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DARTBROOK MINE

**Community Consultative
Committee**

21 March 2018



Australian Pacific Coal

Agenda

- Introductions
- The Proponent
- Environmental Context
- Significance of the Resource to NSW
- Approved Underground Operations
- Proposed Underground Modification
- Scope of Environmental Assessment
- Stakeholder Engagement
- Timeline
- Progression of Low Impact Surface Mining Studies



Introductions

Andrew Roach – CFO & Company Secretary, (AQC)

James Bailey – Director, Hansen Bailey

Dorian Walsh – Site Environmental Representative



The Proponent

- Australian Pacific Coal (AQC) is an Australian owned company listed on the ASX
- AQC owns several coal assets in Queensland and NSW
- In May 2017, AQC acquired Dartbrook Mine from Anglo American and Marubeni
- Dartbrook Mine is managed in accordance with DA 231-7-2000 which allows mining operations to be undertaken until December 2022
- Dartbrook Mine has been under care and maintenance since late 2006
- AQC has undertaken significant environmental and mine planning work to prepare for further mining at Dartbrook Mine

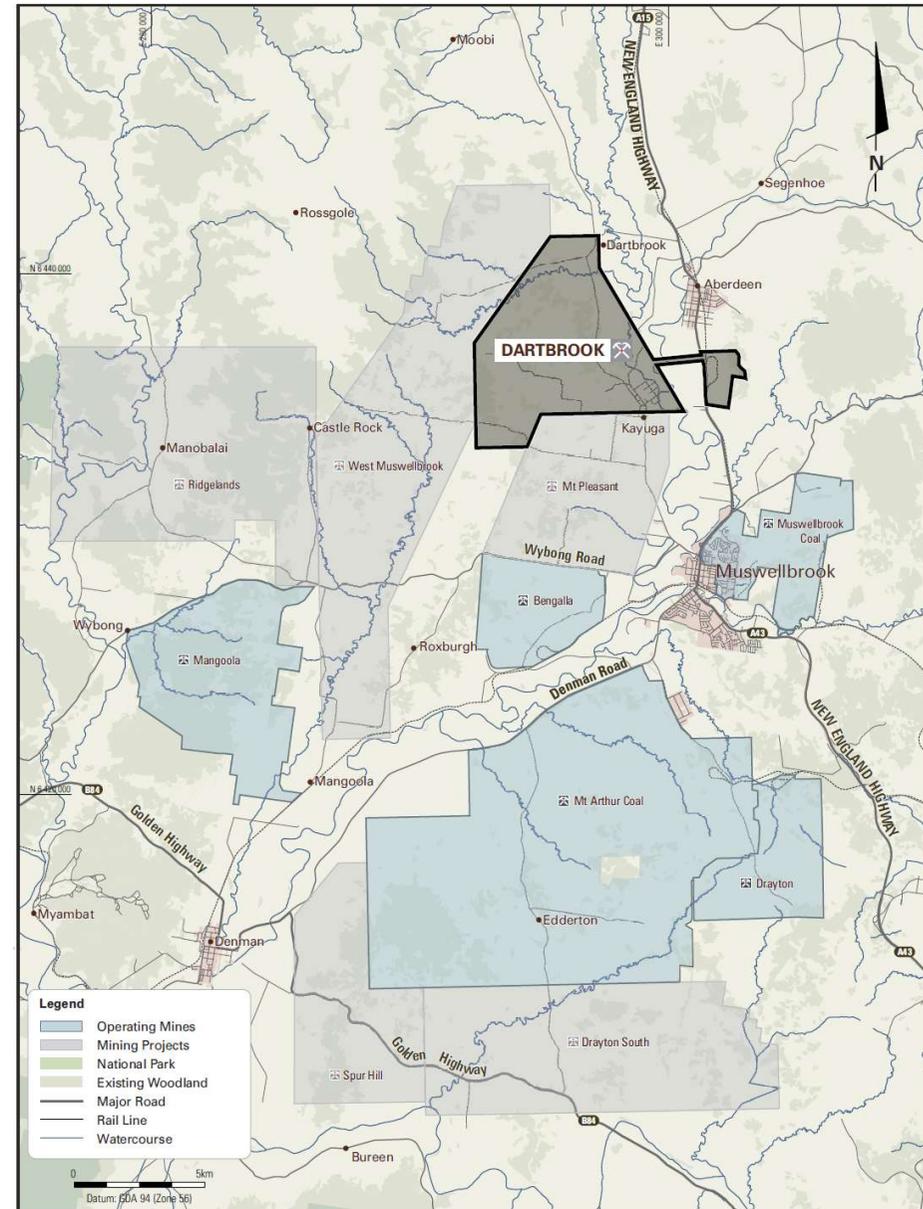


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Environmental Context

- Located approximately 4.5km north of Muswellbrook and 1.1km south of Aberdeen
- Located within Muswellbrook and Upper Hunter LGAs
- Located adjacent Mt Pleasant Mine and West Muswellbrook Project Area

