-up at Dartbrook. We decided that a smaller operation of continuous mine as at 1.5 million tonne per annum capped at 10 million tonnes was a smaller capex to start the project, understand the geology, have the safe working practices and put the product to market. That was the basis for Mod 7. Having said that, the modification – and in the document you'll note we do not anticipate to take away any of the current consent rights at Dartbrook, so this is in addition to them.

PROF LIPMAN: Is it your intention to continue longwall mining concurrently with pillar – bord and pillar?

MR ROBINSON: At this stage, we haven't completed that work. We have completed the work for a bord and pillar operation, but at this stage, we just reserve the right for the longwall mining.

PROF LIPMAN: Right.

MR ROACH: Yeah. And as you might be aware as well, we are working through a joint venture transaction at the moment, which was announced back in August of last year. We're still in the process of completing that transaction, and no doubt, as you can appreciate, the work that we are doing, our board, plus our joint venture partner in not only closing that deal but also I guess making an investment decision based on the latest and then current information, and the fact that we are ASX listed and therefore have certain continuous disclosure obligations, we haven't yet reached that point.

Certainly when, as John mentioned, we lodged the original application back in February 2018, we did not at that point have a joint venture partner or potential JV partner, so we've been working a few of those I guess corporate but project-level decisions in parallel, and at the point in time where we have all the available information and the respective boards sort of decide on that next step, that would be when we'd be ultimately making an investment decision as to how to best put the asset back into production.

PROF LIPMAN: Right. Right. Thank you.

MR COCHRANE: Peter Cochrane. I note that you've completed a pre-feasibility study for an open-cut mine on the resource just recently, not that that's the subject of this proposal at the moment in front of us.

MR ROACH: Yeah. And I guess the – when the company first completed the transaction to acquire the Dartbrook Mine in May 2017, that was a piece of study work that the company largely picked up and carried on from the former owners.

Again, it was a pre-feasibility study. We've done the work. We've made an assessment. We've made those results public, and we've made them public because, again, being an ASX listed business, what we do is very important to our shareholders. That certainly doesn't necessarily mean that any investment decision has been made, and you will note that no formal application has been made by the project to progress that.

MR COCHRANE: Yes.

MR ROACH: So it was March of 2018 that that pre-feasibility I guess release was made. We've been fairly consistent in our quarterly releases, our other ASX materials and in our meetings with our Dartbrook community consultant committee, that given the discussions, Mod 7 and also with our joint venture partner, who have a particular background and expertise in underground mining - - -

MR COCHRANE: Yeah.

MR ROACH: - - - we have not continued any works at all on the open-cut since that point in time.

MR COCHRANE: Yeah.

MR ROACH: So – and there's certainly no active investment by the company in progressing those studies any further. So the core focus of the business is underground mining - - -

MR COCHRANE: Yes. Yeah.

MR ROACH: - - - which goes hand in hand with the modification before you today.

PROF LIPMAN: All right. Any further questions on the modification?

MR CARTER: Not on that point, no.

PROF LIPMAN: I suppose just one of the questions I have is whether – why the decision was taken to sink a shaft and to use the last section of Hunter Tunnel rather than reinstalling the conveyer belt and using the whole of the tunnel, as was done under the longwall mining.

MR ROACH: I think that that decision – or that, I guess, option – is an option. It's not the only part. But it was one thing that we considered which goes hand in hand with a request for a five year extension as well. So as we sit here today, there's approximately four years left on the approved mine life at Dartbrook. To make a capital investment decision, earn a return on that, and provide, I guess, a longer project operating position in the community is why we need – we thought we need at least another five years to make that, I guess, worth a decision to commit in the first place.

Now, based on the tonnes that we're seeking to mine overall, the capital cost becomes a very important component of any business case, and certainly the capital cost to reinstate the Hunter Tunnel, which is approximately four kilometres west to east and was largely – all of the conveyer structure was removed by former owners when it entered care and maintenance. It's not an immaterial cost to go ahead and reinstate those works.

Now, that's not to say that we won't consider it ultimately in any final investment decision, but certainly a more capital-light approach is the haulage that we proposed, which is between three to four kilometres on private roads owned by the company, on land owned by the company, and would utilise a drop shaft placed where it is because of the way I guess the geology in the existing Hunter Tunnel sits, but still utilising that last five to six hundred metres or so of the tunnel to ensure that the coal is travelling under the New England Highway over to the wash plant facilities in the east and not proposing, you know, trucking a grade across the New England Highway and causing all of the associated traffic management issues that come with it.

