

10 July 2018

Secretariat
Independent Planning Commission
Level 3, 201 Elizabeth Street
Sydney NSW 2000

Attention: Jorge Van Den Brande

Dear Jorge,

RE: MOUNT PLEASANT OPERATION MODIFICATION 3 - ADDITIONAL INFORMATION

Following the conduct of the Independent Planning Commission (IPC) public meeting on 4 July 2018 for the proposed Mount Pleasant Operation Modification 3, MACH Energy would like to provide the IPC some additional information in response to some concerns raised by the community or Special Interest Groups in the meeting.

While the majority of concerns raised in the public meeting were consistent with previous Modification 3 submissions and therefore have already been addressed in MACH Energy's Response to Submissions, a number of concerns were raised that were based on incorrect information and MACH Energy would like to correct the record on these matters.

The relevant concern raised is paraphrased in the table below, and MACH Energy's summary response is also provided.

Presenter (Group)	Summary of Concern Raised	MACH Energy Summary Response
Jan Davis (HEL)	MACH Energy does not hold any hard-rock water access licences for its mining operation, based on review of the approved MACH Energy Water Management Plan.	Since the Water Management Plan was prepared, and consistent with the statement on Page 26 of the Plan, MACH Energy has acquired some 130 units (i.e. equivalent to some 130 million litres per annum) of hard-rock water access licences in the Sydney Basin - North Coast Groundwater Source to address relevant requirements under the <i>Water Management Act, 2000</i> .
Steve Phillips (LtG)	The proposed extension would bring the mine materially closer to Aberdeen.	MACH Energy notes that the approved open cut extent of the Mount Pleasant Operation includes a North Pit, which is located much closer to Aberdeen than the proposed eastern extension associated with South Pit (refer to Environmental Assessment Figures 2 and 3).
Various.	No mining development has occurred at the Mount Pleasant Operation since it was approved 1999.	Physical work for the mine first occurred in 2003-2005. The Land and Environment Court, in a judgment delivered on 19 July 2017, determined that this work was adequate to preserve the development consent, and in so doing dismissed legal proceedings brought by an association associated with the HTBA and Darley Australia.

Presenter (Group)	Summary of Concern Raised	MACH Energy Summary Response
		<p>MACH Energy notes that its construction activities at the site commenced in November 2016, a few months after MACH Energy finalised purchase of the mine from Coal & Allied.</p> <p>Under MACH Energy ownership, mining operations commenced at the site in late 2017 and are ongoing.</p>
<p>Michael White (HBTA)</p>	<p>When downtime is considered the capacity of the MACH Energy excavators is insufficient to move the waste rock volumes reported in the Environmental Assessment in 2021, and therefore the associated air and noise studies are likely incorrect.</p>	<p>MACH Energy confirms that the excavators described in the Environmental Assessment do have sufficient capacity to move the proposed volume of waste rock.</p> <p>The projected major excavators in 2021 as described in the Environmental Assessment comprise 2 x Liebherr 996 excavators and 2 x Hitachi 3600 excavators supported by a Front End Loader operating on coal. One of the Hitachi 3600 excavators would be available to operate on coal or waste rock depending on demand, and this provides additional waste rock excavator capacity (e.g. during 996 downtime) that may not have been factored into Mr White's calculations.</p> <p>MACH Energy also notes that some major mining companies do not match the operating efficiencies per excavator of smaller mining companies or specialist mining contractors.</p>
<p>Michael White (HBTA)</p>	<p>Modification 3 includes alteration to the site's fines emplacement strategy.</p>	<p>MACH Energy notes that no change to the fines emplacement strategy arises due to the proposed Modification 3.</p> <p>The Mount Pleasant Operation fines emplacement is being developed in accordance with an approved Mining Operations Plan and consistent with the requirements of the NSW Dams Safety Committee.</p>
<p>Various thoroughbred breeding organisations.</p>	<p>Total incompatibility of the Hunter Valley thoroughbred breeding industry and coal mining.</p>	<p>MACH Energy notes that the HBTA's original submission on Modification 3 (undated) states the following (page 6), emphasis added:</p> <p><i>The Hunter Valley's multi-billion dollar Thoroughbred Breeding Industry is a nationally and internationally significant industry. It has evolved over nearly 200 years <u>and has gained critical mass and international prominence over the last thirty years.</u></i></p> <p>Further, the HBTA submission states (page 10), emphasis added:</p> <p><i>\$5b + Invested in the Hunter Valley's thoroughbred breeding industry <u>in the past 10 years (and rising)</u></i></p> <p>MACH Energy would like to highlight the overlap of the rising international prominence of the Hunter thoroughbred breeding industry and recent investment by this industry as described by the HBTA in relation to select approval dates for some local mining operations in the vicinity of Muswellbrook:</p> <ul style="list-style-type: none"> • Bayswater No. 2 (Mount Arthur) - commenced 1960s. • Dartbrook Underground Mine - approved 1991. • Bayswater No. 3 (Mount Arthur) - approved 1994. • Bengalla Mine - approved 1996. • Mount Pleasant - approved 1999. • Dartbrook Underground Mine Extension - approved 2001. • Mount Arthur North Open Cut - approved 2001. • Muswellbrook Coal Open Cut 1 Extension - approved 2003. • Mangoola Open Cut – approved 2007. • Mount Arthur Coal Consolidation Project - approved 2010. • Mount Pleasant Modification 1 - approved 2011.

