



MOOLARBEN COAL PROJECT

A P P E N D I X 2

*Community
Newsletters*



Moolarben Coal Exploration Project

Community Newsletter No 1

Background

In March 2004, the NSW Minister for Mineral Resources invited Expressions of Interests for an exploration licence in respect to the Moolarben coal exploration area, under the Mining Act 1992.

The Moolarben coal exploration area is located approximately 40 kilometres north-east of the Mudgee township and immediately east of the village of Ulan.

White Mining Limited, in August 2004 was granted Exploration Licence 6288 by the NSW Minister for Mineral Resources. Moolarben Coal Mines Pty Limited is a 100% owned subsidiary of White Mining Limited and is the Exploration Licence Holder. Moolarben Coal Mines Pty Limited is currently undertaking exploration drilling to determine if there is an economic and viable coal resource.



Partial View of Moolarben Coal Exploration Area



Aerial photo showing Moolarben Coal Exploration Area

Community Consultative Committee

The Moolarben Community Consultative Committee has been established to provide a forum for open discussion between appointed community representatives, relevant government agencies, other interested stakeholders and Exploration Licence holder concerning exploration drilling.

The Moolarben Community Consultative Committee comprises of an independent Chairperson, representatives from the local community, Mid-Western Regional Council, Department of Primary Industries and Moolarben Coal Mines Pty Limited. The initial meeting of the Moolarben Community Consultative Committee was in September 2004 with meetings held approximately every 3 months.

Ulan Public School



Exploration Drilling



Drilling Rig

Exploration drilling commenced in the southern sector of the Moolarben coal exploration area in November 2004 and has gradually moved in a northerly direction. The drill rig is currently located in the vicinity of Wollar Road and the private airstrip.

The purpose of the drilling program is to identify the underlying geological conditions which prevail in the area, the location, depth and thickness of coal seams. Coal samples are recovered from the exploration drilling and independently analysed.

The results of the drilling program and coal

testing will assist Moolarben Coal Mines Pty Limited in determining whether or not an economic and viable coal resource exists in the area.

Environmental Program

Moolarben Coal Mines Pty Limited are undertaking baseline environmental studies and monitoring in conjunction with exploration drilling. In the event that the exploration drilling confirms a viable coal resource potentially exists, the data collected from the environmental studies and monitoring would be used in the preparation of an environmental impact statement. Air and surface waters are monitored on a monthly basis whilst the areas ground water is being progressively monitored by the installation of piezometers as exploration drilling progresses.



Weather station

Community Information Sessions

Residents in the Ulan, Cooks Gap, Moolarben and Bobadeen areas and persons interested in the Moolarben Coal Exploration Area are invited to attend community information sessions to be held at the Ulan Community House on Thursday 2nd June and Friday 3rd June 2005 between the hours of 9.00am and 7.30pm.



Surface water monitoring

For further information regarding Moolarben Coal Exploration Project please contact:

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Exploration Drilling

Exploration drilling is undertaken to determine the underlying geological conditions which prevail in the exploration area including the location, depth and thickness of coal seams. Drilling and site rehabilitation have been hampered due to recent rains and the exploration geologist has relocated the drill rig to suitable properties in the Murrumbidgee and Moolarben Creek Valleys in an effort to keep the program on schedule.

The assistance of local land owners is acknowledged and we thank you for your support.



Drilling Rig

Notwithstanding the difficulties caused by wet ground conditions the drilling program, involving survey and geophysical logging of exploration holes has identified coal resources sufficient to support a coal mine project comprising of

open-cut and underground (longwall) mining with associated infrastructure. Independent laboratories have confirmed that the coal resource consists of export and domestic qualities.

Environmental Program

Moolarben Coal Mines Pty Limited are undertaking baseline environmental studies and monitoring in conjunction with exploration drilling. Air and surface waters are monitored on a monthly basis whilst the areas ground water is being progressively monitored by the installation of piezometers as exploration drilling progresses.

Other specialist studies currently being conducted include aboriginal and european heritage, ecology, soils, surface and ground waters, noise, air quality, traffic, visuals and land use.

