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22nd October 2014
Our Ref: GB\6919

Elle Donnelley
Planner
Mining Projects
Department of Planning & Environment

Dear Elle,

Re: Proposed Modification to Rix's Creek Open Cut Mine Maximum Consented Production Rate

I am writing to seek a modification of Rix's Creeks Development Consent DA 49/94 under section 75W of the *Environmental Planning and Assessment Act 1979* (as continued by the various transitional provision) and provide the supporting information in relation to this proposed modification.

Modification sought

The modification sought is to replace "fifteen (15) million bank cubic metres" in condition 4 of Schedule 2 of DA 49/94 with "sixteen (16.1) million bank cubic metres" for 2 years from determination of this modification application.

Background

Rix's Creek Mine Development Application No SSD 6300, lodged on the 3rd March 2014, for the Rix's Creek Mine Continuation Project, is planned to allow for maximum resource recovery from Coal Lease CL 352. To allow for this Rix's Creek Mine must invest in the mining equipment and employment levels to allow working of the life of mine overburden to saleable coal ratio of 10.48:1 (cubic metres overburden to tonnes saleable coal).

Until 2013 the Mine priority has been completion of the resource on the eastern side of the New England Highway (N.E.H.). This allowed for sufficient overburden dumping room and tailings emplacement area for the mines continued production, but did result in working yearly overburden ratios below the life of mine ratio. With this dumping room now secured Rix's Creek is putting plans in place to work at the life of mine ratio of 10.48:1

2013 production level was 13.7 million cubic metres of total material movement for 1.51 million tonnes of product coal at a ratio of 7.9:1. 2014 budget production is 15 million cubic metres of total material movement for 1.5 million saleable tonnes of product coal at a ratio of 8.79:1. Under the DA No SSD 6300 the average life of mine production level will be 17 million cubic metres of total material movement for 1.5 million saleable tonnes of product coal at a ratio of 10.48:1.

The increase from 2014 budget production levels to the average life of mine production level will be accomplished by the introduction of an 800t Liebherr 9800 Excavator and changing the mine roster hours. This increase is staged with the Excavator commencing production in January 2014 and mine roster hours to extend at granting of DA No SSD 6300.

Since commencement of production the 800t Excavator has been exceeding budgeted production targets, which could mean an overall material movement of 16.1 million bank cubic metres with 1.5 million saleable tonnes of product coal, for 2014. This development consent modification application is to vary the total material movement up from 15 million cubic metres to 16.1 million cubic metres with saleable coal production remaining at 1.5 million tonnes per annum. This increase

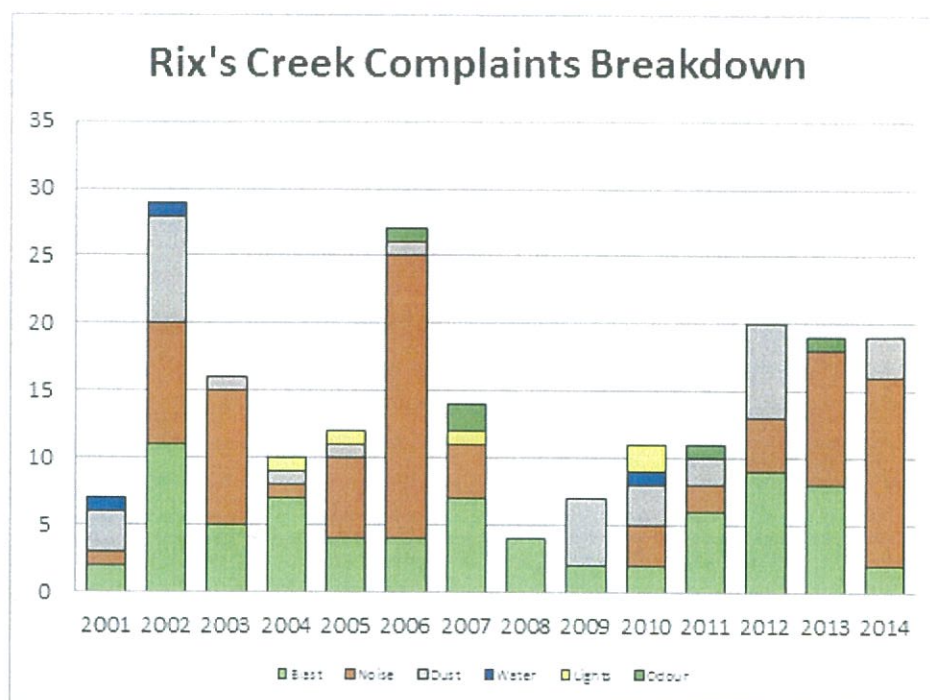
would be for 2014 and 2015 or granting of consent under application DA No SSD 6300 if granted beforehand.

