

MEETING MINUTES



SOUTH 32 ILLAWARRA METALLURGICAL COAL COMMUNITY CONSULTATIVE COMMITTEE

MEETING: # 51

LOCATION: Douglas Park Hall

DATE: 2 February 2021

ATTENDEES:

Mike Archer (MA - Chair)
Shane Simpson (SS)
Sharyn Cullis (SC)
Sam Davis (SD)
Michael McGrath (MM)
Barry Durham (BD)

ILLAWARRA METALLURGICAL COAL:

Rhiannon Wright (RW – South32 Community)
Chris Schultz (CS – South32 Environment)

APOLOGIES:

Peter Chaffer (PC)
Noel Lowry (NL)
Danny Stewart (DS)

1	<i>PURPOSE</i>
	The purpose of the Community Consultative Committee is to facilitate and maintain two-way communication between South32 Illawarra Metallurgical Coal (IMC), key stakeholders and local residents. It is to promote open discussion on the activities of South32 Illawarra Metallurgical Coal's Bulli Seam Operations, including underground mining and surface operations of Appin; environmental performance and community relations; and to keep all stakeholders informed on these matters.
2	<i>AGENDA</i>
	<ul style="list-style-type: none"> • Welcome, Acknowledgment of Country and apologies • Declaration of Interests • Acceptance of Previous Meeting Minutes / Business Arising from previous Meeting Minutes • Questions on Notice Tracker • Update from South32 Illawarra Metallurgical Coal <ul style="list-style-type: none"> ○ Illawarra Metallurgical Coal Operations <ul style="list-style-type: none"> ▪ Mount Batten Property ▪ Dendrobium Mine Extension Project ○ Infrastructure ○ Environment <ul style="list-style-type: none"> ▪ Appin North Water Plant ▪ Remediation of the upper Georges ▪ Legacy issues at the old Northcliff plant in Dharawal ○ Appin Ventilation and Mine Access ○ Community • General Business <ul style="list-style-type: none"> ○ 2021 meeting dates • Meeting close
3	<i>WELCOME / APOLOGIES</i>
	MA opened the meeting at 4:10pm. MA provided the Acknowledgement to Country – “Illawarra Metallurgical Coal and the Community would like to acknowledge the Traditional Owners of the land on which we meet this evening, the Dharawal People, and pay our respects to Elders past and present and emerging.”
4	<i>DECLARATION OF INTERESTS / CORRESPONDENCE</i>
	MA declared he receives payment from South32 Illawarra Metallurgical Coal (IMC) to fulfil the role of Independent Chair. It is a requirement of the Government CCC Guidelines that this be noted and stated in the minutes at every meeting. No further declarations were noted by the committee.
5	<i>PREVIOUS MEETING MINUTES AND BUSINESS ARISING</i>

Previous meeting minutes were accepted. Moved by SS and 2nd by BD.

RW provided comments from previous meeting minutes and Questions on Notice Tracker:

Q: Why is Dendrobium Mine Extension mining in the Bulli Seam?

Response (RW): An update was provided in Illawarra Metallurgical Coal update during the meeting. Refer to relevant section of the meeting minutes.

Q: Can South32 confirm if there were any other options than the Dendrobium Mine Extension Project current proposal under the catchment and if so what were the economic differences? **Response (RW):** An update was provided in Illawarra Metallurgical Coal update during the meeting. Refer to relevant section of the meeting minutes.

Q: Will painting be involved in the Mountbatten house or any other areas, or just the stable?
Response (RW): An update was provided in Illawarra Metallurgical Coal update during the meeting. Refer to relevant section of the meeting minutes.

Q: In relation to the active Gas Zone 10 monitoring; please confirm how much is released per minute and the frequency.
Response (RW): An update was provided in Illawarra Metallurgical Coal update during the meeting. Refer to relevant section of the meeting minutes.