The assistance and support of local land owners to conduct the studies, which at times causes an inconvenience to farm operations and family life, is acknowledged and we thank you for your assistance.



Weather station

Surface water monitoring



Part 3A Application for Coal Mine

Based on the results of exploration and laboratory results, Moolarben Coal Mines Pty Limited has made application to the Minister for Planning for project approval under Part 3A of the Environmental Planning and Assessment Act, 1979 for the construction and operation of a coal mine to be known as the Moolarben Coal Project.

The Moolarben Coal Project will be subject to the environmental assessment and public consultation requirements under Part 3A of the Environmental Planning and Assessment Act, 1979.

Community Information Sessions

Residents in the Ulan, Cooks Gap, Moolarben and Bobadeen areas and persons interested in the Moolarben Coal Exploration Licence 6288 area are invited to attend community information sessions to be held at the Ulan Community House, Main Street, Ulan on Thursday, 13th October 2005 and Friday, 14th October 2005 between the hours of 9.00am and 7.30pm.

For further information regarding Moolarben Coal Exploration Project please contact:

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Moolarben Coal Exploration Project



Community Newsletter No 3



March 2006

Background

The Moolarben coal exploration area is located approximately 40 kilometres north-east of the Mudgee township and immediately east of the village of Ulan.

The NSW Minister for Mineral Resources in August 2004 granted White Mining Limited Exploration Licence 6288. Moolarben Coal Mines Pty Limited (MCM) is a 100% owned subsidiary of White Mining Limited (which recently merged with Felix Resources Ltd) and is the holder of Exploration Licence 6288. Exploration drilling commenced shortly after the granting of the exploration licence.

Community Consultative Committee

The Moolarben Community Consultative Committee has been established to provide a forum for open discussion between appointed community representatives, relevant government agencies, land owners and the holder of Exploration Licence 6288 concerning exploration drilling and associated activities.

The Moolarben Community Consultative Committee has an independent Chairperson and generally meets every 2 to 3 months.

Exploration Drilling

Exploration drilling is undertaken to determine the underlying geological conditions that prevail in the exploration area including the location, depth, thickness and quality of coal seams. Recent exploration drilling has included:



- Drilling within the area known as Underground No.4, (this is in addition to the significant drilling activities that occurred the 1970 - 80s). This work will assist in predicting subsidence and determining the quality of the underground resource; and
- Drilling within the Murrumbidgee Valley, where there are potentially mineable coal resources.

Drilling in the coming months will also look to further prove coal resources within the northern half of the exploration licence.

The assistance of the local landowners is acknowledged and we thank you for your support.

Environmental Monitoring Program

MCM are undertaking baseline environmental monitoring in conjunction with exploration drilling. Air quality and surface waters are monitored on a monthly basis. Groundwater is also being monitored through existing bores and the installation of piezometers and test bores.



Director-General's Requirements / Environmental Assessment Requirements

The key environmental assessment requirements for the project are briefly described below:

- Surface and groundwater, including water balances and salinity budgets, changes to the groundwater regimes, stream and riparian impacts;
- Subsidence impacts on surface streams, groundwater and Aboriginal and European cultural heritage;
- Threatened species and endangered ecological communities, vegetation offsets, aquatic and groundwater dependant ecosystems and impacts to the adjacent national park estate;
- Noise, blasting and vibration impacts on Ulan village, adjoining landholders and rail transport noise;
- Air quality, in particular dust impacts on Ulan village and greenhouse gas emissions;
- Short and long term impacts on the local and regional community in terms of socio-economics;
- Road traffic and transport impacts, heritage, soils and land capability and visual impacts; and
- An assessment of the potential cumulative impacts that may arise from the combined operation of the various open cut and underground elements of the project during the life of the mine, together with the Ulan Coal Mine and the approved Wilpinjong Coal Mine.

The Environmental Assessment Report

The Moolarben Coal Project is subject to environmental assessment and public consultation requirements under Part 3A of the Environmental Planning and Assessment Act, 1979.

