

SPUR HILL UNDERGROUND

MALABAR  COAL

SPUR HILL UNDERGROUND COKING COAL PROJECT COMMUNITY CONSULTATIVE COMMITTEE PRESENTATION

10 APRIL 2018

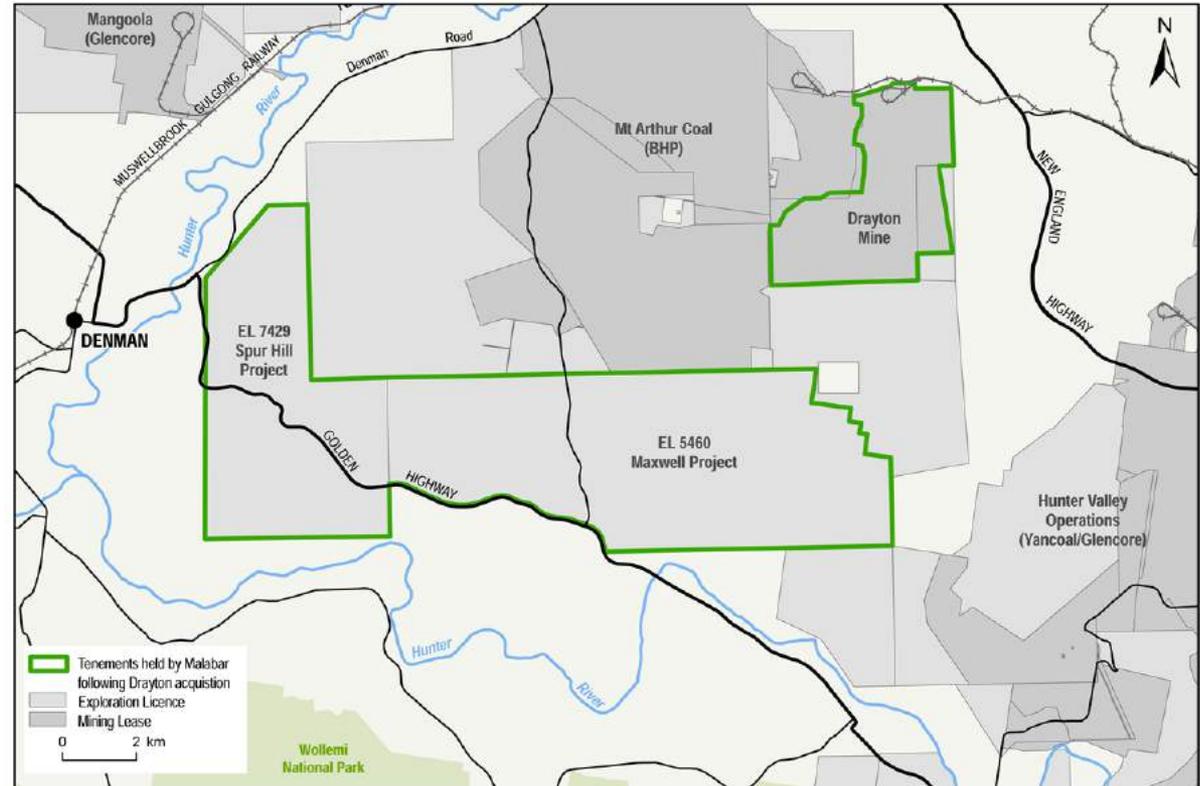


AGENDA

- Project Update
- Drayton History
- Site establishment
- Rehabilitation
- Planning for underground operations
- Complaints register