So it was – it was a – I guess a strategic decision based on providing an option for the company again depending where the market is for coal at any given time, keeping the upfront cap ex bill to a minimum is I guess one of those major contributing factors that led the company to investigate that option.

PROF LIPMAN: And why was the decision taken not to wash the coal? Any particular reason for that? Because you've returned the facility – the washing facility.

MR ROBINSON: At that point, we decided that having unwashed ROM coal to start the operation was the best use of capital, not to say that we wouldn't wash coal at a later stage under the current consent that's in place now.

MR CARTER: So it was part of the whole upfront cap ex - - -

MR ROBINSON: Exactly.

MR CARTER: - - - for this part of the – yes.

PROF LIPMAN: All right.

MR ROBINSON: It's also worth noting that having the trucking overland into the shaft also acts as an alternative option to the tunnel in the event of a safety issue or a bottleneck in the equipment.

PROF LIPMAN: Right. Perhaps you'd like to take us through the key issues, which of course are air, noise, water, perhaps some of the studies that are done, and as we go through them, further questions may arise in relation to a specific issue.

MR ROACH: So we didn't – or the company didn't prepare a separate standalone presentation for today, because we thought that the nature of the modification and also, I guess, the summary provided by the department was adequate to cover off on these risks here. So apologies we don't have a large map to sort of walk through and show it, but maybe just starting with the first issue, as you mentioned, which is air – air or dust. So quite – and, again, I won't go through and talk through all the ..... sub work that was done by the respective consultants. But, in short, the company did take, I think, was the 2014 dust background monitoring results as part of the baseline for which to assess the ..... modification against.

Within that, the Mount Pleasant mining operation, which is an open cut immediately to the south of our project, we also accounted for that in our background monitoring. So we are assuming at the time, I guess correctly or conservatively, that that operation would proceed. So all of the modelling outputs that you see in our report and what's been reviewed by the department, taking into considering the cumulative dust impact and particularly some of those, as John mentioned – you know, a maximum output rate at any one time. So we've asked for, in the application, one million tonnes per annum as the general steady state level, with flex to go to 1.5 in any given year, just to, I guess, provide some operational flexibility. So we've assessed all of the receptors with respect to that, that 1.5 million tonne per annum year.

And that goes hand in hand with, primarily, the truck movements along that private haul road that we mention. So as part of all of that and cognisant of the aggregate, cumulative, I guess, position that the Hunter Valley is reported, and, I guess, the scientists show us the data at the moment, there is a lot contemporary best practice that we've committed to instil in the trucks that we're using: covering the trucks, water spraying, water management at pick-up and put-down points. So, collectively, those measures, I think in the report by the department, have been acknowledged as meeting best practice or contemporary best practice with some of our contemporaries, and that that does provide, I guess, a reasonable position where the modification of and in itself is not going to have a material increase to the dust levels via the local community stakeholder groups bases on the various different metrics that are measured.

PROF LIPMAN: Can I just ask you a question about your air quality assessment. I noted there that you didn't make any mention of greenhouse gasses or any attempt to mitigate them in any way, any explanation of management practices. Could you elaborate on that, please.

MR ROACH: We – in our report, we quantified the scope 1 and scope 2 emissions. And, in any that, we also reference that this is against – when considering what an increase in greenhouse gasses might be with reference to the existing approved operation. So, in looking at the remaining approved operations versus, I guess, the proposition that we're putting forward now, the number that's prevented in scope 1 and scope 2 was assessed, again, by our advisors and also endorses by the

department as being immaterial from the aggregate increase in, you know, broad greenhouse gas from the site.

PROF LIPMAN: Did you think – you didn't in fact provide any information on how you propose to mitigate them and what the sources of what the greenhouse gasses were.

MR ROACH: We undertook – and I think the department captured in its report – that there would be a range – as part of putting the mine back into production, on many REAs, there are various management plans that will need to be worked through and signed off with the department in order to be able to do what we're proposing here. And a greenhouse gas management plan was one of those items. So there's certainly an undertaking and a commitment by the company to work with the department and investigate those mitigants and other strategies. Again, based on contemporary best practice in other areas, we've committed that we will investigate those upon getting the modification through.

PROF LIPMAN: There's no information before the commission at this stage. Is that correct?

MR ROACH: Correct.

MR COCHRANE: Can I ask a – this is Peter Cochrane – ask a question about the gas content of the coal. I think the Kayuga coal is a lower – it says "lower gas" than the Wynn, which I think was quite problematic, wasn't it? Which is – and that was carbon dioxide and methane?