Q: Requests the IC CCC be involved in the Appin Mine Ventilation and Access Project submission to government.
Response (RW): The CCC will continue to be informed of the progress of the Appin Mine Ventilation and Access Project, including a summary of the engagement with the Menangle Advisory Panel which is proposed to consist of community members most impacted by the proposed project. The CCC will be advised when the submission to government is due to be lodged, and again when it is lodged and on public exhibition.

Q: How much electricity is used by the current and future water treatment plants and how does this compare to the electricity generation from the EDL power stations?

Response (CS): The current Appin West water treatment plant (WTP) electricity consumption equates to 1.1% of the total electricity consumption by Appin Mine. It is estimated that the new Appin North WTP will consume approximately 0.8% of the total electricity consumption. The electricity generated by the EDL power stations is sufficient to cover the Appin Mine electricity requirements.

Q: Please provide further information on the protocol South32 intend to take if earthquakes are continued to be reported and how will it continue to effect underground.
Response (RW): IMC investigates all concerns lodged by the community. In the event an earthquake or ground vibrations are reported, IMC will investigate to confirm the location and origin of the earthquake/vibrations and provide the feedback to the person that lodged the concern. IMC obtains the information regarding specific events from the Seismic Research Centre.

Q: Please provide a response on the correlation to longwall mining and earthquakes.
Response (RW): Geoscience Australia manages a network to monitor earthquakes across Australian and the region <https://www.ga.gov.au/scientific-topics/community-safety/earthquake>. The Seismic Research Centre manages a network of IMC Geophones in the Region around Appin Mine, in compliance with a condition of the Bulli Seam Operations Development Consent. The monitoring is established to detect seismic events. The network also detects underground rock fracturing (micro seismic) associated with longwall mining. Most of the seismic events associated with mining are micro seismic. SD requested an expert in this field attend an upcoming meeting to educate the committee further on this matter. RW took this as a question on notice.

Illawarra Metallurgical Coal Update

Mountbatten House

- RW provided an update. The recommended builder and scope of works for the stone stable and house has been approved.
- The works are expected to be completed in 12-14 weeks.
- Scope of works for the house includes: minor replacement of timber framing in the roof and framing/support of external features (stone chimney and arched wall). RW noted that painting at the property was not in the initial scope of works.
- Scope of works for the stable includes: rebuilding the collapsed gables, reconstructing upper wall segments, repairing cracking in the western wall, rebuilding the roof structure using existing and salvaged material where possible, re-roofing with galvanised iron and installing guttering, downpipes, and revegetating surrounding area with grass.

Dendrobium Mine Extension Project:

- RW provided an update. The Project has committed to underground longwall setbacks of at least one kilometre from dam walls and 300 metres from Avon and Cordeaux dams.
- Additionally, IMC will not longwall mine beneath dams, named watercourses or key stream features. The proposed mine plan will avoid mining beneath significant features, leaving some 25 million tonnes of coal unmined to preserve these surface features.
- RW advised that Area 5 proposes to extract coal from the Bulli Seam, as the coal resource in the Wongawilli seam has been heat affected. This is a natural event caused by an igneous intrusion millions of years ago. Once the coal is heat affected, its quality as a coking coal is significantly diminished. Area 6 proposes to extract coal from the Wongawilli seam. SC made note that this feedback did not address the initial question on notice. SC would like a new question on notice, asking why Area 5 was not removed entirely due to it being located in the Bulli Seam. CS stated that under Consolidated Coal Lease 768 (Clause 7); 'The lease holder must optimize recovery of the minerals that are the subject of this mining lease to the extent economically feasible'. RW noted this response would be recorded in the minutes and closed the question on notice.
- RW discussed the alternative options examined in the current proposal. As per the Environmental Impact Statement IMC examined a range of options, including alternative mining methods such as open cut, bord and pillar and longwall mining. Due to the depth of Dendrobium's underground mining area, neither open cut nor bord and pillar were considered to be economically viable options for Areas 5 and 6.
- When considering safety, productivity and costs, longwall mining is considered to be the only viable mining method for the Project.
- The longwall mine design considered narrower longwalls. While narrower longwalls would result in the reduction of some subsidence and impacts to surface and groundwater systems, impacts would still be expected to occur to streams and upland swamps overlying the Project longwall panels.
- Adoption of narrower longwall panels for the Project would still require IMC to apply offset measures to address potential impacts to water quality, aquatic ecology and upland swamps.
- Adopting narrower panels would result in a significant reduction in the recovery of coal and an increase in the cost of mining, leading to reductions in economic benefits to NSW.
- The NSW Government commissioned an independent peer review of the mine plan by Minecraft. The review found that for every 25 metre reduction in longwall panel width, the Project NPV would decrease by \$100 million.
- RW commented that the project is still awaiting a decision from the IPC and IMC has not yet been provided a new date for this decision.

