

Community Newsletter

February 2012, No.1



GRL SEEKS APPROVAL TO INVEST \$150 MILLION IN GLOUCESTER PROJECT

GRL has taken the first steps in making a formal application to operate a small, modern, open cut mine near Gloucester.

The company has lodged an application for Director-General's Requirements with the NSW Department of Planning and Infrastructure.

This application starts an extensive period of review and consultation which will include environmental and social impact assessments.

GRL is committed to community consultation and throughout its activities to date has been working with local landholders, council and business community representatives to ensure its activities have minimum impact on the local environment.

A Community Consultative Committee established in 2007 has been meeting regularly and has been one of the main conduits for information and feedback.

This Newsletter will be published on a regular basis to also keep the wider community informed.

To be known as the Rocky Hill Coal Project, the mine is expected to create more than 100 jobs during construction and 150 jobs in production when fully operational.

The capital injection will total around \$150 million and will bring tangible social and economic benefits to the Gloucester Shire through investment, direct and indirect jobs, a generous community grants program and apprenticeships.

Up to 2.5 million tonnes of raw (ROM) coal will be mined from the Rocky Hill Coal Project annually to produce up to 1.75 million tonnes of primarily top quality coking coal bound for export through the Port of Newcastle.

For further information please head to the website.

www.rockyhillproject.com.au

We are here

Applicant requests Director-General's requirements

Department of Planning and Infrastructure prepares Director-General's requirements in association with Council and agencies.

Department of Planning and Infrastructure issues Director-General's requirements and places them on the Department's website www.majorprojects.planning.nsw.gov.au

Applicant lodges Development Application and Environmental Impact Statement. Department of Planning and Infrastructure determines whether application and EIS meet their requirements.

Department of Planning and Infrastructure places Development Application and EIS on public exhibition and seeks submissions from the public, Council and agencies.

Applicant provides responses to and clarification of issues arising from the exhibition phase, together with any amendment to the EIS.

Department of Planning and Infrastructure prepares its assessment report in consultation with Council and agencies.

Department of Planning or Planning Assessment Commission make determination.

Notice of Determination issued.



Stream gauging as part of hydrological investigations.

Welcome

On 9 February, Gloucester Resources Limited (GRL) lodged an application for Director-General's Requirements (DGRs), thereby commencing the formal Government process required to gain the approvals necessary to develop a new coal mine in the Gloucester Basin. The mine, known as the Rocky Hill Coal Project, will be a comparatively small, modern, open cut coal mining development between 3.5 and 7 km south of Gloucester (see Figure 1). The coal produced will be railed to the Port of Newcastle and exported, primarily for the production of coke which is essential in the manufacture of steel.

The Project, if approved, will bring direct and indirect jobs and other economic and social benefits to the people of

the Gloucester area such as new business opportunities and enhanced skills for local people, including apprenticeships.

This newsletter represents the first of what will be a number of such publications produced by the Rocky Hill Project Team to:

- Keep the community informed of the facts about the Project;
- Advise the community on the progress of the Application; and
- Direct interested persons to other sources of relevant information.

