

APPENDIX B

STAKEHOLDER CONSULTATION





Planning

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Mr I Callow
Project Manager – Development
Felix Resources Limited
PO BOX 10470
Brisbane QLD 4000

10 MAR 2010

Dear Ian

**Moolarben Coal Project
Preferred Project Report**

I write following our meeting at the Department's offices on 17 March 2010.

The Department requires the company to submit a preferred project report for stage 2 of the project.

The report must:

- demonstrate all reasonable and feasible measures have been taken to avoid impacts on State and Commonwealth Endangered Ecological Communities (EECs), paying particular attention to the proposed emplacement areas;
- include a clear proposal to offset the residual biodiversity impacts; and
- include a clear mine plan with detailed maps and figures, that consolidates all the changes that have been made to both stages of the project during the assessment process.

The report should be a stand-alone document.

If you have any queries, please contact Nick Hall on (02) 9228 6438.

Yours sincerely

David Kitto
Director
Mining and Industry Projects



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26 July 2011

Mr Frank Fulham
Moolarben Coal Operations Pty Ltd
Locked Bag 2003
MUDGEE NSW 2850

Dear Frank

VOLUNTARY PLANNING AGREEMENT

Thank you for your letter of 20 June 2011 with the offer of a revised Voluntary Planning Agreement (VPA) for your Stage 2 Project.

Council is very grateful for your change in terms to have the monetary contribution paid in one lump sum payment instead of 20 instalments over the life of the mine.

The original agreement only listed that the money be spent on community infrastructure capital project, so the VPA will reflect that.

Thanks again for your assistance. The community will benefit considerably from this payment.

Should you have any queries in relation to this matter please contact me on 02 6378 2820.

Yours sincerely

A handwritten signature in black ink, appearing to read "Warwick L Bennett".

WARWICK L BENNETT
GENERAL MANAGER



April 2011



BACKGROUND

Stage 1 of the Moolarben Coal Project was granted approval on 6 September 2007. Since then, some modifications have been sought to modify and improve the Stage 1 Project. Moolarben Coal Operations (MCO) currently undertakes open cut operations under this approval.

Application (08_0135) for Stage 2 of the Moolarben Coal Project was lodged in July 2008. The Stage 2 Environmental Assessment (2009) was placed on public display from March 2009 to April 2009. As a result of submissions from regulators and the community, Response to Submissions were prepared and submitted to the Department of Planning (DoP). Should Project Approval be granted for Stage 2, MCO will operate it in concert with Stage 1 as a single, consolidated operation (Moolarben Coal Complex).

Following Yancoal Australia's investment in the Moolarben Coal Complex through purchase of Felix Resources Ltd, and in consideration of the community and regulatory submissions regarding the Stage 2 Project, a revision of the Stage 2 Project is currently being undertaken. As a result of the revision to the Stage 2 Project, DoP has requested a Preferred Project Report be submitted, which is currently being prepared.

The purpose of this newsletter is to provide an update on the revised Stage 2 Project (the Preferred Project) and its current status, and to give you the opportunity to provide feedback.