- SD requested that each alternative and their economic benefits be shared with the committee. CS advised SD this information in its entirety may not be available or relevant to the current approval process for the project. MA advised SD that this matter be taken offline and a request can be sent through to the Project team for consideration and is not within the scope of the IC CCC.

Appin Area 7 update

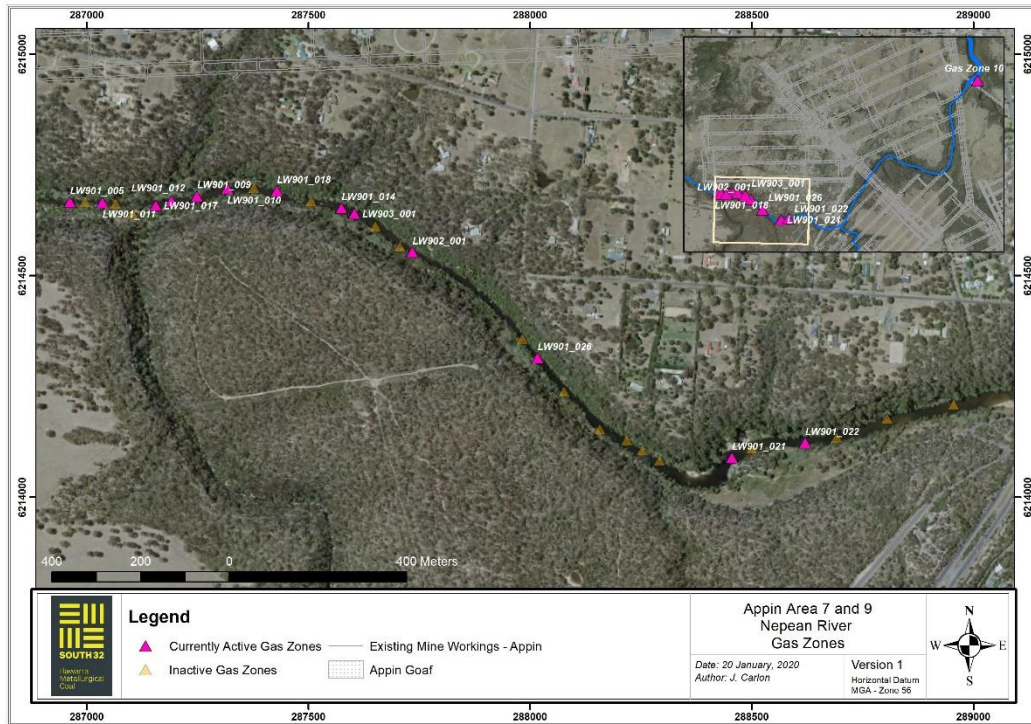
- RW advised that mining of Longwall 708B commenced in late April 2020. It had progressed about 1,286 metres as at 25 January 2021. There is approximately 901 metres until completion which is anticipated in Q4 2021.
- Longwall 708B is approximately 2 kilometres from the Nepean River.

Appin Area 9 update

- RW advised that mining of Longwall 903 commenced 1 November 2019. As at 25 January 2021 it had progressed about 2,029 metres. There is approximately 303 metres until completion which is anticipated in Q1 2021.
- Longwall 903 is approximately 1.1 kilometres from the Nepean River.

