

Stephen O'Donoghue - FW: Re Query Mine Resources Sterilised PAC recommendation Rev 2

From: Phil Towler <ptowler@emgamm.com>
To: Stephen O'Donoghue <Stephen.O'Donoghue@planning.nsw.gov.au>
Date: Friday, 23 August 2013 14:15
Subject: FW: Re Query Mine Resources Sterilised PAC recommendation Rev 2
CC: Edward Heyting <Ed.Heyting@cobbora.com.au>, Trish McDonald <Trish.McDona...>
Attachments: 130823 Pit Shell Vegetation Calc.pdf; MEM-edh-001 Errata to Revised Mine Plan Report.pdf

Steve

Please see Ed Heyting's responses to your queries regarding coal sterilisation below and attached.

Best regards

Phil

Steve

Please find the CHC response to your queries on the Revised Mine Plan Report.

Query 1

Based on Appendix Revised Mine Plan Financial and Technical Considerations, it states that total coal resource in pit shells 120,121, 130, 131,132 is 131.5 MT (Table A1 - Impact of Avoiding North Eastern Area). It states this is based on avoiding all remnant vegetation. Is this statement correct - or is it all the coal resource within these pit shells as some of the area in these pit shells is not woodland?

It's all of the coal resource within these pit shells. This has been made explicate in Appendix 1 that has been to be revised to address Query 4 (refer to the attached errata).

Query 2

The PAC recommendation also referenced year 8 mine plan as restriction for impact on the woodland corridor. Based on a comparison of % of pit shells within year 8 disturbance footprint, by my rough calculations beyond year approximately 85MT would be sterilised - see table below. Note - I had previously requested that the coal resource lost be estimated based on year 8 disturbance. Can you get CHC to provide a better calculation on this.

Pit	ROM	% affected	Adjusted ROM
120	8.7	100%	8.7
121	30.8	100%	30.8
130	28.2	20%	5.6
131	28.6	40%	11.4
132	35	80%	28.0
	131.3		84.6

With the revised plan the extent of mining in year 8 is dramatically different from that proposed in the PPR&RTS. As such CHC have generate the three figures to highlight the wooded areas within these pits:

Figure 1 % of wooded land within the pit based on the revised mine plan ie Option C of Table 5.1.

Figure 2 Status of mining at year 8 showing extent of affected woodlands in the revised mine plan

(highlighting the faster encroachment of the revised mine plan on the vegetation corridor).
Figure 3 Status of mining at year 8 showing extent of affected woodlands in the PPR&RTS mine plan.

Based on the Figure 3, the sterilisation calculation is:

Pit	ROM Coal (Mt)	% Area Remaining after Year 8 PPR&RTS	Approx. ROM Coal Sterilised (Mt)	Approx. ROM Coal Mined (Mt)
Pit 120	8.7	100%	8.7	-
Pit 121	30.8	99%	30.6	0.2
Pit 130	28.2	25%	7.0	21.2
Pit 131	28.6	27%	7.8	20.8
Pit 132	35.0	90%	31.4	3.6
Option A Total	131.5		85.6	45.7

Note: The numbers may not add up or multiply out due to rounding

Note none of the figures take into account the woodland that would be covered by the out-of-pit dumps.

Query 3

Table 2.2 Mining Reserves identifies 5.4 MT in pit shell 120 and 29.9 MT in pit shell 121 = total of 35.3 MT.
Table A1 identifies 8.7 for pit shell 120 and 30.8 for pit shell 121 = total of 39.5 MT.
Difference is 4.2 MT

Is Table 2.2 the mine resource for mining option B (identifying loss of around 4 MT)
Can you provide figures for mining reserves for option C (identifies loss of around 6.6 MT)

Tables for both Option B and C are detailed below

Pit	Waste (Mbcm)	ROM Coal (Mt)	ROM Strip Ratio	Product Coal (Mt)	Product Strip Ratio (bcm/t)
Table 5.1 Option A Data ie PPR&RTS					
Pit 120	17.2	8.7	1.97	5.7	3.04
Pit 121	77.8	30.8	2.52	20.1	3.88
Option A Total	95.1	39.6	2.40	25.7	3.69
Table 5.1 Option B Data					
Pit 120	14.0	7.3	1.91	4.8	2.94
Pit 121	69.4	28.2	2.46	18.3	3.78
Option B Total	83.4	35.5	2.35	23.1	3.61
Reduction		-4.0		-2.6	
Table 5.1 Option C Data ie Revised Mine Plan					
Pit 120	12.9	7.0	1.83	4.6	2.82
Pit 121	61.6	25.9	2.37	16.9	3.65
Option C Total	74.4	32.9	2.26	21.4	3.48
Reduction from Option B		-2.6		-1.7	
Total Reduction		-6.6		-4.3	

Note: The numbers may not add up or multiply out due to rounding

Query 4

How is figure for strip ratio of 3.1:1 for mining area C given the figures in Table A1 bear no resemblance?

How is waste removal figure of 394 Mbcm derived given that table A1 only identifies 290 Mbcm

Why is reference made to replacement of 149.5 Mt in identifying costs when discussion is about replacing 131.5 Mt ROM coal?

In summary section why is reference to 114.5 Mt coal - how was this derived - is it product coal, if so doesn't compare to 131.5Mt ROM coal assuming indicative 60%-70% recovery after CHPP.

Your queries highlighted an error in the words associated with Mining Cost Impact Appendix using old information and the corrected information is contained in the attached errata.

In you have any additional queries please advise.

Regards

Ed



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