

**Mt Pleasant Project
Community consultative Committee
Meeting Held 07th December 2006**

7. Community Representative Feedback:

T Parkinson: I rang the environmental hot line number to see if it worked. I received a good response. I wanted to test the number.

K Weekes: Nil

8. Operations update: Presented by Richard Bailey.

To bring you up to speed with current events. As you know Mark Trevan had moved on and David Lamb took the caretaker Manager role. Antony has now come on board to take the project through the feasibility. The team now consists of Antony Bijok, Dion Lucke, Robin Herring in Brisbane and myself. We are currently looking for an Environmental Specialist Member.

In terms of project development we are now going into full feasibility this is a big milestone for the project. The options have been narrowed and all feasibility work will be carried out on the basis of a stand alone project. We have already gone through the process of gaining consent. We are now moving into final design, with detailed financials and costings to calculate the expected rate of return. This phase is expected to take 12 months; the project will then be taken to Rio Tinto for approval of expenditure for construction. The function of this committee will be to highlight and help deal with issues. Suggestions on how we might work more closely with the Muswellbrook Community in the development phase. We are planning a shop front in Muswellbrook.

J Douglas: Will we be privy to the cost of setting up the mine?

R Bailey: We should be able to give you indicative capital costs. Rio is looking for large long term operations that meet economic hurdles and also meet environmental and sustainability goals.

T Parkinson: Is the feasibility study done to satisfy Rio?

R Bailey: Yes Rio Tinto wants to ensure the project meets economic hurdles but it could impact on other areas including issues within the community and sustainability.

A Bijok: We want to do this right and be a good corporate citizen.

T Parkinson: I can see that it would be a benefit to have a shop front in Muswellbrook.

9. Environmental Monitoring:

R Kinal presented the Monitoring Data:

The rainfall plot shows 298mm from January to October with 80 rain days. All data will be in the Annual Environmental Management Report.

Temperatures for Jan to Oct 2006, maximum of 43.9 in February, minimum of 0.4 in July 06.

Ruth then presented the Dust Isopleth showing the Annual Average from Nov 05 to Oct 06, explaining the areas of dust concentration, Red is high, Blue is low.

C Gidney: Where is Muswellbrook in relation to the Red section?

S Sneddon explained where the areas were in relation to Muswellbrook.

(Muswellbrook lies within the area of lower dust concentration to the east).

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R Kinal then presented the Water Monitoring sites. The four monitoring sites W1, W2, W6 and W4 regularly have water present; the other monitoring sites only have water after rainfall. This is consistent with historical data. The pH of the water ranged from 6.8 to 8.7 during 2006.

Electrical Conductivity (EC) during 2006 has fallen between approximately 350 and 500 $\mu\text{S}/\text{cm}$ with the exception of surface water site W4, which ranged from 1400 and 2200 $\mu\text{S}/\text{cm}$. It should be noted that historically, EC levels at W4 range from 620 $\mu\text{S}/\text{cm}$ (after heavy rainfall) to 3310 $\mu\text{S}/\text{cm}$, (after periods of little rainfall), with a rolling annual average of 1839 $\mu\text{S}/\text{cm}$. This site has naturally occurring salts in soils and rocks.

Measured Total Suspended Solids (TSS) were generally between 0 and 15 mg/L throughout 2006.

Borehole test slide showing the locations for groundwater bores.

Sites on the east of the Mining Lease reported fairly consistent pH, standing water levels (SWLs) and EC results, with the exception of one site (MPBH3) which has been dry since April 2006.

The groundwater sites located in the centre of the Mining Lease had stable pH, SWLs and EC with the exception of one site in the north, which has been dry since April 2005, and three sites to the west, which were destroyed by cattle and can no longer be located.

The groundwater sites located in the western centre of the Mining Lease had relatively stable pH, SWLs and EC with the exception of WRA1U (dry since January 2003; WRA2U (dry since October 2005); WRA4U and WRA4L (destroyed in February 2005 during dam construction).

There are a number of WRA groundwater sites located to the west of the Mount Pleasant site that are saline with the EC exceeding 7000 $\mu\text{S}/\text{cm}$, which is unsuitable for livestock. This is the normal range of EC for these sites in the monitoring record.

C Gidney: You couldn't use the water for anything could you?

S Sneddon: : This level of conductivity could be used for very short periods for dry mature stock however I would not recommend this level for lactating cows or growing stock. .

C Gidney: Would this water have been used before?

S Sneddon: There are old windmills around the area so I would imagine yes.

J Douglas: There are some blue arrows with no numbers.

S Sneddon: Yes at some of these places there are 2 or 3 piezometers in a hole.

C Gidney: The information that has been given today is very important historical data, this is actually before the coal mine starts and will be very important in the future to show actual effects. Using the word stable all the time though can we have the actual numbers?

R Kinal: A resource that can be used for historical data will be the AEMR.

T Parkinson: Dust indicators; are they the same standard now as 10yrs ago?

S Sneddon: All CNA's MTP monitoring is undertaken in accordance to the relevant Australian Standards and if they are changed we align to the required standards.

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10. General Business:

D Lucke handed out a graph showing coal prices. Similar to last meeting, though a pull back in the spot price with lower volumes sold, this was caused by a few factors ie: a warmer winter in Japan.

J Douglas: Who controls that the coal price?

D Lucke: The Japanese were the main influence but some other South East Asian countries now also have some influence.

T Parkinson: Is this the reason why there are so many ships off the harbor?

D Lucke: There are many items that affect that. The Sandgate upgrade has reduced coal chain capacity but vessels have continued to arrive, resulting in a queue

C Gidney: Since the Company has decided to go ahead with the Mt Pleasant Project can you do a broad overview on the project itself? To bring the Committee up to speed with the actual project, not only Mt Pleasant but also the Western Road Strategy and all the associated strategies required.

R Bailey: I will put it together.

J Douglas: Dawn Morris has resigned as a committee member so we will have to accept the resignation. I am not sure if it needs to go to council.

Moved J Douglas, seconded T Parkinson the Committee write to Dawn to say Thank you for your contribution. The matter will be referred to council to provide a replacement, All in favor? Carried.

11. Date and Time of next meeting:

Date: 8th March 2007

Time: 1:00pm

Meeting Closed: By J Douglas at 10:05 am and was followed by a tour of the PWCS in Newcastle.

Joined at PWCS
Anna McMullen
Sam Spicer

Manager Approvals Enviro Services
Muswellbrook Shire Council

Monitoring Presentation handed out at the meeting.