Impacts update

- RW presented on environmental impacts and provided an update on gas releases in the Nepean River. As at the inspection on 20th January, there are 14 active gas zones - 13 zones on the Area 9 section of river and one on the Area 7 section.
- Gas Zone 10 in the Area 7 hasn't been observed to be active in over 2 years however was active at the last inspection. During the inspection, 15 individual releases described as light and intermittent were observed, with a flow rate calculation of approximately 10L/min.
- IMC will continue monitoring this area at least monthly. RW will provide a report of Gas Zone 10 monitoring which is available on the website within the End of panel report <https://www.south32.net/our-business/australia/illawarra-metallurgical-coal/documents>. SC requested that it be recorded in the minutes that gas Zone 10 was first active in 2010.
- RW noted the Nepean River is monitored on a weekly basis when the longwall is within 400 metres of the River, and monthly when the longwall is greater than 400 metres from the River.
- Details of identified gas zones are recorded and included in impact reports which are submitted to government agencies. The report indicates which Trigger Action Response Plan level the gas zone is assigned which is determined based on the calculated rate of the gas zone plume. These reports are also included in the End of Panel Report for respective longwalls, which can be accessed via the South32 website as per above link.
- A prediction of gas releases on the Nepean River are included as part of subsidence management plans / extraction plans approved by the state government prior to the commencement of mining. These predictions are referenced in each End of Panel report with the observed activities.



Infrastructure:

- RW provided a road and rail infrastructure update advising that weekly surveys of Menangle Road continue in line with Longwall 903 and Longwall 708B extraction. Visual inspections are occurring weekly.
- Hume Motorway monitoring has commenced – Longwall 708B is currently 210 metres from the motorway.
- Weekly rail surveys commenced in line with Longwall 903. Visual inspections occur daily.
- Longwall 708B is now over 100 metres past the Main Southern Rail and there has been no impacts to track safety or serviceability issues due to mining.

Environment

- CS provided an update on the Appin Environmental Water Project. Construction of the Appin North water treatment plant (WTP) project is progressing. Lengths of pipe have been welded and laid in trenches. WTP containers are being built and the anticipated operation of the permanent plant is by the end of 2021.
- The temporary WTP is being progressed and is anticipated to be operational in April 2021.
- A dosing system has been installed at Appin West. The system doses water pumped out from underground before being transferred back underground. This reduces the volume of WTP water being utilised underground.
- Environmental Protection Authority representatives will be visiting Appin North on 10 February 2021 and a licence variation will likely be submitted following the EPA site visit.
- SC asked what happens to the water that does not meet the water quality specifications in the licence. CS indicated that it will be directed to a drain that flows towards Brennans Creek Dam. The quality of water will be significantly better than the current quality of water in the dam. The water quality in the dam will progressively improve as water from the emplacement underdrainage system will also be directed to the water treatment plant for treatment.

Brennans Creek Dam

- CS provided an update on current dam level, which was noted at 10.8 metres. Discharge is approximately 1.5 ML/day. Noting there had been some rain over the last few days which may have increased the level slightly.

- Conductivity is currently around 2.0 mS/cm (2000 uS/cm).

Management Plans Approved

- Air Quality Management Plan. CS discussed that the dust deposition gauges had been removed after consultation with the EPA. They did not provide real time data that was useful in managing dust related issues. The existing real-time photometers (which measure PM10 and PM2.5) located at Appin East and along the Appin North access road will remain. A photometer is also in place at Ventilation Shaft 6. The information from the photometers is used for real time dust management where appropriate.
- Noise Management Plan
- Waste Management Plan
- Coal Wash Emplacement Area Management Plan
- Adaptive Management Plan
- Broad Headed Snake and Southern Brown Bandicoot MP. SC requested an update on this management plan and what is being done about the Southern Brown Bandicoot if found on site. CS suggested there had not been a recent sighting on site, however, should a bandicoot be sighted then it would be relocated.

Management Plans Under Review

- Biodiversity Management Plan

Georges River Remediation

- CS advised that IMC is still seeking approval and follow up letters have been provided.

