

**MINUTES OF THE MT OWEN COMPLEX
COMMUNITY CONSULTATIVE COMMITTEE MEETING**

Friday 24 November 2006 at Mt Owen Mine

1. Opening of Meeting

Meeting opened by Mary Robinson at 10:10am.

Present:

Community: Alec Schmierer, Patricia Bestic, Jenny Marshall, Alan Noble

Singleton Council: Mary Robinson (Chairperson), Brian Thomas, Val Scott

Mt Owen Mine: Nigel Charnock, Trevor Wells, Ben Seaborn, John Watson

2. Introduction of New Members

Trevor Wells introduced John Watson who will be replacing Nigel Charnock as Environment and Community Manager at the Mt Owen Complex in January 2006. Nigel will be taking up a new role with Xstrata Coal NSW based at their Bulga Corporate Office.

3. Apologies

Apologies for the meeting were received from Wendy Williams (Community), Gerrie Jordaan (Thiess) and Ralph Brown (Minute taker from HLA Envirosiences).

4. Declaration of Pecuniary Interests

Mary Robinson asked Committee members to declare any pecuniary interests. There were no such declarations from the Committee.

5. Previous Minutes

The minutes of the previous meeting held on Friday 1 September 2006 were accepted as a true record of that meeting. Moved Patricia Bestic, seconded by Alec Schmierer.

6. Update on the implementation of key Mt Owen Consent Conditions

Nigel Charnock provided the CCC with an update on the implementation of key Mt Owen Consent Conditions. Key points of his presentation were:

- Progressive development of continuous noise and air quality monitoring systems:
 - Complete roll-out of alarming, including training for operational personnel
 - Commencing verification of noise model using trailer mounted noise monitoring unit
- Runner Up at Inaugural NSW Minerals Council Environmental Excellence Awards in September 2006 for the Mt Owen Complex Continuous Environmental Monitoring System.
- Monitoring results up to the end of October 2006 available on the Mt Owen Complex Website.
- Detailed Winter Noise Report now available on the Mt Owen Complex Website.
- 11 out of 12 permitted Early Morning Blasts for the year detonated – no exceedences of maximum allowable overpressure or vibration limits.
- Progressive implementation of Biodiversity Offset Strategy and further development of our relationship with Greening Australia for assistance with planting and seed collection.
- No feedback on following draft EMP's, Programs and Strategies submitted to DoP:
 - Environmental Management Strategy
 - Noise
 - Air Quality
 - Blasting
 - Water
 - Environmental Monitoring Program
- Draft Bushfire Management Plan completed – to be finalised in early 2007

7. Update on the Glendell Project

Trevor Wells provided the CCC with an update on the Glendell Project. Key points of his presentation were:

- Existing Development Consent in place and all required Mining Leases obtained for Glendell.
- Proposing modification to the existing Consent to allow for the integration of Glendell into the Mt Owen Complex and the implementation of a common Environmental Management System (EMS).
- The proposed modifications to mine plan and EMS approach will provide benefits to the community in comparison to the current approval.
- A comparison of the current approved and proposed operations was provided, including a number of aerial plans showing proposed mining and overburden emplacement areas, mining sequence, infrastructure area and site access.
- A comprehensive environmental assessment will be undertaken as part of the proposed modification to the Development Consent. Draft Environmental Assessment Requirements have been received from the Department of Planning (DoP).

- Planning for site infrastructure has commenced.
- Consultation with the community and other key stakeholders on the project likely to commence around February 2007 – delayed due to availability of key consultants for the environmental assessment process.
- Prior to commencing the consultation process XMO will contact neighbouring landholders and circulate a newsletter to introduce the project and advise how people can be involved in the consultation process.
- Construction expected to commence in Q2-3 2007 and mining in Q1 2008, however this could be subject to change

Q. Brian Thomas- How high is the overburden dump?

Trevor Wells- RL160m, which is about 40m above the existing height of the ridgeline that runs north to south through the Glendell project area.

Q. Jenny Marshall- when was the Mine originally approved?

Nigel Charnock – May 1983, with a modification to the Consent approved in 1997.

Q. Val Scott – What will happen to the Glendell CCC when the Project commences?

Nigel Charnock- Nothing will change. Glendell will continue to be part of the Mt Owen Complex CCC. More information on Glendell will be provided at CCC meetings as we move into the construction and operational phases of the mine.