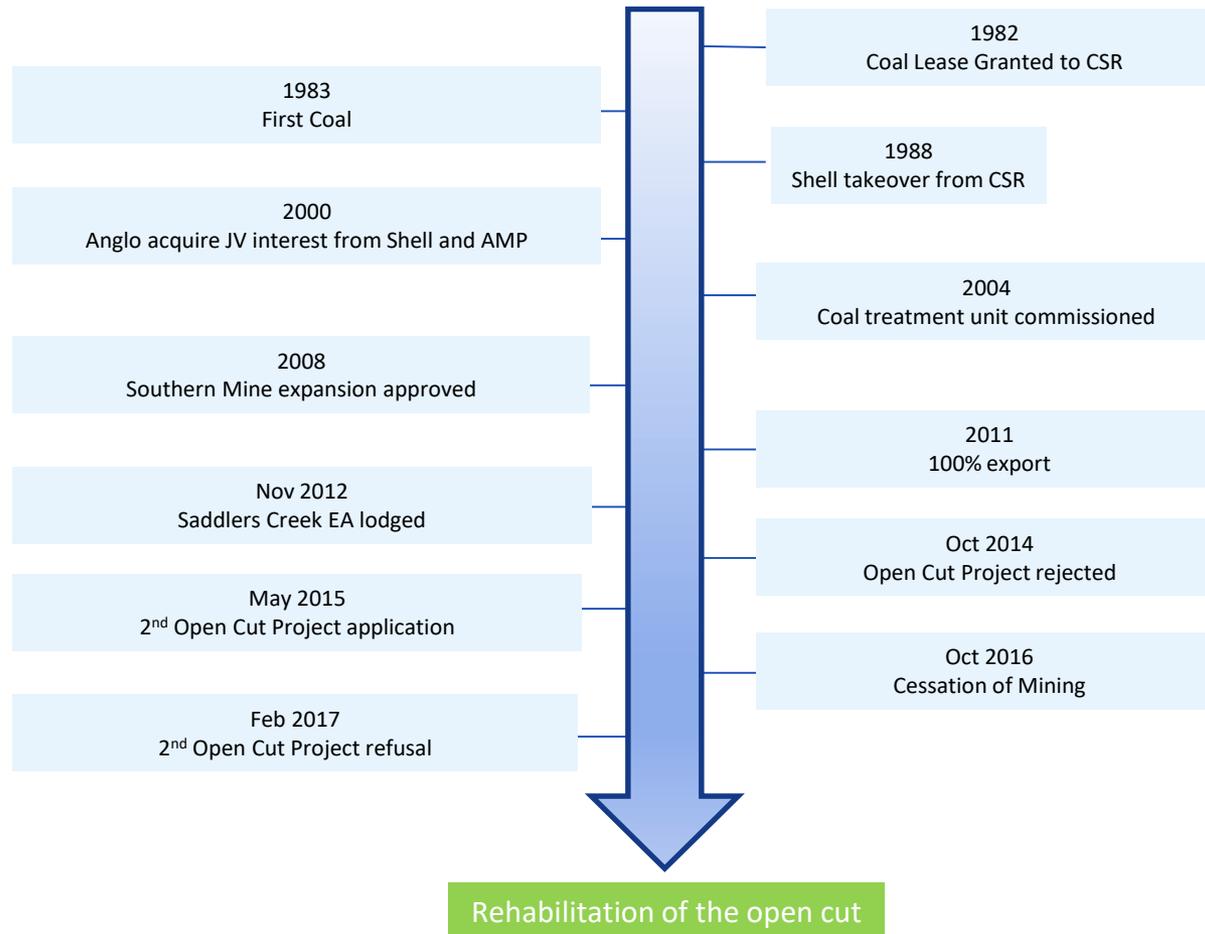
UPDATE

- On 26 February 2018 Malabar* gained full ownership of the Drayton Mine and exploration licence (EL) 5460, now known as Project Maxwell.
- This purchase delivers established coal processing and product transport infrastructure along with significant underground mining resources
- This purchase also provides a range of synergies that will support the development of the Spur Hill EL that adjoins these properties.



**Malabar is an industry leader in underground, long-wall coal mining. Collectively, our key stakeholders have more than 300 years experience in the coal industry. They have designed, commissioned, and operated six underground coal mines in NSW. We have a track record of excellence in the design, construction and operation of coal projects from an operational, environmental and social perspective. In the past we have taken on existing projects and resolved legacy environmental issues. Our strategy is to utilise underground mining techniques and focus on the supply of coking coal for steel-making.*

DRAYTON MINE HISTORY



SITE ESTABLISHMENT

Malabar has established its team at Drayton under the leadership of Rob Hayes.

Their primary tasks include;

1. to manage the efficient and timely delivery of the rehabilitation of the site, and
2. Contribute to the preparation of the development plan for the EIS/DA.

Donna Mclaughlin has been appointed as Environmental and Community Manager for Malabar Coal.

Both Rob and Donna live in the local community.