North Cliff site

- SC requested information on what the plan is for the legacy North Cliff site, as it is in the middle of the Dharawal National Park and extremely dilapidated. CS advised that no rehabilitation is planned in the short term, however, the business is conducting studies on the area for future rehabilitation plans. The site is monitored on a quarterly basis.

Coal Wash Emplacement

- CS advised the committee that the Dendrobium Extension Project will focus on identifying beneficial reuse opportunities for coal wash material, in preference of emplacement. The Environmental Impact Statement states that we will be continuing to emplace coal wash at the emplacement where beneficial uses are not available. As the project will be mining in the Bulli Seam for a period of time, coal wash volumes are expected to decrease from what is currently being produced at Dendrobium.
- SC requested information on the total figures associated with the volume of coal going to the emplacement. SC believes the figures do not allow for the capacity and will send this information through for consideration at the next meeting.
- BD asked what beneficial uses were currently available. CS advised that as an example the coal has recently been used for the Albion Park Bypass and residential sub-divisions.
- SC would like to record that the emplacement will cause visual impact and stage 4 will impact on Brennans Creek Dam due to the volume and surface run off. CS advised that a detailed design will commence shortly on stage 4 and potential impacts on the dam and water treatment plant will be taken into consideration.

Noise at Ventilation Shaft 2

- CS advised that a detailed noise assessment has been undertaken for Ventilation Shaft 2. Options for mitigating noise management are now being reviewed.

Appin Mine Ventilation and Access Project

Proposed project

- RW provided a recap on the previous meeting, that IMC are proposing to construct two ventilation shafts (one upcast; one downcast) and mine access facilities at 345 Menangle Road.
- IMC remain in the early phases of the project with high level concepts available for sharing at this stage. Assessments required to support the concept commenced in October 2020 and are expected to take approximately 6-8 months to complete. These assessments include noise, air quality, traffic, cultural heritage and geotechnical assessments.

Community Engagement

- RW provided a recap on community engagement to date, which included door knocks in October, general feedback from the community and the offer of briefings with Angus Taylor MP and Nathaniel Smith MP. Both meetings with the MPs have occurred and were positive.
- An update is expected to be shared with the community by March 2021. The update will include details about the activities underway at the property to date, and the forward planning such as the tree screening along Menangle Road flagged for April 2021.
- Engagement with nearby residents is continuing to mitigate concerns and potential impacts.
- The formation of the Menangle Advisory Panel is underway for the proposed project. The purpose of the Menangle Advisory Panel will be to engage with the community on the finer details of the project. At this time Douglas Park Advisory Panel will remain in place.

Activities at the Property

- RW provided an update of the activities that have occurred at the property and those scheduled for the near future. This included Aboriginal Heritage assessments, where an archaeological dig along the creek line to recover artefacts was occurring for approximately two weeks, and geotechnical assessments which were continuing. Future activities expected at the property include:
 - Slashing and weed management along the Menangle Road fence line. This is in preparation for tree planting along the boundary.
 - Trees will be planted along the boundary in April 2021 when the weather is more suitable. The tree species will be Australian natives consisting of shrubs to trees to provide the best screening.
 - A watering program is planned to occur for the first few months after the trees are planted to encourage growth and establishment.
 - Slashing and weed management of the property in general is expected in 2021.
- The proposed Outer Sydney Orbital corridor has been announced, however to date it has not been gazetted. IMC are engaging with Transport for NSW in relation to the proposed OSO corridor and the proposed project coexisting at 345 Menangle Road. Transport for NSW will be provided formal feedback on our proposed project through the NSW State Government modification application process.
- The committee requested a confirmed list of tree species to be planted along Menangle Road, which is now available. A variety of height class and composite Australian natives will be planted along the property boundary to provide the screen. The specific species are:
 - *Acacia falcata* (shrub to small tree)
 - *Acacia implexa* (small tree)
 - *Bursaria spinosa* (shrub)
 - *Indigofera australis* (shrub)
 - *Melaleuca decora* (small to medium tree)
 - *Corymbia maculata* (tree)
 - *Eucalyptus crebra* (tree)
 - *Eucalyptus eugenoides* (tree)
 - *Eucalyptus moluccana* (tree)
 - *Eucalyptus tereticornis* (tree)

Community Complaints

- RW reported eight complaints were received in December and January. These complaints were in relation to the exploration site at Razorback due to night works, specifically noise and lighting complaints. Mitigation measures were put in place and night works ceased on 18 January 2021. In January night works took place once to finalise surveys and this contributed to the January complaint.