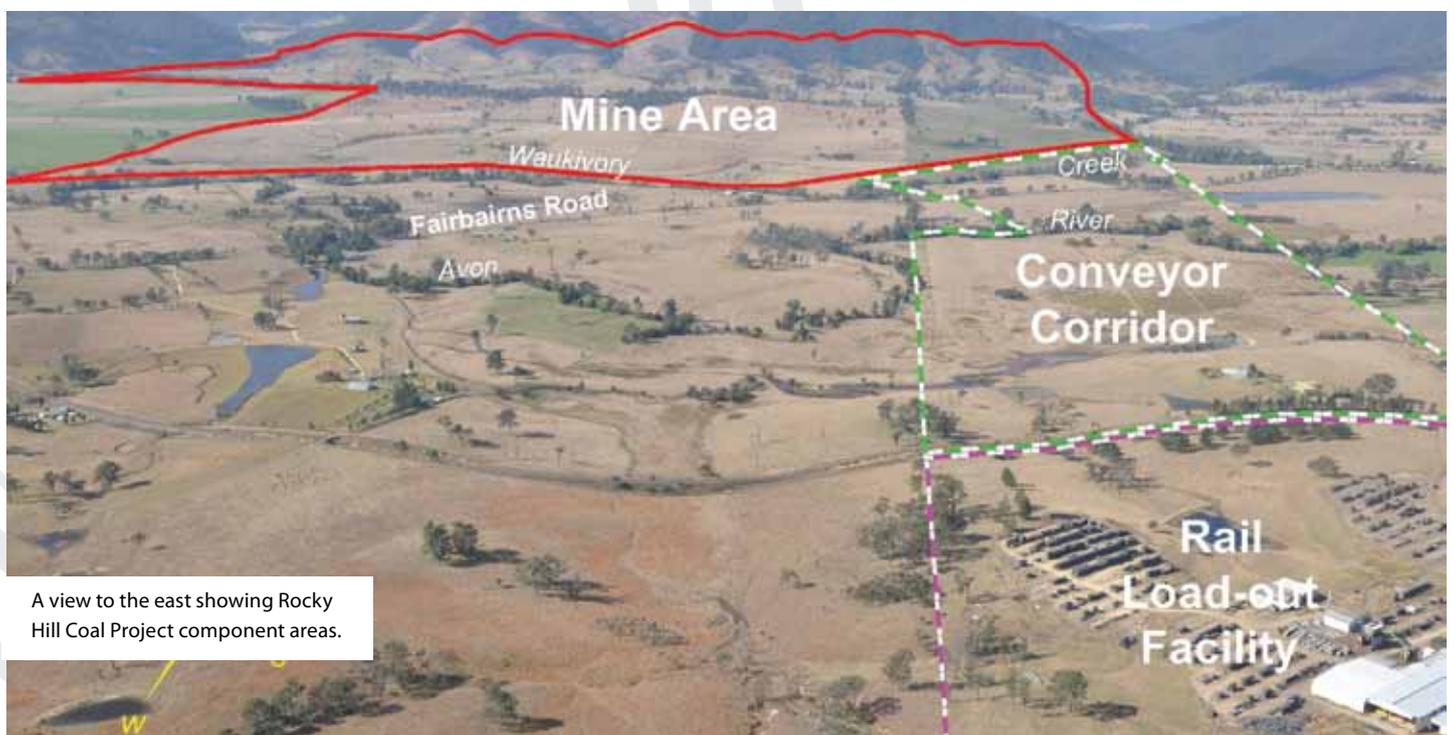
GRL is committed to working with the Gloucester community and Government Regulators by providing accurate information and developing partnerships to enhance our community.

PROJECT COMPONENTS

The Rocky Hill Coal Project comprises three component areas of activity.

Each of the component areas comprises predominantly cleared grazing or former industrial land.

- A Mine Area – the site of planned coal mining and associated activities and facilities, including a modern Coal Handling and Preparation Plant (CHPP) and mine offices. Coal will be mined from four north-south oriented pits with visual and acoustic shielding provided by a series of vegetated barriers. The initial visibility barrier will be constructed during the mine development/construction phase while the others will be constructed in advance of activities to their east.
- A Rail Load-out Facility (on the site of the former Boral Timber Mill) - incorporating a rail loop off the North Coast Railway. Within this area the coal will be loaded onto trains destined for the Port of Newcastle.
- A Conveyor Corridor – incorporating an overland conveyor which will transfer the coal from the Mine Area to the Rail Load-out Facility. The final Conveyor Corridor will be approximately 25m wide and incorporate a covered conveyor and an access road on natural surface. The conveyor will be covered, approximately 1-2m above ground level and, across the Waukivory Creek/Avon River floodplain, will be above the 1:500 year flood level so as not to impinge on flood flows.



A view to the east showing Rocky Hill Coal Project component areas.

About GRL

In March 2010, negotiations took place which resulted in a new ownership for GRL and a new management team was assembled. The current team is made up of experienced coal industry operators who have had lengthy experience in working closely with NSW communities to maximise the benefits which coal mining can bring to these towns. This experience and proven track record of community engagement, acceptance and support will ensure the safe responsible development of the project.

