



ASSESSMENT REPORT

Section 75W Modification – Moolarben Coal Mine

1 BACKGROUND

The Moolarben Mining Complex (MMC) is located 40 kilometres northeast of Mudgee, adjacent to the village of Ulan (see Figure 1).

The complex is yet to be constructed and will be managed by Moolarben Coal Mines Pty Limited (Moolarben), a wholly-owned subsidiary of Felix Resources Limited.

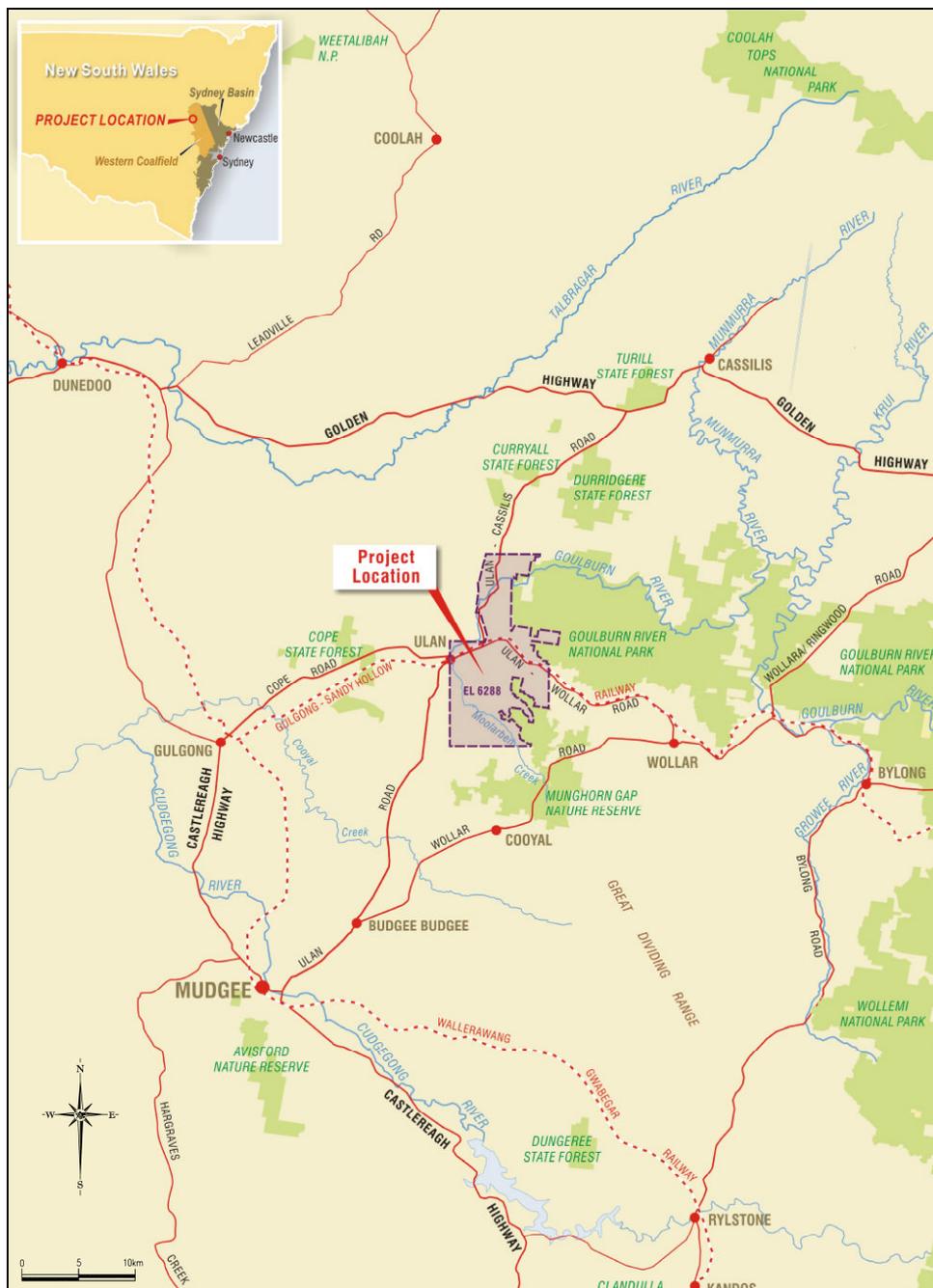


Figure 1: Regional Context

Stage 1 of the mining operation at the complex will be regulated by project approval MP 05_0117 which was granted by the Minister for Planning on 6 September 2007.