Presenter (Group)	Summary of Concern Raised	MACH Energy Summary Response
		<ul style="list-style-type: none"> • Mount Arthur Extension - approved 2014. • Bengalla Continuation Project - approved 2015. <p>Further, MACH Energy notes that the approved Mount Pleasant Operation is located between the adjoining Dartbrook and Bengalla mines.</p>

Finally, I want to address the contention made by the solicitor Mr Beatty at the IPC public meeting that the proposed Modification 3 does not fall within the scope of what can be approved under section 75W (**the Section 75W Contention**). When making his oral statement to this effect, Mr Beatty 'adopted and endorsed' the written submission lodged by Bengalla Mining Company Pty Ltd (**BMC**).

In relation to the Section 75W Contention, I note that:

- (a) Attachment 1 to MACH Energy's Response to Submissions (**Attachment 1**) lodged with the Department of Planning and Environment (**DP&E**), at section 3, comprehensively addressed the Section 75W Contention of BMC. The legal analysis contained in Section 3 of Attachment 1 was provided by the law firm Corrs Chambers Westgarth;
- (b) BMC's submission objecting to Modification 3 has subsequently been withdrawn;
- (c) The DP&E, which had the benefit of reading the competing arguments in relation to the Section 75W Contention contained in Attachment 1, stated in its Environmental Assessment Report to the IPC (June 2018):

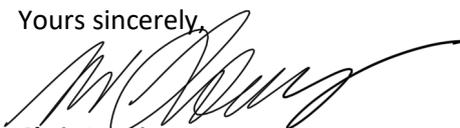
The Department is satisfied that the proposal can be characterised as a modification to the existing development consent. The core components of the development, such as the rates of ROM coal production, coal processing or waste rock production, wouldn't change. The proposed emplacement extension is located wholly within existing mining leases. The proposed emplacement area extension is a minor component of the site's total disturbance footprint and would result in smaller disturbance area in comparison with the approved surface disturbance area. The proposed modification represents a six year life extension to the current 21-year mine life.

The Department is satisfied that the modification application is within the scope of section 75W, and may be determined accordingly.

- (d) MACH Energy has also consulted with the law firm Ashurst, which has acted in three of the four cases concerning the scope of s 75W. Ashurst has advised MACH Energy that "Modification 3 falls comfortably within the scope of what can lawfully be approved under s 75W".

Please contact the undersigned if you have any queries regarding the responses above.

Yours sincerely,



Chris Lauritzen

General Manager – Resource Development
MACH Energy Australia Pty Ltd