

Division of Resources & Geoscience

Secretary's Environmental Assessment Requirements

for proposed significant state development applications requiring consultation
under Schedule 2 Part 2(3) of the Environmental Planning & Assessment Regulation 2000

Project	Mount Pleasant Optimisation Project
Reference Number:	DOC20/39143
Issue date of SEARs:	20 January 2020
Type of Approval:	Mining operation - open cut
Proponent:	MACH Energy Australia Pty Ltd and J.C.D Australia Pty Ltd
DA Number:	SSD 10418
LGA:	Muswellbrook
Mineral:	Coal

In preparing the environmental assessment requirements with respect to an application for State significant development, the Planning Secretary must consult relevant public authorities and have regard to the need for the requirements to assess any key issues raised by those public authorities.

This development may require an approval under the Mining Act 1992 to be issued by the Division of Resources & Geoscience. The proponent must apply to the Division for the relevant approval (mining lease) during the development assessment process, or once consent has been granted, and before the commencement of any mining or ancillary activity.

A development application under the Environmental Planning and Assessment Act 1979 must be approved before a mining lease can be granted. A mining lease will only be granted for activities specified in the development consent.

Environmental Impact Statement (EIS) requirements for mining

1. Project description

A comprehensive description of all aspects of the Project (including mineral extraction and mining purposes), including:

- (a) Location map showing the project area, mining titles, nearest town/s, major roads etc.
- (b) Status of all titles (including mining and exploration), and development consents in place and/or timeline to obtain necessary approvals.
- (c) Any relationships between the resource and existing mines or other infrastructure.
- (d) Nature of operation (e.g. underground, open cut) and ore mineral/s to be extracted.
- (e) Proposed life of mine and summary of production schedule.

2. Geology

- (a) A summary of the regional and local geology, including information of the stratigraphic unit or units within which the resource is located.
- (b) Document the physical dimensions of the coal resource. Plans and cross-sections showing the location of drill holes and the area proposed for extraction. Relevant supporting documentation such as drill logs should be included or appended.

3. Resource and reserve statement

The Proponent is to supply a copy of the most recent resource and/or reserve statement:

- (a) Include a full and updated resource/reserve statement outlining the tonnage of coal present in the subject area, that has been prepared in accordance with the current version of the Joint Ore Reserve Committee Code (JORC code) to a minimum of Indicated Resource level of confidence. It is preferred that at least some of the resource estimate is to a higher confidence level (measured/proved/probable).
- (b) The statement must include resource and reserve estimates for each coal seam proposed to be mined. The statement must include the coal quality parameters for each seam including product specifications and yields.

The Division understands that it may not be feasible to convert the majority of an Inferred Resource to Indicated (or higher) level of confidence. However, the Proponent needs to demonstrate that there are sufficient resources to support the majority of the initial life of mine production schedule. Any contribution from Inferred Resource(s) to the schedule needs to be justified.

4. Resource recovery and mine design

The Proponent is to supply a full assessment of resource recovery including:

- (a) Explain how the proposed mine plan and extraction method maximises resource recovery.
- (b) A summary of resources that will be sterilised or excluded, with justification.
- (c) List seams excluded from reserves (noting why each seam was excluded from reserve estimates).
- (d) Compare seams included/excluded in reserve estimates to those in nearby operations. If an underground operation, justify the selected working section.
- (e) List all economic, environmental, other constraints to the resource/reserve impacting the Project.

5. Geotechnical assessment

The Proponent is to supply a full geotechnical assessment supporting the mine design and method selected applicable to the proposed open cut operations.

6. Life of mine schedule

The Proponent must supply a life of mine production schedule for each year of operation of the mine and for the life of the Project. The production schedule is to include:

- (a) Details of run-of-mine ore, low-grade ore-mineralised waste and waste rock tonnage planned to be extracted for each year and for the life of the Project, and an estimate of the saleable product produced for each year and the life of the Project.
- (b) In terms of text, plans or charts, the EIS must clearly show the proposed extent and sequence of the development.

7. Project economics and target market

The Proponent is to supply an assessment of project economics including:

- (a) Coal price forecasts by coal type used by the Proponent. The Division requires these forecasts to analyse the Proponent's calculations of royalty value and export value.
- (b) Product tonnages split into market segment, for example, export/domestic and thermal/metallurgical coal. These estimates are necessary to arrive at total revenue value and royalty calculations. Include justification for market segment based on quality parameters.
- (c) CAPEX & OPEX necessary for the Project – broken down into the various sub-categories and equipment type.
- (d) Estimates of employment generation broken down into direct, indirect, ongoing, construction and contract workers.
- (e) Total royalty generated to the state over the life of the Project.
- (f) Relationship and interaction with other mines. How the Project impacts on the existing mine and surrounding mines.
- (g) Details on derivation/analysis of Run-of-Mine (ROM) production rate; to answer why this the optimum rate.