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Significance of the Resource

- Dartbrook is a Tier 1 coal asset
- JORC Resource estimate completed in June 2017 for AQC's mining authorisations:

	Measured	Indicated	Inferred	Total
Mining Leases	533	637	665	1,834
Exploration Licences	55	213	432	700
Total	588	850	1,097	2,534



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Coal Quality

- Coal quality is typical of Hunter Valley coal producers
- Two high energy coal products:
 - “Premium” thermal coal (~12% ash)
 - “Standard” thermal Coal (~19% ash)
- Both “Premium” and “Standard” thermal coal are suitable for HELE power stations
- Opportunistic supply of the following products:
 - Metallurgical coal (~9% ash)
 - Thermal coal for domestic power stations (~25% ash)
- All coal has a low sulphur content (~0.4%) and properties consistent with neighbouring mines



Approved Underground Operations

- Development Consent DA 231-7-2000 permits:
 - Extraction of up to 6 Mtpa of ROM coal until 5 December 2022
 - Longwall mining activities in the Wynn, Kayuga, Mt Arthur and Piercefield coal seams
 - Transfer of ROM coal to the CHPP via the Hunter Tunnel (underground conveyors)
 - Transportation of product coal to Newcastle via the Main Northern Rail Line



Proposed Underground Modification

- Modification 7 (MOD7) will facilitate the re-commencement of mining operations at Dartbrook Mine
- Proposed mining activities:
 - Extraction of approximately 10 Mt of ROM coal (at av. 1 Mtpa) via bord and pillar mining within the Approved Mining Area of the Kayuga Seam
 - No increase in mining footprint
 - Bord and pillar mining does not result in measurable subsidence (<20mm)
 - Total production will remain within the approved rate of 6 Mtpa
- Extension of the approval period of DA 231-7-2000 by 5 years (until December 2027)

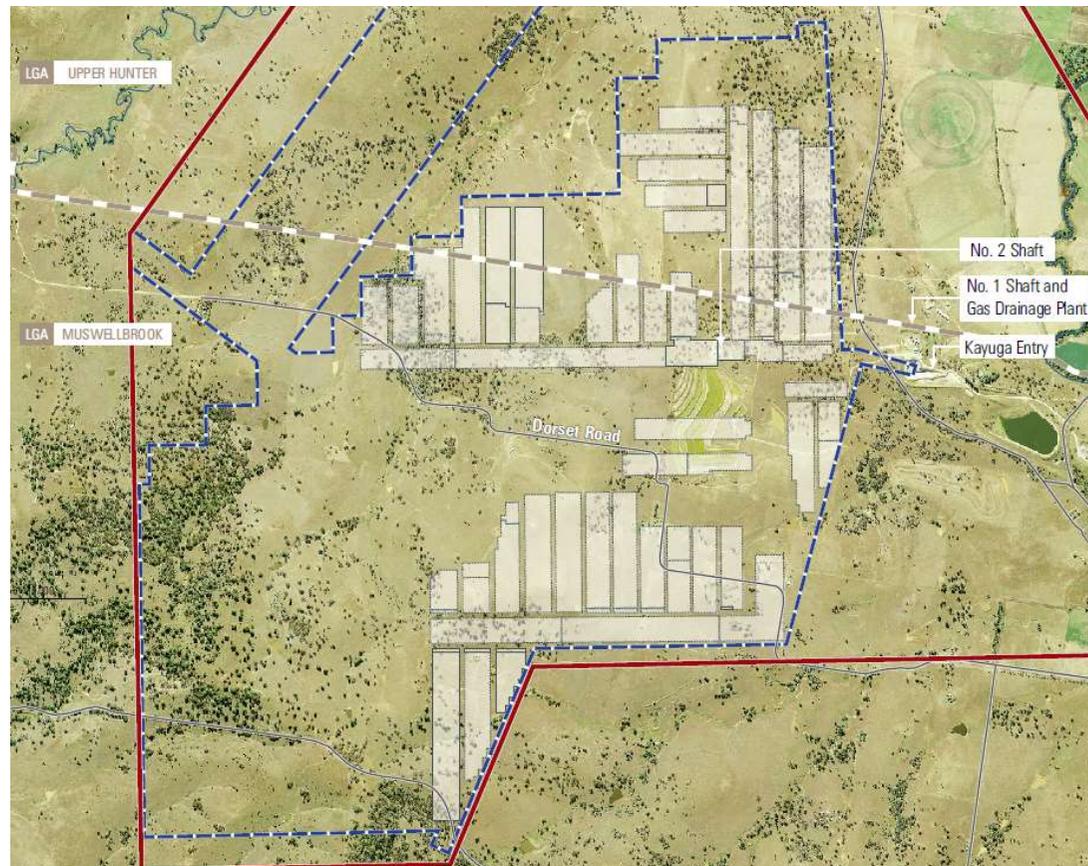


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Proposed Underground Modification