MR ROACH: Mmm.

MR COCHRANE: Okay. And so do you have any sense of what the Kayuga coal seam is going to present you with in terms of carbon dioxide or methane gas issues?

MR ROACH: Are you referencing the former operating issues that they had - - -

MR COCHRANE: Yes.

MR ROACH: - - - in the Wynn seam? Yes. So - - -

MR COCHRANE: Yes. Yes.

MR ROACH: - - - part of this, Peter, is that there is a step down in gas content in the Kayuga seam - - -

MR COCHRANE: Yes.

MR ROACH: - - - primarily driven by its depth of cover. So - - -

MR COCHRANE: And how deep is it, actually, sorry?

MR ROACH: Approximately 80 metres depth - - -

MR COCHRANE: Okay.

MR ROACH: - - - of cover, the Kayuga - - -

MR COCHRANE: It's quite shallow.

MR ROACH: - - - versus 200 metres plus for the old Wynn - - -

MR COCHRANE: Yes.

MR ROACH: - - - working. So that certainly drives some of the gas content issues, but also comes back to operability, as well. So that's, again, one of the reasons why bord and pillar mining, as you can appreciate, is different in, I guess, its ability to perhaps manage some of those issues. But, I guess, the matter that the company considered at the time when looking at this modification is also that those operational issues that the former owners encountered were in a different era to - - -

MR COCHRANE: Yes.

MR ROACH: - - - today, in terms of mining technology, gas drainage and also planning.

MR COCHRANE: Yes.

MR ROACH: So the mere fact that the company has the historical record of, you know, what happened at the mine is of great benefit that the company can use in designing mining strategies going forward. So there's a fantastic database and contemporary gas management strategies that can go towards mitigating those elements that the former owners encountered.

MR COCHRANE: Okay. And so you've – is gas drainage still going to be an issue with the Kayuga seam?

MR ROACH: We don't – we don't believe so, and certainly - - -

MR COCHRANE: Okay.

MR ROACH: - - - not to the extent of the Wynn seam. There's – one of the ventilation shafts has remained open and operational even in the period of care and maintenance. And there's a second ventilation shaft that would be reinstated or, you know, the fans reinstated as part of breaking the seals and getting into the old working areas. So there will be a period certainly in terms of managing that initial

process, but then, going forward, ventilation control will certainly be something that the company focuses on - - -

MR COCHRANE: Yes.

MR ROACH: - - - given the sensitivity of the matter - - -

MR COCHRANE: Sure.

MR ROACH: - - - for the project.

MR COCHRANE: Well, that has two elements, I guess. There's mine safety, which is, I guess, your issue. But there's the other one of what happens to if there is carbon dioxide or methane released? What happens to that? Is it either released, flared or captured?

MR ROACH: Yes. And there are some discussions we're having with third parties who are interested in the gas itself. And subject to, again, working through - - -

MR COCHRANE: .....

MR ROACH: - - - this process, there would be a point of commercialisation, either for a third party or for ourselves. And that work, you know, will be done at the appropriate time.

MR COCHRANE: Yes. Thank you. Yes. Sort of on point, in terms of the old workings, I was just interested in how – because I understand some of the Wynn seam that has been previously ..... or sort of underlies some of the area you're going to do bord and pillar, does that have some operational issues in terms of the existing subsidence - - -

MR ROACH: Yes.

MR COCHRANE: - - - effect on that area or is it - - -

MR ROACH: In the – so what is – there's a set of mains that runs east to west.

MR COCHRANE: Yes.

MR ROACH: And I think the area you're referring to is north of those mains. That is certainly something that would need to be considered. And I think there's a commitment in the documents about how mining south of those mains is a different mining setting than the north. And there would be further consultation, particularly from a mine planning perspective, with the department before going north of the mains. So, yes, that's correct.

MR COCHRANE: So you've got some more geological investigation and - - -

MR ROACH: Yes.

MR COCHRANE: - - - that to do to make sure - - -

MR ROACH: Yes.

MR COCHRANE: - - - that it's okay to - - -

MR ROACH: Yes.

MR COCHRANE: - - - go in there?

PROF LIPMAN: Okay. So move on?

MR ROACH: Sure. Yes. So that was – so we sort of touched on a couple of topics there in mining. Water is, obviously, key issue, as well, insofar as the community concerns for the project generally, and also the plans moving forward. So this is something – an area, particularly at the Community Consultative Committee sessions. One of the key matters that we have addressed since taking over the Dartbrook Mine in May 2017 was working with the Department of Water in installing further upstream and downstream monitoring points on the Dartbrook particularly. So that's the one within the catchment.