The Division understands that an estimate of product (tonnes) split into individual market segments is difficult to estimate at a point in time and is dependent on market conditions as the life of the Project progresses. The Division requires the Proponent to provide its best estimate of their market mix at the initial stages of the Project.

The above information should be summarised in the EIS, with full documentation appended. If deemed commercial-in-confidence, the resource summary included in the EIS must commit to providing the Division with full resource documentation separately via the Division's Assessment Coordination Unit.

Additional matters for attention

Resource and Economic Assessment

The Resource and Economic Assessment (REA) is designed to review the resource/reserve estimates stated in the submitted EIS and supporting material. The REA also examines whether the project will deliver significant social and economic benefits to NSW from the efficient development of the resource, by optimising resource recovery and mine design and minimising waste. It also aims to ensure an appropriate return to the state from developing the resource. This process commences two months prior to lodgement of the EIS, the proponent to contact the Assessment Coordination Unit.

Biodiversity offsets

The Division requests that the Proponent consider potential resource sterilisation in relation to any proposed biodiversity offsets areas. Biodiversity offsets have the potential to preclude access for future resource discovery and extraction and could also potentially permanently sterilise access to mineral resources.

The EIS must therefore clearly illustrate the location (including offsite locations) of any biodiversity offsets being considered for the project and their spatial relationship to known and potential mineral and construction material resources and existing mining & exploration titles.

The Division requests consultation with both the Geological Survey of NSW – Land Use Assessment team and holders of existing mining and exploration authorities affected by planned biodiversity offsets. Evidence of consultation should be included in the EIS.

Mine design, schedule and final land form

Justification for the proposed mine design, schedule and final landform (including final void/landform and rehabilitation outcomes and alternate options explored).

Mining Titles

As coal is a prescribed mineral under the *Mining Act 1992*, the Proponent is required to hold an appropriate mining title(s) from the Division in order to mine the mineral.

For ancillary mining activities as, in so far as the ancillary activities are to be carried out in connection with and in the immediate vicinity of a mining lease in respect of a mineral, the proponent is required to hold a Mining Lease for ancillary mining activities or an 'off title' designated ancillary mining activity as defined by clause 7 of the Mining Regulation 2016 (the Regulation).

The EIS for a project should clearly identify existing mineral titles, mineral title applications and the final proposed mining lease area(s) for the project site and areas surrounding the proposed project area and address the environmental impacts and management measures for the mining and mining purpose activities as licensed under the Mining Act 1992.

Where a proposal includes Crown Land the proponent is required to comply with the Commonwealth *Native Title Act 1993* and undertake the right to negotiate process for the Crown Lands within the current exploration licence area(s) if proof of extinguishment cannot be determined.

The Division notes that this Project is located within the existing operations area of Mining Lease 1645 (Act 1992) (ML 1645), ML1708 (Act 1992), ML1709 (Act 1992), ML1713 (Act 1992) and ML1750 (Act 1992) held by the proponent MACH Energy Australia Pty Ltd and J.C.D Australia Pty Ltd..

A development application under the Environmental Planning and Assessment Act 1979 must be approved before a mining lease can be granted. A mining lease will only be granted for activities specified in the development consent.

Application of section 380AA of the *Mining Act 1992* – restrictions on planning applications for coal mining and titles required to undertake mining



As coal is a prescribed mineral under the Act, the Proponent is required to hold appropriate mining titles from the Division to undertake mining.

In addition, section 380AA requires that an application for development consent (or modification to consent) to mine for coal cannot be made or determined unless the applicant is also the holder of a title under the Act or has the written consent of the holder of a title, where the parties are different.

Section 380AA(1) states:

An application for development consent, or for the modification of a development consent, to mine for coal cannot be made or determined unless (at the time it is made or determined) the applicant is the holder of an authority that is in force in respect of coal and the land where mining for coal is proposed to be carried out, or the applicant has the written consent of the holder of such an authority to make the application.

Based on current title information the Division advises that the Proponent holds the appropriate titles as required for mining operations as relating to the project and satisfies the requirements of section 380AA.

Position	Approval	Date
Approving Officer: Scott Anson Manager Assessment Coordination Resource Operations (02) 4063 6972		20 January 2020
Endorsing Officer: Dr David Blackmore Director Resource Assessment Resource Operations (02) 4063 6632		20 January 2020