Exploration commenced in 2007, with an accelerated program commencing in 2010 with the change in Company ownership. The Rocky Hill Coal Project has arisen as a result of GRL's exploration activities to date which have shown that the coal on the Site exceeds the quality of the majority of coking coals produced in Australia.

Key Facts

- Project Life – up to 21 years (including construction, mining and rehabilitation)
- Construction Period – 9 to 12 months
- Run-of-Mine (raw) coal production – up to 2.5 million tonnes per annum
- Overburden preferentially placed in mined-out pits with excess placed external to or over the pits
- Coarse and fine rejects from coal processing dewatered and emplaced with overburden. No tailings dams.
- Estimated employment: Construction (100); Operations (150)
- Hours of operations:
 - Mining – 7.00am - to 10.00pm Monday to Saturday (potentially with limited activities outside these hours subject to satisfaction of sleep disturbance criteria)
 - Coal processing – 7.00am – 10.00pm
 - Train Loading – 24/7
 - Maintenance 24/7
- All coal products despatched by rail. 2 trains per day (average) at maximum production
- Progressive development of a post mining landform and vegetation cover which is similar to that prior to mining, i.e. ridges, valleys, slopes with a mixture of grazing and bushland
- Capital Investment - \$150M

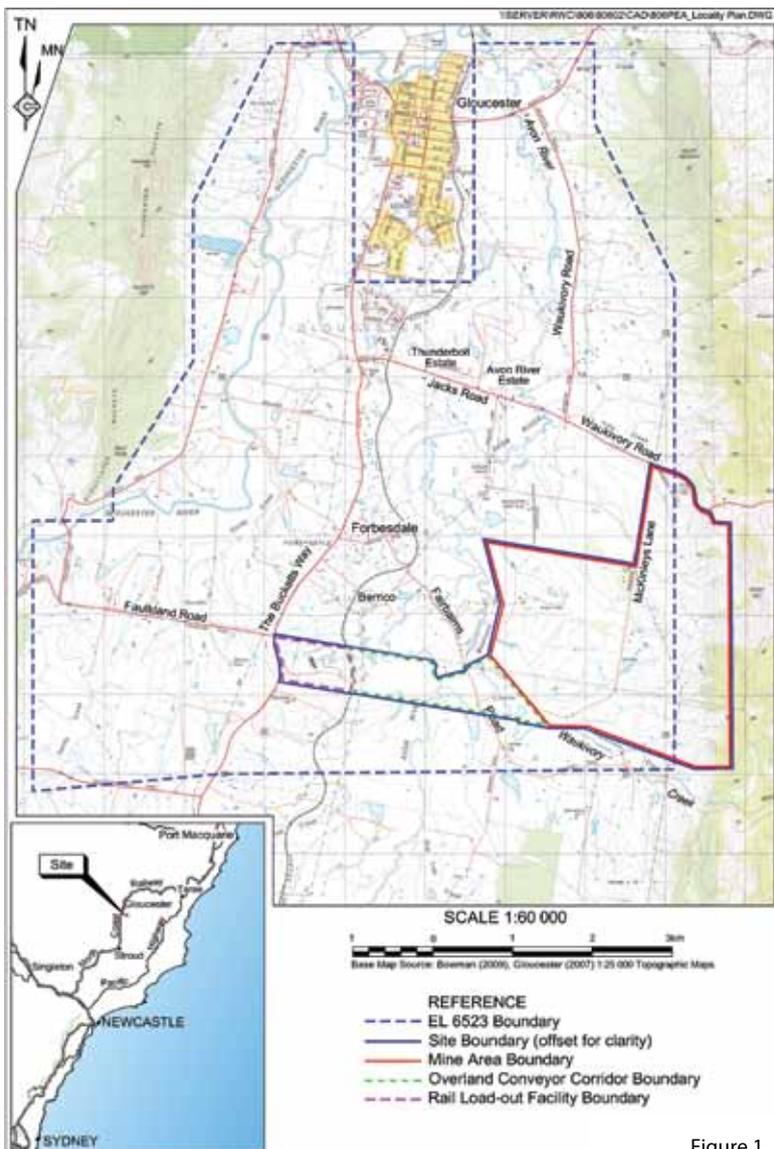


Figure 1.