- Proposed Bord and Pillar Mining Area (Kayuga Seam)



Legend

-  Site Boundary
-  Approved Underground Mining Area
-  Proposed Bord and Pillar Panels
-  Local Government Area Boundary
-  Road
-  Watercourse

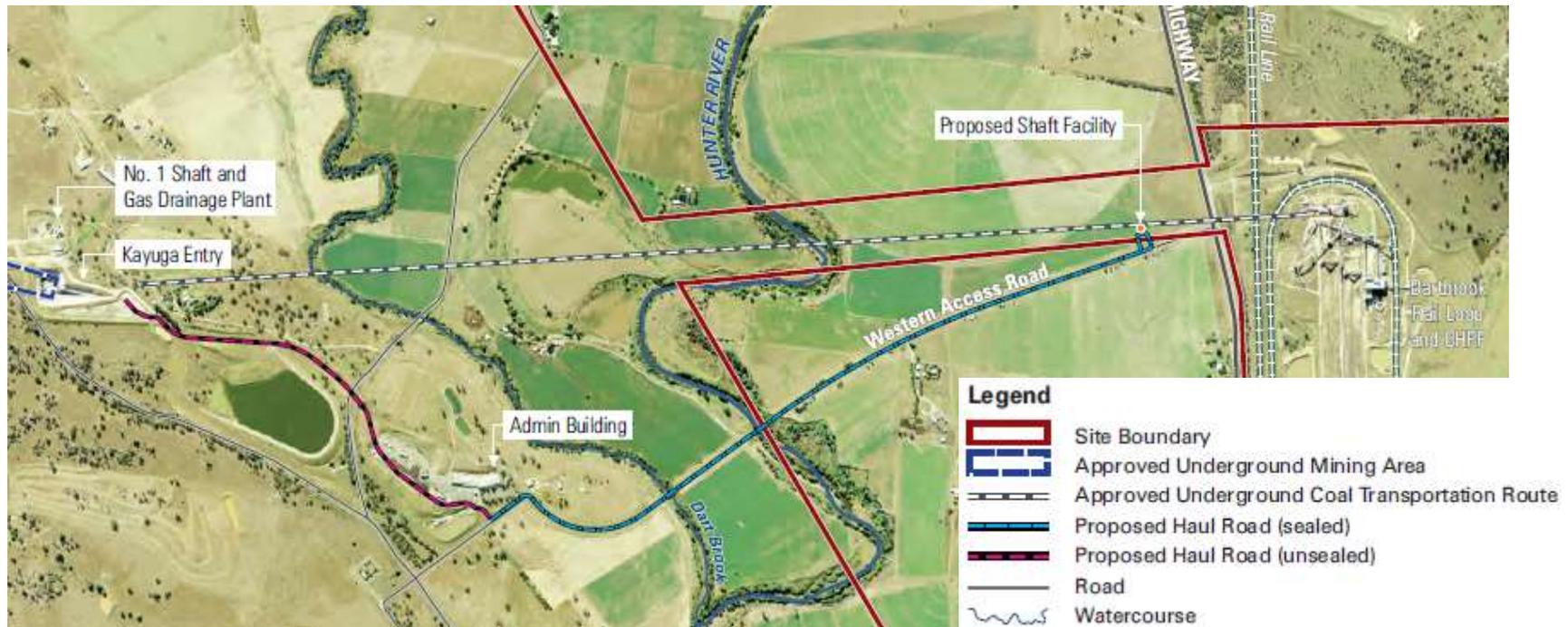


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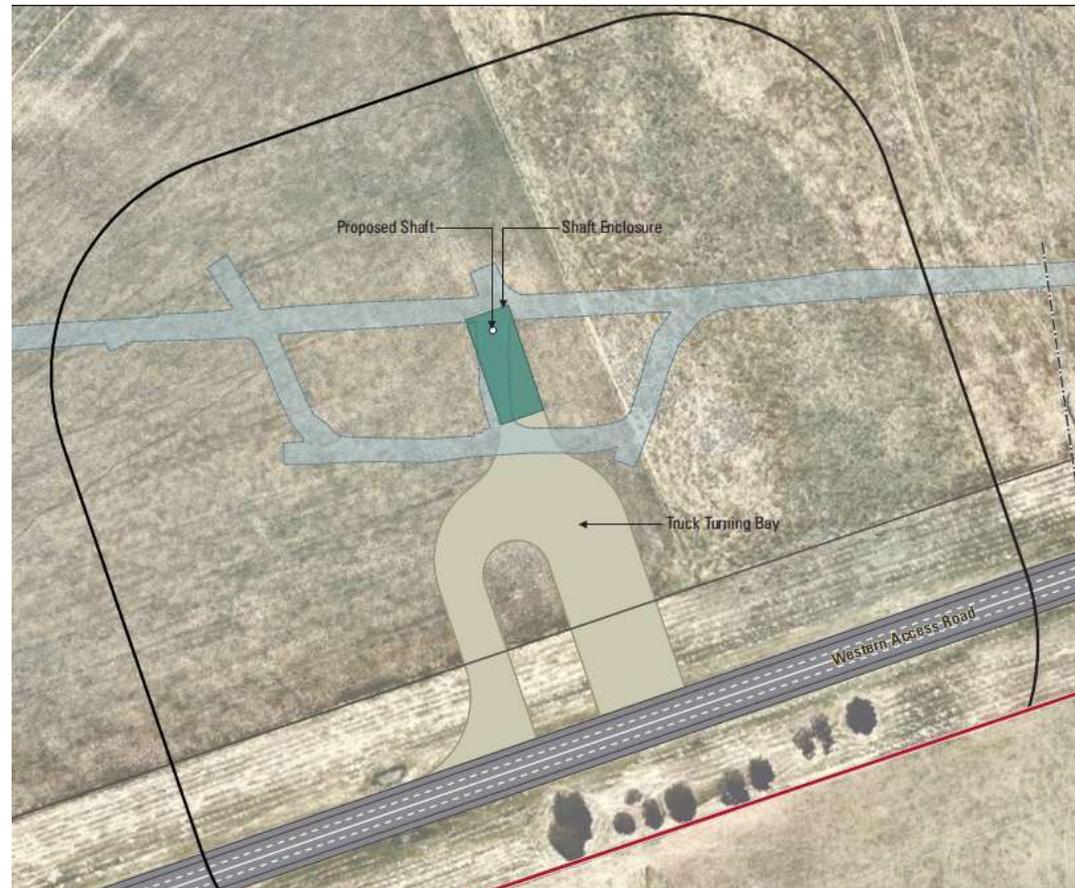
Proposed Underground Modification

- Change to coal clearance system:
 - Haulage of ROM coal from Kayuga Entry to new shaft via private roads
 - Shaft will transfer coal via Hunter Tunnel to CHPP ROM pad



Proposed Underground Modification

- New shaft and coal bin will be enclosed to reduce dust and noise
- The truck turning bay will be sealed to minimise dust





Scope of Environmental Assessment

1. Background;
2. Existing Environment;
3. Approved Operations;
4. Modification Description (including a discussion of the alternatives considered);
5. Regulatory Framework;
6. Stakeholder Consultation:
 - Consultations with relevant State government agencies;
 - Consultation with local government authorities (Muswellbrook Shire Council and Upper Hunter Shire Council); and
 - Consultation with the local community (including Aboriginal stakeholders)



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Scope of Environmental Assessment

7. Risk Assessment;
8. Environmental Impact Studies:
 - Air Quality
 - Noise
 - Ecology
 - Aboriginal Heritage
 - Subsidence
 - Water
 - Other minor environmental aspects (e.g. traffic, visual, agriculture)
9. Summary of measures to manage and mitigate environmental impacts; and
10. Justification



Proposed Stakeholder Engagement Strategy

- AQC proposes to undertake best practice stakeholder consultation consistent with new SIA and other guidelines
- Consultation with NSW, Commonwealth and local government agencies
- Community consultation:
 - Community newsletters (five since July 2017)
 - CCC meetings (third under AQC's ownership)
 - Aboriginal community consultation



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Proposed Timing

Milestone	Date
Lodged application for Section 75W Modification	27 February 2018
DP&E Acknowledged Acceptance of 75W Application	6 March 2018
Submit Environmental Assessment	May 2018
Public Exhibition	June 2018
Response to Submissions	June 2018
Determination	Anticipated July / August 2018



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Questions?



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Progression of Low Impact Surface Mining Studies

- PFS Completed & under assessment
- Extensive background environmental assessments underway
- Application for exploration drilling submitted to DRG
- Gateway Application under preparation



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Questions?