This project approval allows Moolarben to:

- construct and operate three open cut mining pits, one underground mine, a range of associated infrastructure including a coal handling and preparation plant (CHPP), and a new rail loop and coal loader off the Sandy Hollow-Gulgong railway line;
- extract up to 8 million tonnes of run-of mine (ROM) coal per annum from the open-cut mining operations;
- extract up to 4 million tonnes of ROM coal per annum from the underground mining operations; and
- process this coal on site, before loading it onto trains and dispatching it to domestic and export markets.

It is anticipated that construction of Stage 1 will commence shortly and mining operations will commence approximately 12 to 18 months later. Moolarben has also sought approval from the Minister under Part 3A of the EP&A Act for Stage 2 of the MMC. This application is at an early stage in the assessment process with the EA yet to be exhibited.

2 PROPOSED MODIFICATION

On 11 December 2008, Moolarben submitted an application with the Department which seeks to amend the Minister's approval for Stage 1 of the Moolarben Coal Project (MCP) under Section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

Condition 51(a) of Schedule 3 (as modified), requires the construction of a new intersection between the Ulan-Cassillis Road (MR 214) and the proposed mine access road for the coal handling preparation plant (CHPP) and coal stockpile area, to the satisfaction of the RTA, prior to Moolarben carrying out any construction on site.

Work on the new mine intersection was commenced by the Mid-Western Regional Council (MWRC) on 5 December 2008, with completion expected around the 16 January 2009 (see Figures 2 & 3).

The proposed modification seeks approval for preliminary construction activities to be commenced at the MCP site prior to completion of the new mine access intersection, to facilitate delivery and erection of demountable offices (see Figure 4).

The preliminary construction activities would be carried out between the 15 December 2008 and the 16 January 2008, at which time the new mine intersection is expected to be completed. During this time up to 12 trucks and 10 light vehicles would access the site via the intersection under construction.

Preliminary construction works would involve the delivery of demountable office sections, as well as the equipment to enable the site to be prepared and the office buildings to be erected (see Table 1). The overall footprint of the office complex with parking would be approximately 50 m by 60 m. No other construction works would be undertaken prior to the completion of the new mine access intersection.

All preliminary construction works would be conducted within the approved mine footprint and would not affect the extent or timing of the approved mining activities.