Community Support

- RW presented on a recent community Investment to Lifeline Macarthur. Lifeline Macarthur was contacted during the height of the COVID-19 pandemic in 2020 to discuss what extra services IMC could assist with; financial counselling was flagged as more of the community found themselves without work. IMC provided \$10,000 toward the financial counselling service for 6 months. During this time Lifeline Macarthur reported it assisted an additional 32 clients. The clients were empowered to manage their own finances, improve their current standard of living, improve their relationship and reduce financial pressures.

Community Partnership Program (CPP)

- RW advised the first CPP meeting for 2021 will be held this week and there are currently no new applications for review.
- Opportunities in Menangle and at Picton High School under investigation by the CPP. The CPP welcomes other project suggestions from the CCC.
- RW provided photographs of the upgraded Appin Scouts Hall which received funding from the CPP to complete the works, which included new flooring, insulation and lighting.

7

QUESTIONS ON NOTICE AND GENERAL BUSINESS

Questions on Notice

- **DS** – Requested confirmation regarding IMC obligation to extract coal in certain areas. This has now been noted in the minutes as per the excerpt from Consolidated Coal Lease 768 (Clause 7).
- **SC** – Request for further information regarding coal emplacement volumes (information to be sent through prior to next meeting from SC).

General Business

Eagle Downs

- RW advised the committee of the recent announcement that South32 were not proceeding with the Eagle Downs Metallurgical Coal project in Queensland, Australia. A feasibility study was completed and formed the view that expected returns were not aligned with capital management framework. The study did show there was potential for a long-life operation at the project and with our joint venture partner, South32 is considering future options.

Quarterly Business Results

- RW advised the committee that the Quarterly Business Results have been released, noting that IMC achieved an 11% increase in production in Q2 due to the successful return to three longwalls in April 2020; two longwalls in Appin and one in Dendrobium.
https://www.south32.net/docs/default-source/all-financial-results/fy21-quarterly-reports/quarterly-report-december-2020.pdf?sfvrsn=aff45a77_4

Anna May Fauconnier – Dendrobium General Manager

	<ul style="list-style-type: none"> RW provided an update of internal management movements, noting that a new General Manager has started at Dendrobium – Anna May Fauconnier, following the retirement of Neville McAlary at the end of 2020. <p>Appin Community Newsletter</p> <ul style="list-style-type: none"> RW advised the committee that the Appin Community Newsletter will be released and distributed this month. <p>IC CCC Minutes</p> <ul style="list-style-type: none"> MA put forward a suggestion that IMC allocate an additional resource to the committee to solely take the minutes. After a subsequent discussion with IMC, this request will be put on hold and considered in the future. <p><u>Meeting dates 2021</u></p> <p>Dates for the new year have been noted below. MA put forward a suggestion that meeting days be moved from Tuesdays. This will be taken under consideration and an update will be provided at the next meeting.</p> <ul style="list-style-type: none"> 9 March 11 May 13 July 14 September 16 November
8	ACTIONS
	<ul style="list-style-type: none"> SC to send RW information regarding emplacement figures for an agenda item at the next meeting. RW to arrange tours with the committee of Georges River, Mountbatten property and Nepean Biobanking Site. RW to update website with CCC Minutes from November. This has now been actioned. RW to enquire about an Earthquake specialist attending the CCC meeting when available.
9	CLOSE OF MEETING
	<p>Close of meeting at 6:00pm. Next meeting Tuesday 9 March 2021, commencing at 4pm. An alternative location is to be sought as the Douglas Park Hall (main hall) is noisy.</p>