

1 March 2021

Mr Stephen O'Donoghue
Director, Resource Assessments
NSW Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Dear Stephen

RE: Charbon Coal Mine MOD 2 and Clarence Colliery MOD 6 Response to Request for Additional Information No. 1

I refer to the Department's request for additional information dated 5 February 2021. Set out below is our response to the matters raised:

1. *Provide an overview of how and where any coarse coal reject (CCR) material would be used within FCNSW land.*

With regard to the emplacement of CCR material, part of the Kandos State Forest exists within the 8 Truck Open Cut (refer to site layout figure). Mining of this area was undertaken in accordance with a Level 3 Occupation Permit in addition to a Compensation Agreement under ML1663.

Under the modification, it is proposed to use CCR as material to backfill the void with the CCR to be transported to the 8 Truck Open Cut and dumped by truck before being reshaped and pushed by a dozer to achieve the final landform approved under the existing Mining Operations Plan (MOP).

Clarence CCR will be treated as potentially acid forming (PAF) material with the capacity to generate acid mine drainage (AMD). A deep multi-layer moderate hydraulic conductivity cover will be developed on the sloping landforms with store and-release characteristics, that will allow plant establishment and growth, while minimising deep-drainage (potential AMD seepage) and mitigating upward migration of soluble salts. The deep multi-layer cover will be 3 m thick and will consist of a 2.5 m benign overburden layer (average thickness) followed by approximately 0.5 m of Southern Open Cut resistant overburden cladding. This cover will limit infiltration of water (and upward migration of salinity) into and from Clarence CCR material emplaced.

2. *Outline the proposed final landform and characteristics associated with rehabilitation of FCNSW land.*

Charbon's proposed final landform and characteristics for disturbed areas such as the 8 Truck Open Cut within the Kandos State Forest is to provide a low maintenance, geotechnically stable and safe landform that is commensurate with the surrounding area.

Consistent with the approved MOP, Charbon will return the 8 Trunk Open Cut area to a native forest ecosystem commensurate with the surrounding native forested areas and pre-mining conditions. At the completion of rehabilitation, some man-made water bodies and drainage structures will be maintained to manage surface water flows and provide water resources for native fauna. Charbon intends to retain some access roads and/or tracks to allow ongoing access to manage the final landform. These roads and/or tracks will also serve as fire breaks and assist with bushfire management and with involve consultation with the FCNSW.

3. *Any feedback received from FCNSW in relation to the proposed modification, including Centennial's response.*

Centennial wrote to FCNSW on 4 February 2021 regarding the proposed modification. A copy of the letter is attached. Centennial has not received any feedback from FCNSW to date.

We trust the above satisfies Request for Additional Information #1. I am available to discuss the information contained in this letter if required by phone (02) 4935 8901 or email iain.hornshaw@centennialcoal.com.au.