Figure 2: Location of Site Access Intersection

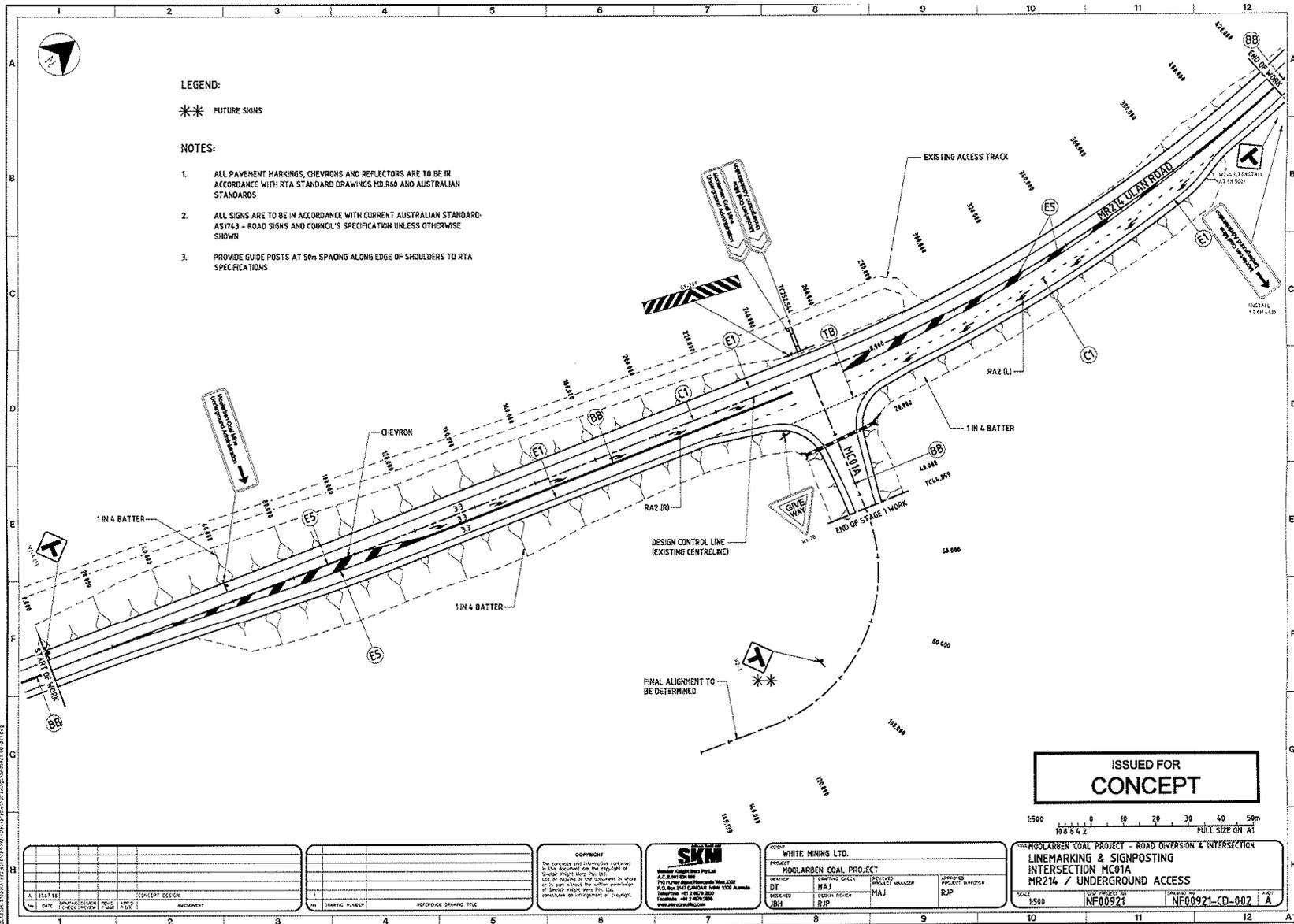


Figure 3: RTA Approved Final intersection Design



Figure 4: Demountable Offices

Table 1: Preliminary Construction Activities

Time period	Construction activities	Construction workforce	Number of vehicles
15 to 16 December 2008	Initial site preparation works (e.g. surveys)	Up to 6	Up to 6 (light vehicles only)
17 to 20 December 2008	Deliveries to site including demountable office sections, bobcat, forklift, and other associated work equipment. Minor site clearing and levelling (1 day). Installation of screw footings (2 days). (See Appendix 3)	Up to 6	Up to 6 (including 2 trucks - no oversized vehicles)
20 to 23 December 2008	Installation of demountable office sections on footings (2 days). Connection of building sections (2 days).	Up to 6	Up to 6 (light vehicles only)
5 to 10 January 2009	Erection of decking (3 days). Connection of internal components (3 days). Connection of external services (3 days).	Up to 4	Up to 4 (light vehicles only)
12 to 16 January 2009	Commission and acceptance (2 days).	Up to 2	Up to 2 (light vehicles only)

3 STATUTORY CONTEXT

3.1 Approval Authority

The Minister was the approval authority for the original project approval, and is consequently the approval authority for this application.

However, the Executive Director of the Major Project Assessment division may determine this application under the Minister's delegation of 7 June 2007.

3.2 Exhibition and Notification

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the application. However, after accepting the EA for the modification, the Department made it publicly available on the Department's website.