So we have now, only in the last six months or so, installed those bores, received confirmation from Department of Water that they are, I guess, satisfactory to provide that enhanced level of upstream and downstream monitoring, but, also, one of the community concerns or areas of interest is the water ingress and water take in the Hunter Tunnel. So, as part of managing all of that, the company has licenses for the water take in that regard, and, also, various other licences that it has kept current from the former operational state. Quite a bit of the water allocation that we pay for from the various systems at the moment, we actually on-provide to the local agricultural business, that's the Garoka Dairy, which is at site there. So through periods such as, you know, the last 12 to 18 months where there's been particular drought and, you know, otherwise potentially, you know, stress placed on that business, we've been fortunate enough to be able to provide that on to the dairy farmer and utilise so that, you know, their business has been reasonably uninterrupted. So that to one side, the company is confident, based on the advice from its consultants, that we do hold, you know, significant and substantial water licences for our planned future operation as well. So there's no additional licences that need to be procured, because water management and water balance within the site is still reasonably robust and conservatively provides for what we need it for.

PROF LIPMAN: All right. Perhaps you could – while we're on water, you could give us some information on the implications of constructing the shaft in the flood zone and the measures that you propose to take to mitigate against any dangers to personnel and equipment.

MR ROACH: Yeah. Well, there's probably two points there, Zada. The first one would be the actual drilling of the shaft itself, because there's not enough information to know whether or not that bore site will intersect alluvials or not.

PROF LIPMAN: That was one of my questions that I was getting to, yes.

MR ROACH: Yeah. So there's a – there will be a casing or membrane process as part of that to – to test for any ingress, and if not, proceed as previously planned, or if so, then there would be an additional step that would need to be done to make sure that there is no water ingress in that tunnel. So I think that's again another one of these areas where the company is committed to working very closely with the respective department personnel to make sure that that's an issue that, as it happens, you know, we take the respective protective measures.

PROF LIPMAN: Do you have an approval to interfere with an aquafer under the Water Management Act?

MR ROACH: We – I might have to take that one on notice. I can't - - -

PROF LIPMAN: Because if there is any interference with an aquifer, you require a separate approval.

MR ROACH: Yeah. We'll take that one on notice, fi that's all right.

PROF LIPMAN: Right.

MR ROACH: Yeah.

PROF LIPMAN: Yes.

MR ROBINSON: It's worth noting that the company also undertook a drilling program last year and drilled along the Hunter Tunnel. We spent in excess of $1 million there for water monitoring sites in anticipation of the community, the Planning Commission, the department wanting further information regarding the monitoring of water along the Hunter Tunnel. That program is now complete, and the piezometers are in place there for water monitoring as we progress to a stage of production at Dartbrook.

MR ROACH: So that'll give us contemporary readings on baseline in terms of water heights and levels, as you'd be no doubt aware, but also being able to I guess real-time monitor impacts, if any at all, caused by the operations.

MR ROBINSON: Yeah.

MR ROACH: Yeah.

PROF LIPMAN: Right. That's good to know.

MR ROACH: Yeah.

PROF LIPMAN: Yes.

MR ROACH: Yeah.

PROF LIPMAN: Please carry on.

MR ROACH: Yeah. So I think part 2 of your question there was around the flooding and flood mitigation strategies.

PROF LIPMAN: Yes.

MR ROACH: Potentially around the fact that the location of the bore site is right on the fringe of the one in 100 setting, as dictated by the respective maps that our consultants have reviewed. So there is a one-metre flood bund using some of the cut and fill material from the construction of the bore itself that will be protectively placed around or near the shed enclosure to ensure it sits above the one in 100, but in the instance where there is something more than a one in 100, the actual shaft opening is something that we believe and certainly our advice is that it's quite simple in terms of having a management plan in place that would see sealing of that shaft for whatever period of time that any more significant flood waters might be a present or potential threat.

Goes hand in hand with the actual number of employees who would be down the shaft or exposed potentially in the tunnel as well, and based on the manning data that we've seen and put forward in submission, there would only be two to three persons at a maximum at any one point in time, and we feel, given that it's only 500 metres from that, you know, maximum ingress point up to the surface and all the, you know, advance warning signs that we will be able to get to get those persons to safety, we don't see there as being a – I guess a short-term threat to human life that would need additional strategies above and beyond that, but, again, we've committed to working through with the respective department what that hazard preparation plan would look like so that we're absolutely sure that we've covered ourselves on even the most extreme flooding scenarios.