Environmental Assessment of Proposed Modification

- Attached is the completed Department of Planning Application to modify a development consent.
- 2014/2015 Active Mining Area Plan. This plan shows the areas for coal and overburden production, overburden emplacement areas and rehabilitation landforms.
- All production is within the current M.O.P. approval areas. Production roster hours will be unchanged by this approval.
- No additional vegetation clearance will be required and no heritage areas will be disturbed.
- The majority of overburden will be placed in the North Pit void (eastern side of N.E.H.). The other two dumping areas accessed will be the existing West Pit in pit dump and Tailings Emplacement Area No 3 (South Pit) where capping of the tailings will commence.
- Overburden dumping as above will result in some additional areas reaching final landform levels. This will result in a small area of West Pit rehabilitation being extended as well as an area of North Pit rehabilitation being extended. These rehabilitated landforms are as approved in the current M.O.P. with rehabilitation completion remaining on M.O.P. schedule.
- Overburden and coal production will continue with the use of the existing machine fleet. This does include the January 2014 replacement of both Marion 305 Dragline and Hitachi 3600 Excavator by the Liebherr 9800 Excavator. The same rear dump trucks that serviced both the 305 Dragline and the 3600 Excavator are now utilized by the 9800 excavator.
- Overburden blasting will remain within normal yearly levels. 2013 and 2012 were higher than normal levels of blasting. This was due to the vibration restrictions associated with completion of the mining from the North Pit, in steeply dipping strata. A greater number of smaller blasts were required, in these instances. 2014 and 2015 revert to normal percentages of steeply dipping blasts so yearly blast numbers will fall back to the levels of pre-2012. The additional overburden production will come from within the normal blasted overburden inventory at Rix's Creek Mine. This inventory is normally at levels ranging from 1 million to 3 million blasted cubic metres of overburden and interburden.

Year	Blasts
2014	30 - first 6 months to end June
2014	55 - to end September
2013	96
2012	92
2011	62

- Rix's Creek Mine has complied with the E.P.A. airborne dust Pollution Reduction Programs (PRP). The Mine continues to be compliant with its development consent air quality conditions. At the most recent (2011) independent environmental audit Rix's Creek was found to be in compliance with its consent conditions. Additional air quality impacts from this application are contained in the previously supplied report by Todoroski Air Services.
- A noise report by Global Acoustics is attached. Rix's Creek has been operational, throughout the 2014 winter period, at this increased level of production. The mine has been compliant with its development consent noise conditions, the E.P.A. noise PRP negotiated noise conditions and has had the normal level of noise complaints, enquiries during this period. Since the implementation of the Rix's Creek Mine Noise Mitigation Plan there has been two noise complaints.



- 2014/2015 Active Mining Area Plan shows all production is within the current mining pit shell. Rix's Creek Mine operates with an approved Water Management Plan and Erosion and Sediment Control Plan. This application will have no additional impact on ground or surface water at Rix's Creek Mine.
- Rix's Creek Community Consultative Committee have been consulted on the proposed modification.

Conclusion

We believe that the Proposed Modification is justified on the grounds that it:

- Has minimal additional impact on the environment
- Has minimal social impact
- Is operating within areas which currently have consent
- Is proposed for a short term only
- Would allow the Rix's Creek Mine to continue the current level of production without short term production shutdowns
- Would avoid short term deleterious financial impacts on the Company.

Yours faithfully
RIX'S CREEK PTY LIMITED

G Bailey

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