4 ASSESSMENT

The Department's assessment of the key issues is summarised in Table 2 below:

Table 2: Assessment of Key Issues

Issue	Prediction	Recommended Measures
Traffic	<ul style="list-style-type: none"> ▪ The proposed modification would result in up to 12 trucks (no oversized vehicles) and 10 light vehicles accessing the construction site. ▪ The assessment found the proposed modification would not impact on the performance of the local road network, or on existing road users. ▪ Nonetheless, a Traffic Management Plan prepared by the MWRC would be in place for the duration of the proposed works to enable the additional level of traffic to safely enter and exit the MCP site through the new intersection as it is being completed. ▪ The proposed preliminary construction works would occur primarily during the school holiday period to prevent any interactions with local school bus services. ▪ The Department is satisfied that Moolarben has sufficient control measures in place to minimise any potential traffic impacts for the duration of proposed works. 	<ul style="list-style-type: none"> ▪ Moolarben have committed to: <ul style="list-style-type: none"> ○ Installing traffic signals at the new intersection which will be operated when works are within 3m of the Ulan-Cassilis Road; and ○ Reducing traffic speed from 100km/hr to 40km/hr within the work zone while work is in progress. ▪ Traffic control for the duration of works must be conducted in accordance with the Traffic Management Plan prepared by MWRC.
Noise	<ul style="list-style-type: none"> ▪ Noise impacts were assessed in the original EA for the approved MCP and included a detailed assessment of road traffic noise and construction noise. ▪ The Department is satisfied that the overall noise level would remain at or below applicable intrusive noise and amenity criteria at all privately-owned receptors. 	<ul style="list-style-type: none"> ▪ Moolarben is required to comply with noise limits specified within the project approval. ▪ Moolarben is required to monitor noise impacts of the construction works in accordance with the approved Construction Noise Management Plan.
Air Quality	<ul style="list-style-type: none"> • The proposal could increase dust generation through construction activities and traffic movements. • Another source of emission that could impact air quality is exhaust emissions from equipment but these impacts are not predicted to be significant. • Air quality impacts were assessed in the original EA for the approved MCP and the Department is satisfied that potential air quality impacts on surrounding residents would be negligible. 	<ul style="list-style-type: none"> ▪ Moolarben is required to comply with air quality limits specified within the project approval. ▪ Moolarben is required to monitor air quality impacts of the construction works in accordance with the approved Air-Quality Monitoring Program.
Water Resources	<ul style="list-style-type: none"> ▪ The original EA for the approved MCP and included a detailed assessment of impacts on both surface water and groundwater resources. ▪ Water use for the preliminary construction works would be primarily required for dust suppression. ▪ Water use for the proposal is considered by the Department to be minimal in the context of the 	<ul style="list-style-type: none"> ▪ No additional control measures required above and beyond those set out in the approved Water Management Plan.

<i>Issue</i>	<i>Prediction</i>	<i>Recommended Measures</i>
Biodiversity	<p><u>overall requirements of the MCP.</u></p> <ul style="list-style-type: none"> • The proposed works would be confined to areas that have approval to be disturbed. • All vehicle movements would be planned so as to minimise damage to local vegetation. • The proposed modification <u>would have minimal effect on existing biodiversity values in the area.</u> 	<ul style="list-style-type: none"> ▪ No additional control measures required.

5 CONCLUSION

The Department has assessed the application in accordance with the relevant requirements of the EP&A Act.

This assessment has found that the proposed modification would not cause any additional environmental impacts associated with the approved MCP.

The proposed modification would enable Moolarben to facilitate the delivery and erection of demountable offices prior to the commencement of primary construction of the mining complex, which would otherwise be delayed.

Consequently, the Department believes the modification should be approved subject to conditions.

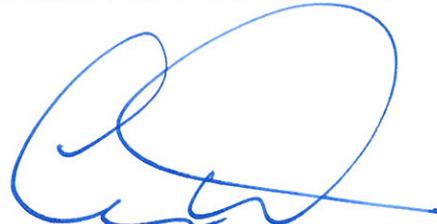
6 RECOMMENDATION

It is RECOMMENDED that the Executive Director:

- consider the findings and recommendations of this report;
- approve the proposed modification under Section 75W of the EP&A Act; and
- sign the attached notice of modification.

Kitto 15/12/08

David Kitto
Director
Industry and Mining

 18.12.08

Chris Wilson
Executive Director
Major Project Assessment