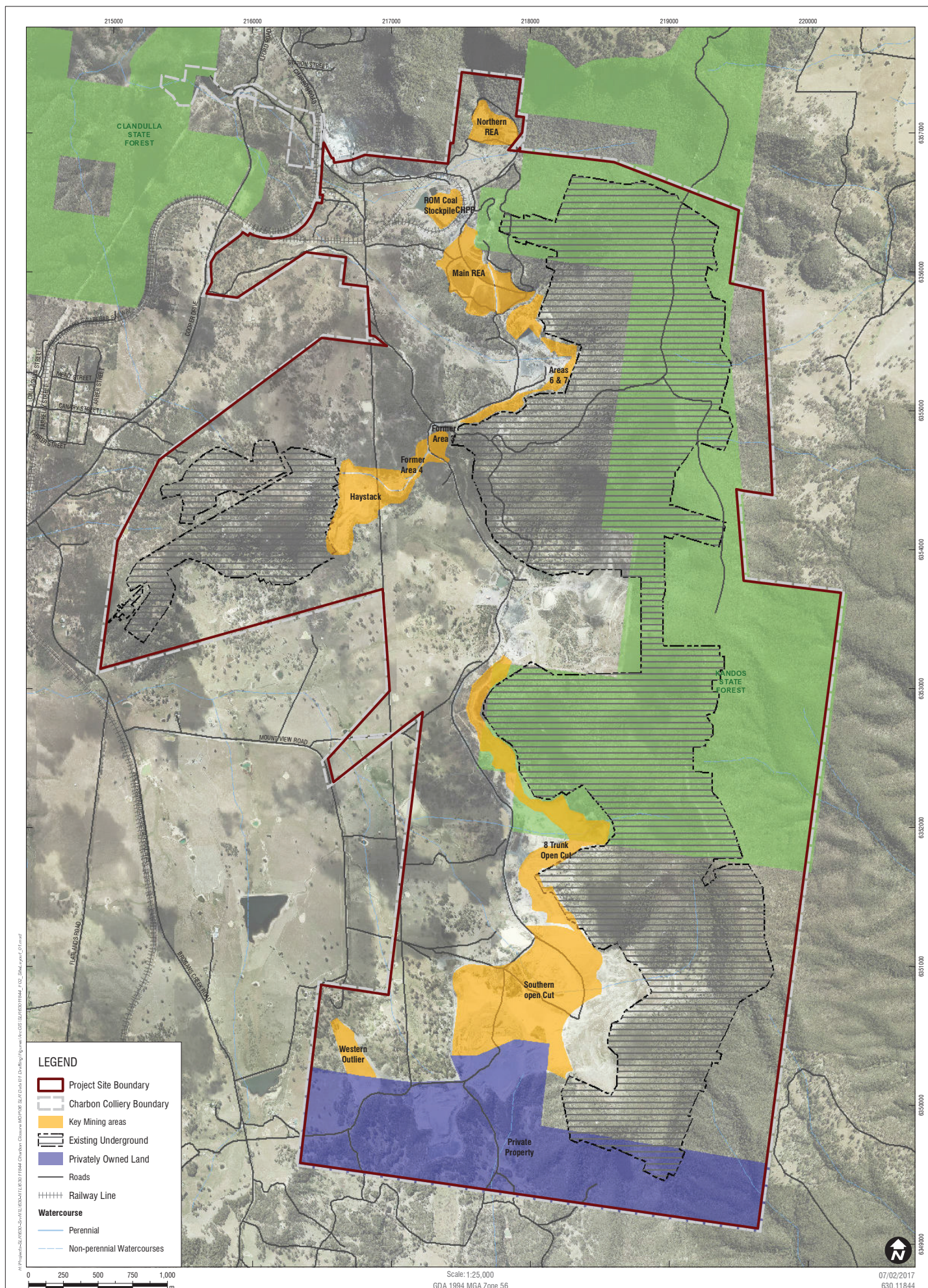
Yours sincerely



Iain Hornshaw
Approvals Manager

Attachments:

- Site layout figure
- Letter to Forestry Corporation of NSW dated 4 February 2021



Site Layout

FIGURE 2

4 February 2021

Mr Shannon Sloane
Land Access Officer
Forestry Corporation of NSW
Suite 2 1st Floor
168-172 Brisbane St
Dubbo
NSW 2830

Dear Shannon,

Re: MODIFICATION TO SSD 08_0211 – CHARBON COLLIERY

Overview

This letter has been prepared to inform Forestry Corporation of NSW of the proposed modification to SSD 08_0211 (Charbon Colliery). It provides a brief description of the proposed modifications and a summary of the proposed assessment approach.

i) Background

Charbon Colliery (Charbon) is an underground and open cut coal mine owned and operated by Charbon Coal Pty Limited (Charbon Coal), a joint venture between Centennial Coal Company Limited (Centennial) and SK Networks Resources Australia Pty Ltd. Charbon is approximately 87 kilometres (km) north-west of Lithgow and 3 km south of Kandos in the Western Coalfields of New South Wales (NSW) within the Mid-Western Regional local government area (LGA). The location of Charbon Colliery in a regional context is shown in the attached figure. (Figure 1 -Regional Context).

Charbon was approved as a Major Project under the now repealed Section 75J Part 3A of the NSW *Environmental Planning and Assessment Act 1979* (EP&A Act) on 7 September 2010 (PA 08_0211). PA 08_0211 has since been declared a State significant development (SSD) under Clause 6 of Schedule 2 of NSW Environmental Planning and Assessment (Savings, Transitional and Other Provisions) Regulation 2017.

In 2015, mining operations ceased following the depletion of Charbon's approved coal reserves. Since the cessation of mining, Charbon Coal has been progressively rehabilitating the site.

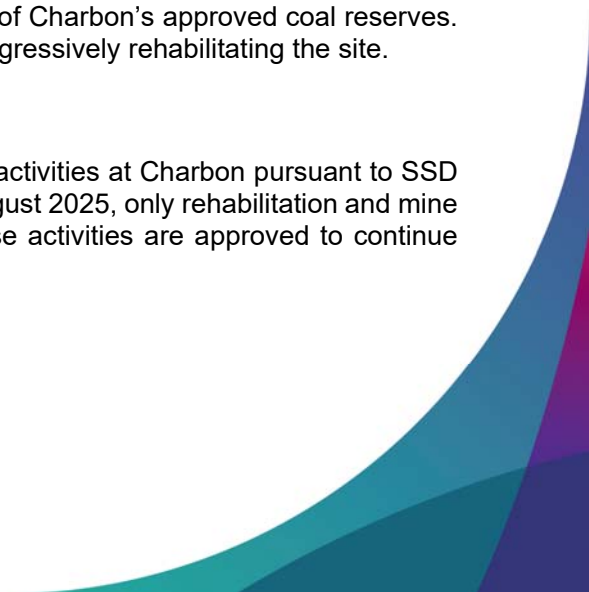
ii) Modification Overview

Charbon Coal undertakes rehabilitation and mine closure activities at Charbon pursuant to SSD 08_0211. While mining is permitted to continue until 31 August 2025, only rehabilitation and mine closure activities are currently being undertaken and these activities are approved to continue beyond 31 August 2025.

