

# Dartbrook Newsletter

## Dartbrook Mine Modification 7

### Proposed Modification

In February 2018, Australian Pacific Coal Limited (APC) made an application to modify Dartbrook Mine's Development Consent (DA 231-7-2000). The Modification proposes limited bord and pillar mining in an area of the Kayuga Coal Seam that is currently approved for longwall mining. The bord and pillar mining is proposed as an alternative method to the approved longwall mining activities in part of the Kayuga Seam (see Figure 1).

The Modification will facilitate the extraction of up to 10 million tonnes of Run of Mine (ROM) coal at a maximum production rate of 1.5 million tonnes per annum. The Modification does not propose any increase to the approved mining footprint. The Modification seeks a 5 year extension to allow mining to be undertaken until December 2027.

The extracted ROM coal will be hauled by road registered trucks from the existing Kayuga Entry to a new shaft facility approximately 250 m west of the New England Highway (see Figure 1). The new shaft will connect to the

eastern end of the existing Hunter Tunnel, which will then convey the ROM coal beneath the New England Highway to the existing Coal Handling and Preparation Plant.

The proposed truck haulage route consist of existing private roads on land wholly owned by APC. APC has committed to sealing the western portion of the route such that the entire haulage route will be sealed for operations. APC will also implement other best practice dust controls including covering of truck loads, street sweepers, water sprays and enclosing the new shaft within a colourbond shed.

To minimise noise levels at night, truck haulage of coal will only be undertaken on weekdays between 7am and 6pm.

The Modification will employ up to 26 construction personnel and up to 99 persons during mining operations. It is estimated that the Modification will generate the following economic benefits:

- \$38 million (present value) in mining royalties;
- \$14 million (present value) in NSW's share of Australian company tax;
- Increased business turnover within the local economy; and
- Increased wages to the local labour force.

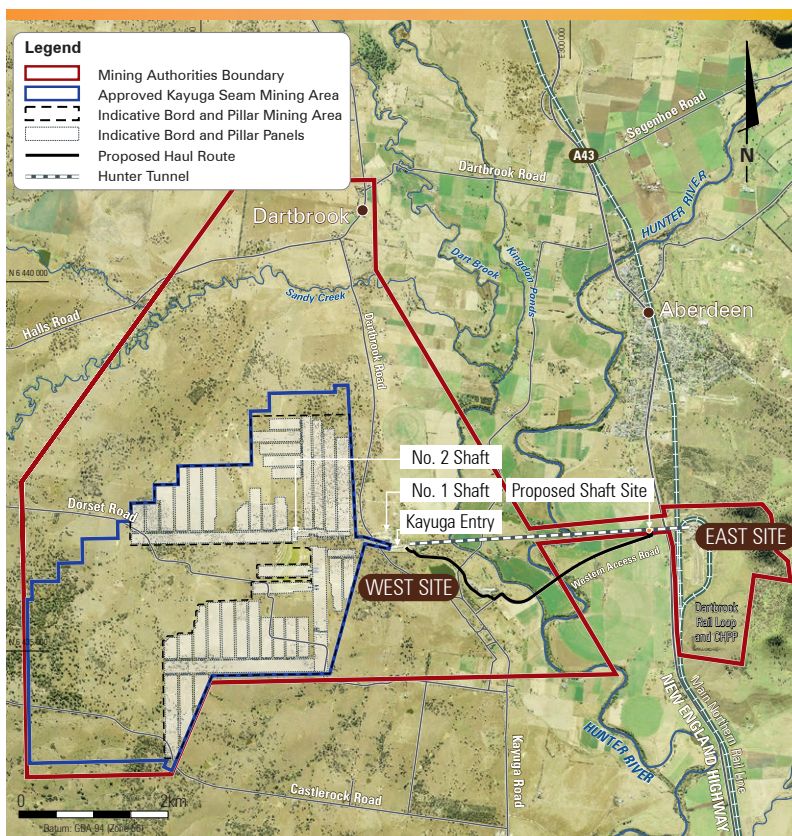


Figure 1 Conceptual Modification Layout

### Status Update

The Environmental Assessment (EA) prepared for the Modification application was placed on public exhibition from 28 June to 25 July 2018. APC has since prepared and submitted a Response to Submissions that addressed the issues raised by government agencies and the community public during the exhibition period. The Modification application is currently being assessed by the NSW Department of Planning & Environment (DP&E). The Modification is then anticipated to be referred to the NSW Independent Planning Commission (IPC) for approval.