Q. Patricia Bestic- Does Glendell have any neighbours?

Trevor Wells – Yes, we have neighbours at Camberwell Village to the south of Glendell, Glennies Creek Road to the south-east and Falbrook area to the east. We have considered the community as part of the initial mine planning process to minimise environmental impacts on our neighbours, particularly noise and dust. We will ensure that all of our neighbours have the opportunity to participate in the consultation process for the project.

Q. Allan Noble – Is a diversion of Bettys Creek still required?

Nigel Charnock –A diversion of Bettys Creek along the southern boundary of the Project area was approved as part of the original 1983 consent. This diversion is still required.

Q. Brian Thomas- Will the company run into the same stability issues and dump room constraints as the Mt Owen Pit when the pit is turned clockwise in the southern part of the deposit?

Trevor Wells – The turn is tight but we have incorporated sufficient dumping space.

8. Review of Operational Performance

Trevor Wells provided an overview of mining progress at Mt Owen and Ravensworth East (West Pit) since the last meeting using a recent aerial photograph (September 2006). Key points included:

North Pit

- Mining has continued in Pit B and Pit C blocks.
- Continued development of the West Dump- parts of the dump are at the final approved height of RL190m.
- Approximately 90ha of rehabilitation has been completed on the top of the main overburden dump.

West Pit

- Focus on dewatering of the Southern Void for mining purposes, with water being pumped for use in the Mt Owen Coal Preparation Plant.
- Widening out mining blocks and progressing mining in a southerly direction.
- Received an extension to our domestic coal contract with Macquarie Generation to provide 0.5Mtpa of coal for power generation.

Eastern Rail Pit (ERP)

- Mining commenced in the ERP in late August 2006.
- Approximately 1 million tonnes of product coal to be extracted from the ERP.
- Mining in the ERP will be completed in 2007.

Q. Allan Noble– why is there so much dust coming from the ERP?

Nigel Charnock- The Mt Owen EIS predicted that dust levels would increase in the local community with the commencement of mining in the ERP due to the proximity of the pit to our neighbours and the pit being mined concurrently with the operations of the West Dump and other existing mining operations at Mt Owen. We are doing all that we practically can to manage dust in the ERP, including shutting down or modifying operations on numerous occasions and responding to dust alarms. However, we acknowledge that due to the very fine nature of the surface material in the mining area dust can be an issue for our neighbours on windy days, particularly with dust being liberated from exposed areas.

Trevor Wells – We are also looking to expedite mining in the ERP to complete operations before next winter, after which we typically get strong north-westerly winds.

2007 Projects

- 2007 will be a very busy year at the Mt Owen Complex with the development of the Glendell Project and the expansion of the existing Mt Owen Coal Preparation Plant, which will take its capacity up to 15Mt/pa.

9. Review of Environmental Performance

Ben Seaborn provided an overview of environmental performance since the last meeting using a Powerpoint presentation of figures. Key points included:

- An aerial photograph of the locations of fixed dust, water, blast and noise monitoring units for the Mt Owen Complex was provided. The majority of noise and dust monitoring locations are concentrated in the Glennies Creek and Fallbrook areas.
- Total suspended particulate results from three locations for September and October 2006 were provided -12-month rolling average results are below the assessment criteria.
- 24-hr PM₁₀ results from four locations for September and October 2006 were provided -12 month rolling average results are below the assessment criteria.
- 24hr PM₁₀ continuous monitor results for September and October 2006 were provided. There has been one exceedence of the 24 hour project specific criteria on 24 September 2006. On this day the mine recorded winds of up to 90km/hr. The single exceedence is not a compliance issue as up to 5 exceedences of the 24 hour project specific criteria are permitted in an annual period. Nigel and Ben advised that as a result of the exceedence Ben will be meeting with operational personnel to discuss and identify any required remedial action.
- The 24hr PM₁₀continuous monitor rolling 12-month average was provided. Calculations begin from the time of installation in December 2005. Results are below the assessment criteria.
- Dust deposition results for the last 12 months were presented. Results for all residential gauges are below the assessment criteria.
- Blast monitoring results for Mt Owen and the Eastern Rail Pit were presented for the last 12 months. No exceedences of maximum overpressure or ground vibration limits were recorded.
- Blast monitoring results for Ravensworth East were presented for the last 12 months. One exceedence of the maximum overpressure limit was recorded at the company owned Ravensworth Homestead in December 2005. There has been no exceedences of maximum overpressure or ground vibration limits at privately owned residencies.
- Ben advised that following feedback received at the last CCC meeting he had amended the blasting information provided to add number of blasts each month and maximum overpressure and vibration results. Ben advised that he would attach with the minutes an amended table also including average overpressure and ground vibration as he did not have time to compile this prior to the meeting (**refer to attached information**).
- A comparison of EIS noise predictions to actual monitoring results for Winter 2006 was provided. Monitored results in residential areas are within project specific noise compliance criteria and well below EIS predictions for this stage of the operation. The results are better than predicted because the Mine has purchased more attenuated mining equipment than was expected by this stage of the project and have implemented other noise mitigation commitments such as a noise bund on the West Dump.
- Figures covering recent complaints history were displayed with 15 complaints received in September and 14 in October 2006. For the 2006 YTD 85% of complaints have related to noise and dust (48% noise and 37% dust).