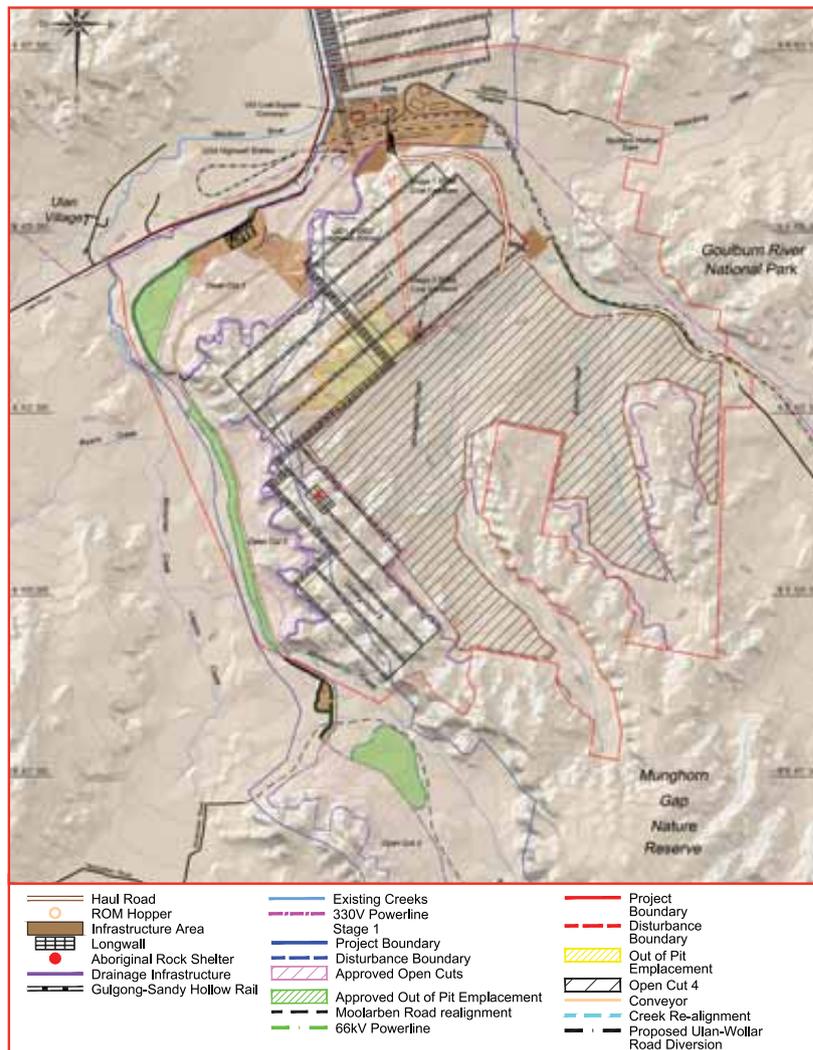
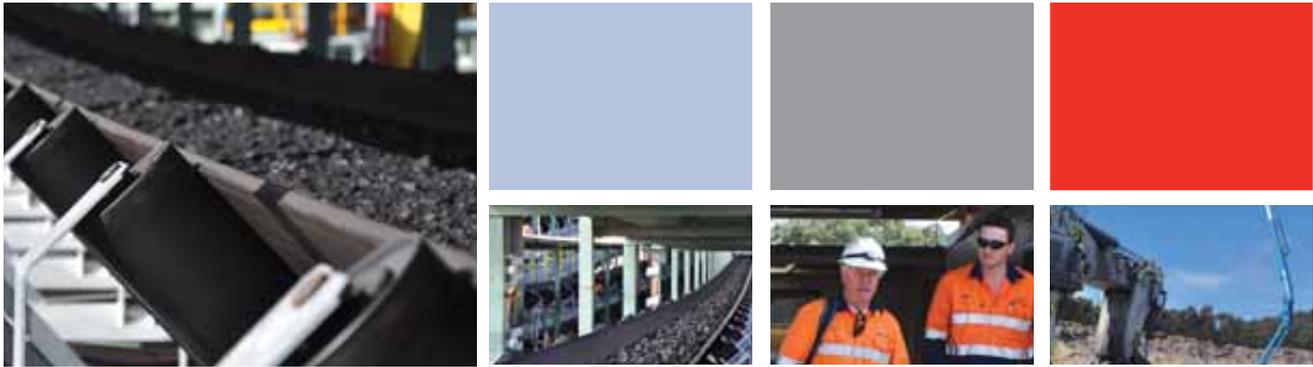


Figure 1 Preferred Project layout.



STAGE 2 PREFERRED PROJECT

Changes to the Stage 2 Project to minimise environmental and community impacts include modification to the open cut 4 footprint, construction of a Northern Out of Pit (OOP) emplacement area in lieu of two southern OOP emplacement areas, avoidance of 2.7 km of Murragamba Creek and minor changes to the open cut 4 haul road.

These changes result in a total reduction in impacts to threatened vegetation communities of 40 ha and a total reduction in impacts to 12 Aboriginal heritage sites.

Additionally, in order to minimise noise and air quality impacts and improve site operations, the Preferred Project facilitates development of ROM coal transfer and tailings conveyors and relocation of administration and access to reduce required travel distance.

Figure 1 provides a visual representation of the Preferred Project layout.

Remodelling of the Moolarben Coal Complex has been undertaken for noise and air quality impacts to ensure cumulative impacts are accurately quantified. This modelling has considered the Moolarben Coal Complex as well as recent approvals for Ulan Coal Mine and Wilpinjong Coal Mine. As a result, some additional properties will receive revised noise impacts. MCO will undertake consultation with relevant individual landholders to discuss the results.

In order to facilitate the Preferred Project and quantify the improved environmental outcomes as compared to the Project presented in the Stage 2 EA, revised technical studies will be included in the Preferred Project Report including:

- Noise
- Air Quality
- Groundwater
- Concept Design for Diversions of Murragamba and Eastern Creeks
- Site Water Balance
- Ecological Offset Strategy

Additionally, minor revisions have been carried out for:

- Aboriginal Archaeology
- Subsidence
- Rehabilitation Strategy

THE PROCESS

It is intended to submit the Preferred Project Report to DoP in May 2011. It is anticipated that the document will go on public exhibition at <http://majorprojects.planning.nsw.gov.au/page/on-exhibition/> later in May 2011 whereby DoP will request community submissions.

COMMUNITY CONSULTATIVE COMMITTEE (CCC)

The Moolarben Coal CCC has an independent Chairperson and generally meets every 2 to 3 months. The most recent CCC meeting was held 15 February 2011 and the updated status of the Stage 2 Project was discussed. The CCC members are listed on MCO's website should you wish to independently discuss any aspects of MCO's operations.



CONTACT DETAILS:

If you have any questions in regard to the Moolarben Coal Stage 2 Preferred Project or MCO's operations you can visit www.moolarbencoal.com.au or contact:

Steve Peart
 Environment and Community Relations Manager
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