PROF LIPMAN: Right. The Office of Environment and Heritage was a little concerned, even given the response that you've now given us. What do you make of their concerns? Their residual concerns.

MR ROACH: We – we take comfort from – that the department thought that the OEH's concerned were raised but that the company had adequately addressed it, so the complete sealing of a shaft site and the warning that would come with being able to evacuate all site-based personnel such that there was no residual threat to human life, we take comfort that we can achieve a plan that – that measures those, you know, respective criteria, also noting that, you know, any flood that would be coming through that area at that height, that would be quite a considerable body of water, and

there would certainly be other parts of the management plan that would naturally respond to the administration site and other aspects of the site. So this wouldn't just be an isolated one-off plan, because, you know, it is quite flat lying through there, being alluvials, and there'd need to be a broader picture put in place to manage that risk.

PROF LIPMAN: Was there any questions?

MR CARTER: No.

PROF LIPMAN: Peter?

MR COCHRANE: Just help me understand how this works. So the delivery shaft is vertical, and then basically trucks come in and drop their load and it just drops down and then you'll reinstate the conveyor belt along the Hunter Tunnel for the lift to the east side.

MR ROACH: Yeah.

MR COCHRANE: That's how it works?

MR ROACH: Yeah.

MR ROBINSON: Correct.

MR COCHRANE: Okay.

MR ROBINSON: So there's a transfer point at the bottom of the shaft.

MR COCHRANE: Yeah.

MR ROBINSON: It then is transferred on to a conveyor.

MR COCHRANE: Yeah.

MR ROBINSON: Up the drift, over to the east of the side.

MR COCHRANE: Yeah. No. That's – yeah.

PROF LIPMAN: Sorry. While you're on that there, can I just ask, are you planning to have a pile of coal? Are you loading it directly from the trucks from the conveyor or are you accumulating - - -

MR ROACH: There would be side tippers.

PROF LIPMAN: - - - truckloads on the site?

MR ROACH: Yeah. Directly into - - -

PROF LIPMAN: They'll be side tipping directly into - - -

MR ROACH: Yeah.

MR ROBINSON: Yeah.

PROF LIPMAN: Thank you.

MR ROACH: Which is - - -

MR COCHRANE: But you've got 8000 tonne on a temporary stockpile I think allowed in the – that's on the east side.

MR ROACH: That's - - -

MR ROBINSON: That's an existing - - -

MR ROACH: Yeah.

MR COCHRANE: That's – okay.

MR ROBINSON: - - - infrastructure ROM pile there - - -

MR COCHRANE: Yeah.

MR ROBINSON: - - - at the top of the Kayuga box cut.

MR COCHRANE: Yeah. But - - -

MR ROBINSON: So it's anticipated to be trucked from there - - -

MR COCHRANE: Yeah.

MR ROBINSON: - - - to the shaft. The shaft's an enclosed shed - - -

MR COCHRANE: Yeah. Yeah.

MR ROBINSON: - - - with water sprays.

MR COCHRANE: Yeah.

MR ROBINSON: Then side tipped into the shafts and down. So there's no - - -

MR COCHRANE: Yeah.

MR ROBINSON: - - - stockpiling on the eastern side of the Dartbrook site, no.

MR COCHRANE: Okay. Yeah.

MR ROBINSON: The western side - - -

MR COCHRANE: Yeah.

MR ROBINSON: There's capacity there to do so.

MR COCHRANE: Yeah.

MR ROBINSON: It's obviously not in any one's economic interest to stockpile it, simply moving it over. So the stockpile would have more coal overnight, as we're not trucking overnight.

MR COCHRANE: Yeah.

MR ROBINSON: During the day it would empty shaft over to the - - -

MR COCHRANE: Yeah.

MR ROBINSON: - - - CHPP.

MR ROACH: And that's an existing stockpile on the western side where – back when the mine was initially developed and there was a small window, I think just under two years, whilst waiting for the Hunter Tunnel to finish construction, coal was actually brought up out of the Kayuga box cut, stockpiled and then road hauled through the same road setting that we're proposing to use, but then it also went over the New England Highway, over to the wash plant there for - - -

MR COCHRANE: Yeah.

MR ROACH: - - - a period of just under two years, so it's a - - -

PROF LIPMAN: That was a temporary modification, though.

MR ROACH: Back – yeah. Back many years ago.