APPROVAL PROCESS

Approval of the Rocky Hill Coal Project will be sought under Division 4.1 of the Environmental Planning and Assessment Act 1979 as the Project is classified as State Significant Development under Schedule 1 of State Environmental Planning Policy (State and Regional Development) 2011.

An Environmental Impact Statement (EIS) will be prepared which addresses the matters identified in the DGRs and builds upon the investigations initiated to date. It is currently expected that the Development Application and accompanying EIS will be lodged with the Department of Planning and Infrastructure in late July and, subject to its acceptance, be placed on public exhibition in August/September. The application will be on exhibition for a minimum of 30 days during which time the community will be able to review the documents and make a submission supporting or objecting to the Application.



GRL's meteorological station.

ENVIRONMENTAL INVESTIGATIONS

Since mid 2010, the Company has commissioned a range of studies in order to understand the environment within and surrounding the Rocky Hill Project Site and identify the physical, social and aesthetic constraints that the environment would pose on any future mine development. All studies have been undertaken by recognised experts in their respective fields and managed by R.W.Corkery & Co. Pty. Limited, a recognised industry leader in the field of geological and environmental consulting services for the mining, quarrying, construction and waste industries for over 30 years.

Areas of investigation initiated have included:

- Air quality
- Terrestrial ecology
- Aquatic ecology
- Surface water
- Groundwater
- Noise and vibration

- Aboriginal and European cultural heritage
- Visibility
- Alluvials definition
- Soils, land capability and agricultural impact
- Traffic and transportation
- Social and economic aspects

To assist these studies, GRL has also established a comprehensive meteorological station and a network of equipment to monitor air quality, including PM2.5 particles.

The Rocky Hill Coal Project as described in this newsletter and presented in the information supporting GRL's application for DGRs reflects the outcomes of these investigations, the identified constraints and sensitivities and community consultation undertaken to date, and will be progressively refined as the detailed impact assessment process proceeds so as to minimise impacts on the community and the environment.



Part of GRL's air quality monitoring network.

SOCIAL AND ECONOMIC IMPACT INVESTIGATIONS

The Rocky Hill Project Team is committed to working with local people and Government regulators by providing accurate information and developing partnerships to enhance the community in Gloucester and surrounding areas.

Experienced independent Hunter firm, Key Insights Pty Ltd has been engaged to undertake an extensive Social and Economic Impact Assessment of the Rocky Hill Coal Project for inclusion in the EIS. This will assist the Project Team to understand and respond to genuine community issues or concerns in the ongoing design refinement and subsequent operation of the Project. It will also assist us to develop strategies so that

the Project contributes a net social and economic benefit to the local community.

Central to this assessment will be stakeholder and community input which will be sought through consultation with government agencies, non-government organisations (NGOs), local authorities, local schools, neighbours, resident groups and associations, Council staff, local Chamber of commerce representatives and peak regional organisations.

The aim is to ensure that everybody has an opportunity to provide input. To be involved in this process, contact Key Insights by email on edm@keyinsights.com.au or phone on 02 49523881.

Community Consultation

GRL and the Rocky Hill Project Team understand that open and honest community consultation is an imperative if they are to understand and address the community's and individuals' concerns about the Project and, in turn, for the Project to be accepted as an important part of Gloucester's future. During the preparation of the EIS, GRL will expand its community consultation activities through the existing Gloucester Exploration Project Community Consultation Committee, the release of further newsletters, undertaking one-on-one discussions with local landowners and residents and all stakeholders who register an interest, and facilitation of drop-in community forums. You can register your interest by completing the contact form on the Rocky Hill website.

Further Information

Further detail on the Rocky Hill Coal Project can be found on the Department of Planning and Infrastructure's website: majorprojects.planning.nsw.gov.au. A copy of the supporting documentation can also be found on the Rocky Hill Coal Project website: www.rockyhillproject.com.au, along with Information and Fact sheets, the Project timetable, Community Information including Community Consultative Community meeting minutes and summaries from the Company's meteorological station, and a mechanism for you to provide feedback, comments and questions about the Project. This newsletter is printed on environmentally friendly paper.