REHABILITATION

- Prior to taking ownership Malabar put in place the environmental bonds with the NSW Government for the leases. The Government has a rigorous bonding methodology that requires mining companies to post bonds that are sufficient to fully rehabilitate a mine at any time.
- The following photos show some rehabilitated mining areas undertaken by the prior owners.



REHABILITATION

- Malabar has taken responsibility to rehabilitate the Drayton Open-cut Mine.
- As Malabar was keen to commence rehabilitation as quickly as possible, within a week of taking control of the Drayton Mine we commenced rehabilitation.

Monday, 5 March
2018, the first day
of Malabar's
rehabilitation
works at the
Drayton Mine.



- These initial efforts will be accelerated with the pending appointment of a rehabilitation contractor. It is expected that the successful contractor will mobilise to site during April.
- The currently approved final landforms leaves voids. Our strategy is to place reject stone from future underground coking coal operations into the voids so improving the final landforms.
- On completion of rehabilitation we are open to different uses for the site.

PLANNING FOR UNDERGROUND OPERATIONS

Our project team is preparing the development plan for an underground mine;

- ✓ Malabar has substantial coal resources. The 'JORC' Resources are;

Lease	JORC Resources (Millions of tonnes)			
	Measured	Indicated	Inferred	Total
EL5460 (Maxwell)	492	189	91	772
EL7429 (Spur Hill)		394	232	626
Total				1398

- ✓ *Also there are additional potential resources that will be subject to ongoing exploration.*

- ✓ Preliminary underground panel layout options are being drafted
- ✓ Modelling of the existing groundwater regime has commenced.
- ✓ Additional soil studies have been commissioned
- ✓ Subsidence modelling will be undertaken when the final underground panel layout is optimised.

PLANNING FOR UNDERGROUND OPERATIONS



Early conclusions from this work are;

- ✓ Substantial resource inventory provides Malabar with multiple options and flexibility.
- ✓ Due to;
 - *the proximity of the Maxwell Underground lease (EL5460) to the existing infrastructure at Drayton, and;*
 - *Extensive data (particularly geological and geotechnical) within the core of EL5460,*
- ✓ then...
 - *The initial Development Application (DA) that Malabar will most likely present to the planning process will be for an underground mine within EL5460 with the underground entry in the north.*
 - *Whilst this DA is being assessed Malabar will continue to enhance our geological understanding of the zone where EL5460 meets Spur Hill (EL 7429) so that we can optimise the development of Spur Hill.*
- ✓ This strategy ensures;
 1. *the shortest time to full employment and first underground coal, and*
 2. *A long project life as additional reserves are brought into production from Spur Hill.*

COMPLAINTS REGISTER

- No complaints registered since previous CCC meeting.
- Total complaints for FY 2017-18: 0 complaints.

UNDERGROUND COKING COAL PROJECT BENEFITS & COMMUNITY SUPPORT



- *Our initial underground coking coal project will deliver around 350 new, direct jobs and many more indirect jobs for decades to come.*
- *It will also deliver c. \$1.7 billion in royalties to the NSW Government, \$600 million per year in export income for NSW, \$55 million in wages each year and \$100 million per year in taxes. This is in addition to ongoing support for many local businesses.*
- *We have been pleased with the very high level of support for our project.*
- *Most in the local community understand the importance of coexistence for our region.*
- *Co-existence means the community and the State and Federal Governments can continue to reap the benefits of many different strong local industries that have worked side by side for over a century, and all the jobs and economic investment they both provide.*
- *To continue to be a vibrant community, we need a wide range of jobs, for a wide range of people.*

THANK YOU FOR YOUR ATTENDANCE

ABBREVIATIONS AND GLOSSARY

- CCC – Community Consultative Committee.
- DA – Development Application.
- DP&E – NSW Department of Planning and Environment.
- DRE – NSW Division of Resources and Energy (part of NSW Department of Industry).
- EARs – Environmental Assessment Requirements.
- EIS – Environmental Impact Statement.
- EL – Exploration Licence.
- EP&A Act – NSW *Environmental Planning and Assessment Act 1979*.
- EPBC Act – Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.
- JORC - The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves. The Code provides a mandatory system for the classification according to the levels of confidence in geological knowledge and technical and economic considerations.
- MLA – Mining Lease Application.
- SHM – Spur Hill Management Pty Ltd.
- TEOM – an air quality monitoring device, Tapered Element Oscillating Microbalance.