MR COCHRANE: Yeah.

MR ROACH: So this is an existing stockpile with visual and the other bunds around it that we would just be reinstating to use for this purpose.

MR COCHRANE: Okay.

PROF LIPMAN: Yeah.

MR CARTER: So, John, with the shed over the shaft, so that's got sprays and the side tippers are sort of going in, tipping, and then out the other side and then - - -

MR ROBINSON: Sure.

MR CARTER: - - - and then back around, so that's how you manage sort of the flow.

MR ROBINSON: Yeah, exactly. And there's – there's a water curtain both sides.

MR CARTER: Yeah. Okay. There's a water curtain both sides.

MR ROBINSON: Yeah.

MR CARTER: That's fine.

MR ROBINSON: We've committed to a green Colorbond shed, exactly the same that we done with the Garoka Dairy across the road, similar – similar sheds. Yeah. Side tip into the shaft to the plant.

MR COCHRANE: And that's – while it's just - - -

PROF LIPMAN: Just while you're on the colour there, I think the council expressed a desire for a grey shed. How does that fit in with the green shed?

MR ROACH: Well, what - - -

MR ROBINSON: Green – it's in a green paddock. It's an irrigated paddock. Grey – look, here nor there.

PROF LIPMAN: Half grey and half green.

MR COCHRANE: The partially enclosed presumably means that you – that just allows for screening from the road and the site tippers to operate, does it? I'm not quite sure what partially enclosed actually - - -

MR ROACH: Yeah. And in and out a drive through, so rather than just being an open shaft, obviously - - -

MR COCHRANE: Yeah.

MR ROACH: - - - an enclosure - - -

MR COCHRANE: Yeah.

MR ROACH: - - - which not only has the benefit of visual – any residual dust is - - -

MR COCHRANE: Yeah.

MR ROACH: - - - captured by the sprays themselves, and it's a sealed turn in, turn out where after turning off the western access road, the – these trucks as well are covered, so they'd be, you know - - -

MR COCHRANE: Yeah.

MR ROACH: - - - parked, uncovered, driven in, tipped off, and then back around on the loop.

MR COCHRANE: So it's basically a roof with one wall. Is that kind of how you'd describe it?

MR ROBINSON: Two walls.

MR COCHRANE: Two walls.

MR ROBINSON: Yeah.

MR COCHRANE: Okay. Right. Just on water, can I – are you expecting your major water issue to be dewatering rather than needing water? You're basically producing water, I think, as far as I could work out.

MR ROACH: Not – not really, because the – I guess the existing conditions in the Kayuga seam are quite dry.

MR COCHRANE: Yeah.

MR ROACH: And again, the analysis undertaken by our consultants is that there would not be any material water make.

MR COCHRANE: Yeah.

MR ROACH: Certainly less than the existing water make that the Hunter Tunnel itself is providing.

MR COCHRANE: Yeah. That – which is major pit, isn't it?

MR ROACH: Exactly. And the water – I guess the water balance at site through the current approval is that water is managed through the Wynn seam - - -

MR COCHRANE: Yeah.

MR ROACH: - - - goaf area - - -

MR COCHRANE: Yeah.

MR ROACH: - - - and then through a series of interconnecting pipes, through a discharge dam and evaporation ponds as well, so - - -

MR COCHRANE: So if you need water, you can draw on the goaf, can you?

MR ROACH: Yes.

MR COCHRANE: Okay.

PROF LIPMAN: Right. Shall we move on?

MR ROACH: Yeah. Just working through the list. Subsidence was one of the other I guess areas where the company did a bit of work, and this is around again the subsidence under a bord and pillar operation is – is a step change different to the existing approved longwall operations. So the work that's being carried out is showing what an imperceptible level of subsidence would be created by this style of mining in the Kayuga seam. There's some largely depth of cover and pillar size relationships that flow from that, based on factors of safety and other matters, but showing that this mining will not create a – certainly no increase above the approved, but in any event, have a very minimal impact on the strata surface, of which is all owned by the company in any event.

PROF LIPMAN: Any concerns about the area that was previously subject to longwall mining?

MR ROACH: Nothing that we are aware of. And as I said, the company does own I think – if not all, then the vast majority of any of where prior workings were carried out, and there's certainly nothing that has been brought to our attention since we've been there in terms of management of areas that have been subsided materially, so we don't see that as a major issue with this plant.

PROF LIPMAN: Right.