The proponent (MCM) was required to hold a Planning Focus Meeting (PFM). The relevant government agencies at the PFM held on 20 October 2005 identified key environmental assessment requirements associated with the project. These requirements are contained in the Director-General's Requirements (DGR's), which can be viewed at:

<http://www.planning.nsw.gov.au/asp/register.asp>

The environmental assessment requirements must, at a minimum, be sufficiently investigated, answered and reported within the Environmental Assessment Report and lodged for determination with the NSW Minister for Planning.



Environmental Assessment Key Preliminary Findings

Soils

Soil, land and agricultural capability mapping has been completed across the entire Exploration Licence 6288 area. The major soil types encountered in the area are include Yellow Podzolic, Red Podzolic, Earthy Sands, Yellow Solodic, Lithosols and Alluvial soils. Land suitability in the area ranged from discrete areas of Class III land suitable for regular cultivation through to Class VIII land that is best suited to timber.

Traffic

A traffic impact assessment and road safety audit is being prepared in accordance with requirements of the Mid-Western Regional Council and Roads and Traffic Authority to ensure the safety of the travelling public is maintained.

Noise & Vibration

Discussions with the Department of Environment and Conservation have been ongoing to ensure the best outcome is reached for the project and community particularly for the village of Ulan. Modelling of the potential noise and blasting impacts has determined the project will be able to operate within the criteria imposed by the Industrial Noise Policy and ANZECC guidelines.

Surface Water

A surface water assessment of the site has been largely completed. A component of the study calculated the 1 in 100 year flood level for the Moolarben, Bora Creeks and the Goulburn River catchments. Consistent with the previous approval for the Underground No.4 coal mine and associated infrastructure granted in 1985, Bora Creek will require a small diversion to facilitate the construction and operation of the infrastructure in this area. Spring Creek, located within the southern portion of Open Cut 3 will also require a small diversion around the mining operations. The integrity of Moolarben Creek will



be maintained and enhanced through riparian revegetation activities.

Groundwater

The groundwater investigation is ongoing with piezometers installed across the Development Application area. The piezometer density for the Development Application area meets the Department of Natural Resources guidelines for groundwater assessment. These bores are monitored to enable the development of an effective groundwater model of the region and to allow detailed assessment of potential impacts and mitigation measures.

Flora, Fauna and Aquatic

Assessments of flora, fauna and aquatic communities across the Development Application area has been completed and is currently being documented. Some threatened species and endangered ecological communities will potentially be impacted as a result of mining. However a comprehensive rehabilitation and vegetation offset package is being developed that will more than adequately address and make up for these impacts.



Aboriginal and European Heritage

Aboriginal heritage has been assessed across the Development Application area. Over 80 transects were completed that identified a significant number of aboriginal objects and sites. The assessment of impacts, mitigation and management is currently being prepared in conjunction with the local aboriginal communities.

European heritage has been assessed throughout the Development Application area, this comprised interviews with local residents, onsite inspections and research of various archival records. The assessment identified a number of items throughout the area that had significance. Prior to the commencement of mining, potentially impacted sites will be recorded by a qualified archaeologist. These records will be

made available to the public.



Subsidence

The proposed Underground No.4 coal mine and adjoining lands has been assessed for impacts associated with subsidence. The maximum expected subsidence over the longwall panels is predicted to range between 1.6 metres and 2.5 metres for cover depths from 85 to 180 metres. The scenic Drip and Hands on Rock areas north of the underground mine will not be impacted by subsidence.

Socio-Economic

The Moolarben Coal Project will have a positive impact on the local, state and national economies. The project will support up to 200 jobs during construction and potentially 250 during operations.

Community Information Sessions

Residents in the Ulan, Cooks Gap, Moolarben and Bobadeen areas and persons interested in the Moolarben Coal Exploration Project are invited to attend our third Community Information Session to be held at the Ulan Community House on Wednesday 8th March and Thursday 9th March 2006 between the hours of 9:00am and 7:00pm.

For further information regarding Moolarben Coal Exploration Project please contact:

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