# SITE UPDATE



## Exploration Activities

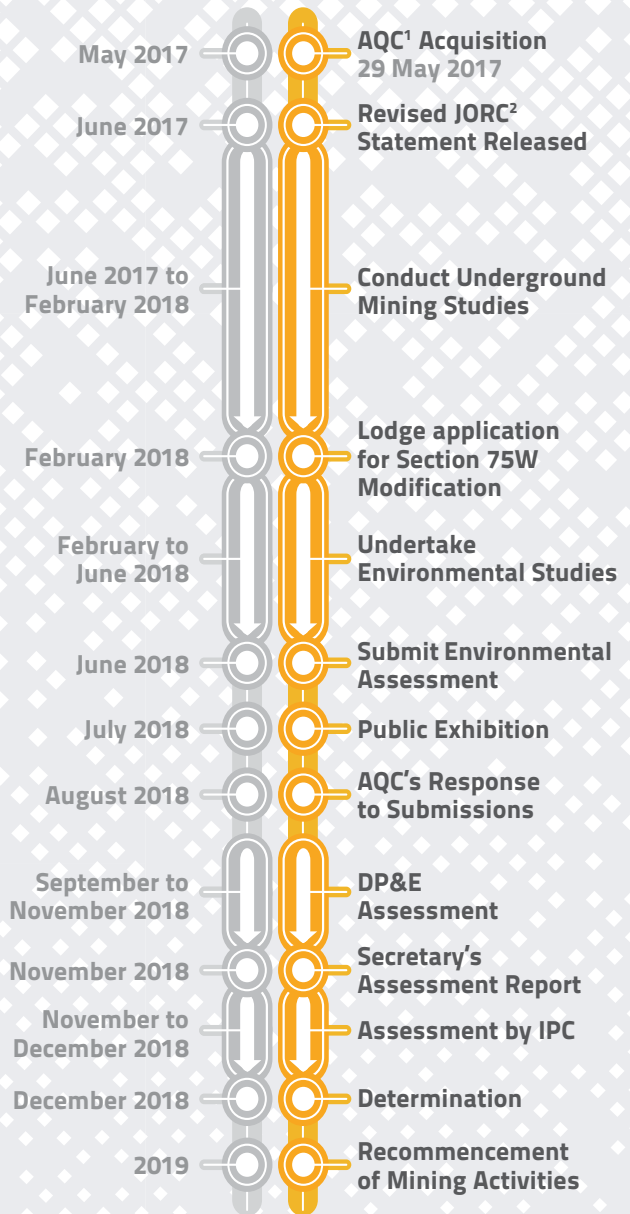
The approved drilling program for 2018 is nearing completion. This program included the installation of 13 groundwater monitoring bores and the sealing and rehabilitation of a number of historic exploration boreholes (which were undertaken by the previous mine owner). The drilling program associated with the rehabilitation of the remaining historic exploration boreholes (undertaken by the previous owner) is expected to be completed by the end of October 2018.

## Water Quality Monitoring

AQC has expanded Dartbrook Mine's surface water monitoring network by implementing an additional eight monitoring sites. The expanded monitoring network was developed in consultation with NSW Department of Industry – Water. These monitoring sites will provide enhanced data on the water quality in the Hunter River, Dart Brook, Kingdon Ponds and Sandy Creek. Water quality monitoring at Dartbrook Mine will therefore be undertaken at twelve sites (including the four existing sites) at two-monthly intervals.



## Schedule for Recommencement of Underground Mining at Dartbrook Mine



<sup>1</sup> Australian Pacific Coal

<sup>2</sup> The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

Note - The scheduled dates are for planning purposes and as such may be subject to change

## Strategic Partnership Agreement

On 6 August 2018, AQC announced that it had signed a binding agreement to partner with Stella Natural Resources (SNR) as equal-share participants in the Dartbrook Joint Venture to recommence limited underground mining operations. SNR possesses the development and operational execution capability through its highly experienced management team with significant coal mining expertise. SNR will be the manager of the Dartbrook Joint Venture and as such, will be responsible for all aspects of development and operations, including the procurement of all required funding for the life of the operation. AQC will not be required to directly contribute to any holding, development or operational costs at Dartbrook Mine. The intent of the Dartbrook Joint Venture is to optimise the return to shareholders through the successful recommencement of operations at Dartbrook. Completion of the transaction is anticipated by March 2019.

## COMMUNITY ENGAGEMENT

AQC welcomes the opportunity to engage with interested members of the local community in relation to the proposed Modification or any other matters. Anybody who wishes to discuss the current or proposed activities at Dartbrook Mine is invited to arrange an appointment by contacting the Dartbrook Mine representatives below.

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