MR COCHRANE: The table here that does talk about depth of cover and the estimated subsidence, the lowest level of cover was 150 metres, but I think you said the Kayuga seam was 80 metres below ground, so does that change – how does that kind of – doesn't really fit within this table, does it?

MR ROACH: I guess this is - - -

MR COCHRANE: That cover depth.

MR ROACH: - - - increasing from 150 up to 240 because the depth – I guess the coal seams are dipping to the west-north-west.

MR COCHRANE: Right.

MR ROACH: So the initial point - - -

MR COCHRANE: Yeah.

MR ROACH: - - - is around 80 metre depths of cover.

MR COCHRANE: Okay.

MR ROACH: This table would extend in that direction in respect to pillar size, but it's - - -

MR COCHRANE: Okay. So dips quite – okay. More or less shown in that figure 12.

MR ROACH: Yeah. That drawing is - - -

MR COCHRANE: Schematic, but - - -

MR ROACH: - - - not – yeah. Certainly not to scale. It's illustrative for effect.

MR COCHRANE: Yeah.

PROF LIPMAN: I was – just to get back to my previous question – sorry – on the northern – talking about the northern area where extraction overlies the form ..... really subsided Wynn seam longwall panels, the pillar dimensions need to be more carefully designed to limit surface subsidence to less than 100 millimetres. AQC proposes to undertake further geotechnical investigations. That was what I was asking about.

MR ROACH: Yes. Yes. And the company's response to that is that, acknowledging that further work needs to be done to the north, the focus would be on initially commencing mining to the south of those mains whilst that work was carried out.

PROF LIPMAN: Right. Okay. Thanks. All right.

MR ROBINSON: And that work has been completed.

PROF LIPMAN: It has been completed?

MR ROBINSON: In the south.

PROF LIPMAN: Right. Anybody? Question? Yes. Would you like to move on?

MR ROACH: I'm just trying to make sure we're covering these ..... So I think the social was one of the remaining areas that we haven't touched on yet. So the

company had, after going through initial consultation with the department - did carry out a social survey – social study – in terms of opportunities and impacts.

PROF LIPMAN: In the RTS?

MR ROACH: Yes. In the RTS - - -

PROF LIPMAN: Yes.

MR ROACH: - - - following initial submission. And that work – again, we won't go through each of the bullet points there, but that demonstrates the net benefits and the opportunity to the community, particularly with respect to the existing state of care and maintenance, which is a very minimal skeletal workforce and not – I guess, making the most of the asset and the historical investment that has been made with the project.

PROF LIPMAN: There wasn't a great deal of information on the externalities and the impact on the residents' sense of ¸and way of life and the horticulture and the agricultural area – you know, the horse-raising studs.

MR ROACH: When considering those issues, other than what's covered in the SIA, in short, we don't believe that there will be much, because it is an underground operation, an existing approval with land owned by the operation. So we wouldn't naturally see that there would be material impacts given that there's an existing approval in place.

PROF LIPMAN: How far are you from the nearest stud farm?

MR ROACH: I - - -

MR ROBINSON: I'm going to say seven kilometres.

PROF LIPMAN: Seven kilometres. All right.

MR ROBINSON: That's from our most northern boundary, not from the workings.

PROF LIPMAN: Right. So you don't see the dust or cumulative emissions impacting at all on the nearby industries?

MR ROACH: Well, we've carried out the dust work as described - - -

PROF LIPMAN: Yes.

MR ROACH: - - - and that didn't indicate that - because of the mitigation measures that the company was taking, particularly with acknowledging some of the perceptions around what was initially an unsealed section of road, we've committed now to seal that, again, for avoidance of doubt, to, I guess, address those concerns

and that's where we believe, through the response submissions and the interaction with both respective councils, we have sought their feedback and taken that on board, and made minor refinements and improvements to the plan throughout that process. So, as a result, we don't see dust and noise as being anything other than a residual impact of the operation obviously versus doing nothing. It's going to increase a little bit, but the analysis shows that it's certainly not going to be material and not material in respect of what a different style operation would present.

PROF LIPMAN: Thank you. Perhaps you could move on to the environmental – the economic impact assessment.

MR ROACH: So the economic assessment, again, under a base case and even a downside case, shows material net benefits not only to the state, but also to local community and sort of, in order, through looking at obviously New South Wales State Government royalty payments from the operation, which are tied to revenue, not profit, and then direct and indirect benefits through employment, local industry, heavy industry, etcetera. So this is, again, through a third party specialist who provided this advice and, in terms of the costs, again, it was assessed by our advisor that there was no material impact with respect to the issues that were listed on page 28 and 29 of the department's summary report.