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APP241372



As nominated in Charbon's *Mining Operations Plan* (MOP), Charbon Coal proposes to import coarse coal reject (CCR) material from Clarence Colliery located near Lithgow by train to backfill historical mining areas requiring rehabilitation. The combined use of Charbon overburden and Clarence CCR will allow Charbon Coal to be more selective when using material already available on-site and will assist Charbon Coal better develop a final landform that is representative of existing landforms within and adjacent to the site.

Charbon Coal is seeking to modify SSD 08_0211, pursuant to Section 4.55(2) of the EP&A Act, to allow for the transfer of CCR from Clarence to Charbon and the use of this material on-site during rehabilitation activities. If approved, the proposed modification would authorise:

- the importation of CCR from Clarence to Charbon by rail;
- use of CCR for ongoing rehabilitation at Charbon;
- construction of a hardstand pad adjacent to Charbon's existing rail loop; and
- widening of Charbon's existing haul roads in some areas to ensure a minimum passing width is maintained.

There is no additional direct disturbance proposed within the Kandos State Forest.

iii) **Justification**

Stockpiled Charbon overburden is currently used for all rehabilitation activities at Charbon. The overburden is used to fill mine voids and to reconstruct hillsides so that the final landform will meet rehabilitation objectives. This is approved under SSD 08_0211 and is described in the MOP.

Centennial has identified an opportunity to import Clarence CCR to use as fill at Charbon. The use of both Charbon overburden and Clarence CCR would enhance rehabilitation outcomes as the CCR has better properties for fill and landform construction, while the Charbon overburden has better properties for use in the upper fill layers and for capping. The use of Clarence CCR will allow the available Charbon overburden to be used more selectively.

The combined use of both materials will provide an improved final landform compared to the landform that will be achieved under SSD 08_0211 and the MOP.

The potential for adverse amenity impacts (eg noise and dust) to be experienced at sensitive receptors surrounding Charbon is expected to be less than currently approved (due to fewer heavy vehicle and train movements).

Clarence and Charbon have rail loops that allow the export and import of material. The use of the existing rail network for CCR transport will avoid impacts on the local and regional road network associated with alternative transport methods (ie road transport).

Alternative sources of fill material have been considered but no feasible alternatives have been identified that avoid road haulage.

iv) **Approval Pathway**

Development consents may be modified under Section 4.55 of the EP&A Act provided that the development as modified will be substantially the same development as the development for which consent was originally granted.

Charbon Coal is seeking to modify SSD 08_0211 pursuant to Section 4.55(2) of the EP&A Act to allow for the transfer of CCR from Clarence to Charbon and the use of this material on-site during rehabilitation activities.

No revisions to the project site boundary (SSD 08_0211) for Charbon are required as part of the proposed modification. It is not proposed to modify the approved life of mining operations.

v) Closing

We would welcome the opportunity to discuss the proposed modifications in further detail. Should you have any questions, please do not hesitate to contact Iain Hornshaw on (02) 4935 8901 or ian.hornshaw@centennialcoal.com.au.

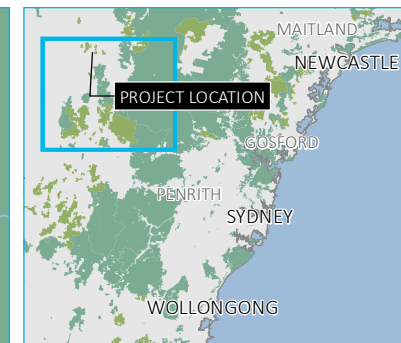
It is anticipated that the NSW Department of Planning, Industry and Environment will notify Forestry Corporation of NSW regarding the Modification in due course.

Yours sincerely

John Maynard

John Maynard
Manager Property Titles & Survey

Attachments: Figure 1 – Regional context



- KEY**
- Charbon Colliery project site boundary
 - Clarence Colliery holding boundary
 - Rail line
 - Main road
 - Watercourse
 - NPWS reserve
 - State forest
 - LGA boundary

Regional context

Clarence Colliery and Charbon Colliery
Figure 1