Q. Brian Thomas – I am interested in seeing the results from the PM10 dust continuous monitor for last week as we had two very windy conditions during the week.

Ben Seaborn – I will distribute relevant November results with the minutes (**refer to attached information**).

Q Allan Noble – The blast results appear high and my windows sometimes rattle.

Ben Seaborn – the results provided are misleading in that they present maximum results, when in fact most of our results are well below the maximum recorded result. The amended table I provide with the minutes displaying average results will demonstrate this. As indicated in the previous table, there has been no exceedence of maximum overpressure or ground vibration criteria at private residencies in the last 12 months.

Q. Allan Noble – How is the Mine performing against Cumulative Noise Criteria in the Consent?

Nigel Charnock – We did not present cumulative results to try and minimize the volume of data that you have to take in. Our results demonstrate that we have maintained compliance with both project specific and cumulative noise criteria. Nigel offered to meet with Allan following the meeting to present and discuss cumulative noise result. Allan declined the offer at this stage.

Q. Allan Noble – In future can you please make the writing bigger on the graphs as I am struggling to read?

Ben Seaborne – noted.

10. Update on Community Projects

Nigel presented an update on Xstrata Mt Owen community projects.

Xstrata Coal NSW (XCN) Viewpoint Program

- Commenced late March 2006.
- Program included 73 face to face interviews and 95 surveys via mail and phone with landholders, community groups and local and state government reps between March and September 2006.
- Survey included residents in the vicinity of the Mt Owen Complex, including Glennies Ck, Falbrook and Camberwell areas.
- Survey sought to identify community knowledge and attitudes towards XCN operations.
- Residents were asked to comment on the environmental performance of XCN operations, level of engagement with the community and benefits and opportunities arising from having a mine in the local area.
- Residents were asked if they were affected by a number of mining related activities and were asked to suggest ways that XCN could minimise these effects.

- Key environmental themes included water, air quality, noise and visual impacts.
- Many people spoke of the need for more regular consultation and communication with the community, particularly local landholders.
- There is community confusion over the ownership of mines in their area.
- XMO is currently reviewing the results of the survey and stakeholder suggestions.
- The information will be used to refine XMO's community consultation and social investment strategies.

Glennies Ck Rehabilitation Project

Recent activities relating to the project include:

- Removal of dense weed infestations along Glennies Creek.
- Planting of trees along Glennies Ck and Glennies Ck Road.
- Fencing of eroded sections of Main Ck and tree planting areas to exclude cattle.
- Erosion control structure installed on Main Creek.
- Follow up weed control and watering of trees periodically undertaken to ensure the survival and growth of established vegetation.
- Work on the project will re-commence in early 2007.

Yorks Creek Rehabilitation Project

Recent activities relating to the project include:

- Fencing of the project area.
- Permit sought from the Department of Environment & Conservation (DEC) to allow earthworks and tree planting to be undertaken in areas containing aboriginal artefacts.
- Licence sought from the Department of Natural Resources (DNR) to permit the construction of erosion control structures within the project area.

XMO planned to commence earthworks and tree plantings in September 2006. However, works cannot commence until the required permits have been issued. To avoid hot and dry summer conditions, plantings will be deferred until Autumn 2007.