PROF LIPMAN: This was - your baseline was the care and maintenance, wasn't it, in this – the economic impact statement - - -

MR ROACH: Yes.

PROF LIPMAN: - - - as it was in the case of the social impact assessment. There doesn't seem to be a great deal of profit in the operation, just looking at it objectively.

MR ROACH: The company hasn't provided any external information on what is the business plan or the work that supports that, because we haven't yet got to the point of the final investment decision. At the time when this work was completed, a set of assumptions was derived. As at any point in the coal-price cycle or, indeed, the contract environment, there will be movements throughout that. So until such a time when the company makes that decision, there isn't a defined set of metrics and, in any respect, the net benefit analysis that's presented is also the cost benefits of the project to the community itself. So we haven't gone and provided, other than concept-level costings of the project itself, because the focus on the cost benefit analysis is on the cost and benefits to the - - -

PROF LIPMAN: The community.

MR ROACH: - - - state and the local community.

PROF LIPMAN: I see. And you finalised, as I understand it - in principle finalised the VPAs with council.

MR ROACH: Correct. Yes. Yes. So that was – and I think the terms of that are adequately outlined in the report, but both the Muswellbrook Shire Council and the Upper Hunter Shire Council, through numerous face-to-face and remote meetings, we have been able to come to a landing on executable VPAs should the modification go through.

PROF LIPMAN: I see. Peter?

MR COCHRANE: You run the dairy on the property; is that correct?

MR ROACH: We don't run it. No.

MR COCHRANE: Well, it's on land that's leased – you lease. Yes.

MR ROACH: Correct.

MR COCHRANE: And they would be your closest kind of agricultural neighbours, are they?

MR ROACH: Yes.

MR COCHRANE: All the rest of the surrounding country is grazing, it looks like just from the aerial photo; is that .....

MR ROBINSON: The alluvials are grazing land, the rest are – it's pretty tough out there at the moment.

MR COCHRANE: It is dry. Yes. And the dairy is not – they continue to operate that other than taking a couple of hectares away from them for the shaft I think; is that right?

MR ROACH: Correct. Two hectares.

MR COCHRANE: Yes. Yes. Okay.

MR ROBINSON: That dairy also operated under the previous ownership of Anglo.

MR COCHRANE: Did it? Okay.

MR ROBINSON: Yes. So the coexisting - - -

MR COCHRANE: That presumably is what runs along the floodplains, does it?

MR ROACH: Yes.

MR COCHRANE: The .....

MR ROACH: And the dairy also actually has a large tract of land out to the west as well of AQC-owned land that they are able to use to rotate cattle and, previously, before the current drought conditions, it was so tough they utilised it for other livestock as well.

MR COCHRANE: Right. Okay. Looking forward to seeing it on the ground.

PROF LIPMAN: Any further questions? Thank you very much. Have you got anything you would like to add?

MR ROACH: Not at this stage.

MR COCHRANE: I have one more question. What do you expect – so when we have the public meeting, which it sounds like it will be next month now – sorry.

PROF LIPMAN: April.

MR COCHRANE: April now. What issues are you expecting – residual issues are likely to come up there?

MR ROACH: I think having, again, some time for those who took the time to respond to our application, which, of course, we're grateful for, because that provides us with real time feedback on what the community believes, we hope that we've addressed most of those concerns, particularly with respect to air and noise: they seem to be the top two.

MR COCHRANE: Yes.

MR ROACH: So I guess we're trying to demonstrate to the community our bona fides in wanting to develop the Dartbrook Mine. Certainly, the company didn't pay the money that it paid back in 2017 to just sit on it and do nothing. And, really, to be able to do even what we think is quite a modest nine-year operating plan needs those additional five years to bring it back to life. We've been, I guess, you know, proactively engaged not only with the CCC, but also the two respective councils that our boundary happens to straddle and in going so far even just to establish, you know, minor, but not immaterial, community funds, of which we've already made a few donations to some of the local groups. So we hope that through those interactions and also through our willingness to engage with anyone and everyone who wants a dialogue with the company, we show that we're here and making an investment for a longer return, particularly to reflect the commercial intent of the business from buying the asset in the first place.

MR COCHRANE: Yes. Okay. Great. Thank you.

PROF LIPMAN: Thank you.

MR ROBINSON: Thank you.

PROF LIPMAN: Well, thank you very much. I will close the meeting now. Thank you.

RECORDING CONCLUDED [11.55 am]