11. General Business

Ravensworth Homestead

Nigel Charnock presented an update of the progress on the Ravensworth Homestead:

- EJE Architecture have completed a structural and material condition report and preparation of quantities and costing for individual items requiring repair

- XMO propose to commence repair and maintenance works in early 2007 depending on availability of specialist contractors. XMO will engage a qualified consultant such as EJE to project manage works program.
- The primary objective is to restore the Ravensworth Homestead to a stable and habitable condition using Heritage Conservation Principles.

Trevor Wells added that Xstrata management were very supportive of undertaking the required repairs and maintenance on the Homestead and returning it to a habitable state. Trevor said that the Company would be looking to get someone into the Homestead on a permanent basis.

Hebden Rd Line Markings

- Brian Thomas reported that Singleton Council will be looking at the need for additional line marking on Hebden Road as part of a planned resealing program.

Vacant CCC Position

- Brian Thomas reported that no replies had been received since the vacant community position on the Mt Owen Complex CCC had been advertised in the July 2006 Mt Owen Community Newsletter. Nigel Charnock advised that the position will be re-advertised in the December 2006 Mt Owen Complex Community Newsletter.

Weed Control

- Nigel Charnock reported that the Mine was progressing with an aggressive weed control program, principally targeting St Johns Wart and Galenia. This program is on-going.

Brian Thomas – What chemical do you use on Galenia?

Nigel Charnock – Grazon DS where possible, but we use Roundup in established tree areas given that trees are susceptible to the effects of spray drift and the residual effects of Grazon in the soil.

12. Next Meeting

The next meeting has been scheduled for **Friday 23 March 2007** at Mt Owen Mine.

Meeting closed – 12pm by Mary Robinson

Minutes prepared by – Nigel Charnock (in absence of HLA Envirosciences)

Attachments

Action Items:

Item	Responsible	Rose at CCC meeting on:	Status
Actual blast recordings to be included in Environmental Performance reporting at next meeting.	Ben Seaborn	1/9/2006	Complete
Letter to Singleton Council regarding line markings on local roads. Mary Robinson to provide update at next CCC meeting.	SSC	22/11/2005	Council to inspect to determine is additional line marking required.
Advertise for community rep to fill vacant CCC position following departure of Leanne Cramp	Xstrata Mt Owen	22/11/2005	No Response
Provide average overpressure and ground vibration blast monitoring results with November 2006 CCC minutes	Ben Seaborn	24/11/2006	Complete- provided with these minutes
Provide summary of 24 hour PM10 dust results during November 2006 with November 2006 CCC minutes	Ben Seaborn	24/11/2006	Complete- provided with these minutes

2. Continuous PM10 Dust Monitoring – Review of exceedences of site specific criteria during November 2006 (24 hr average of 50 ug/m³)

Date	Hebden Rd PM10 24hr Dust Conc. (ug/m3) and location in respect to Mt Owen	Glennies Ck Rd (Nobles) PM10 24hr Dust Conc.(ug/m3)	Prevailing Wind Direction/s (24hr period)*	Mt Owen PM10 Dust Contribution (ug/m3)
14/11/06	26.3 (upwind)	54.3	W - NW	28
16/11/06	39.5 (upwind)	77.5	W	38
23/11/06	28.4 (upwind)	81.2	W	52.8**
24/11/06	50.3 (downwind)	62.4	E - SE	NA ¹

Date	Hebden Rd PM10 24hr Dust Conc. (ug/m3) and location in respect to Mt Owen	Falbrook Rd (Cramps) PM10 24hr Dust Conc. (ug/m3)	Prevailing Wind Direction/s (24hr period)*	Mt Owen PM10 Dust Contribution (ug/m3)
03/11/06	20.4 (upwind)	52	NW	31.6
18/11/06	14.2 (downwind)	81.2	SW - E	NA ²
26/11/06	29.4 (upwind)	54.2	W - NW	24.8

* - As recorded by the meteorological station adjacent to the continuous dust monitor.

** - Result in bold indicates exceedence of project specific criteria for 24hr PM10 dust.

NA¹ - Unable to quantify Mt Owen's contribution to dust levels measured at Glennies Ck Road monitor due to prevailing wind direction from the E-SE. Regional dust event.

NA² - Unable to quantify Mt Owen's contribution to dust levels measured at the Falbrook Road monitor due to prevailing wind direction from the SW-E.