Stakeholder Engagement

F

BYLONG COAL PROJECT Environmental Impact Statement

Hansen Bailey Environmental consultants



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Community Newsletter

Issue 11 - August 2015

Inside this issue

- Exploration update
- Homestation
 restoration works
- Agricultural land
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- Project status
- Community investment fund
- Community consultation

Exploration Update

Exploration drilling on KEPCO-owned properties has started and is expected to continue throughout August. The current exploration program will further define the extent of the resource in one of the planned open cut areas and the planned underground mine area. Geotechnical investigations taking place on KEPCO-owned properties have now been completed.

Mining Lease Applications for the proposed mine footprint have been lodged with the NSW Department of Industry - Resources and Energy. The Mining Lease Applications will be publicly advertised in the coming weeks.

The mining lease application process will continue in parallel with the planning approvals process and conclude following the grant of development consent for the Project. For further information, please refer to the NSW Department of Industry -Resources and Energy website: www.resourcesandenergy.nsw.gov.au

Homestation Restoration Works

KEPCO engaged a well-known and respected local stonemason with extensive experience to undertake restoration works to the historic 'Homestation' (c. 1848) building, also known as Lee Homestead. The historic building has been badly weathered since its last extensive renovation in 1909, but remains the only structure from the early Victorian period in the Bylong area. Restoration works have now been completed and include reinforcement and moistureproofing of the remaining walls and chimney, and improving site drainage.

Agricultural Land Management

As a component of KEPCO's agricultural land management activities, we have commenced further wild dog and feral pig control programs to help protect local livestock and reduce crop and pasture damage. Operated in conjunction with other local landholders and the Local Land Services' (LLS) Central Tablelands office, the control programs are ongoing and implemented in accordance with the *Pesticides Act 1999.*

The Bylong Coal Project is 100% owned by KEPCO Bylong Australia





Homestation (c. 1848)



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BYLONG Coal Project



Project Status



Construction Commencement

*Option available to Minister

Community Investment Fund

Congratulations to Rylstone Hospital Auxiliary and Mudgee Disability Support Service, grant recipients from KEPCO's Community Investment Fund. Both organisations provide essential services to people in need and make a positive and lasting difference within our community. The Community Investment Fund invests in strategic community-based projects through sponsorships and donations. Community groups and organisations in Bylong, Rylstone, Mudgee and Kandos are encouraged to apply for funding or in-kind support for events, programs and initiatives that support the community.

Individual organisations can apply for up to \$3,000 per round of funding. The second round opens 15 September 2015 and closes 31 October 2015.

If your community organisation would like to apply for the next round of funding, please visit the project website www.bylongproject.com.au to download the application form and eligibility guidelines or contact the Community Liaison Officer on 1800 BYLONG (1800 295 664).

Completed applications forms can be submitted by:

Email at bylong@worleyparsons.com

Post: Community Liaison Officer, Bylong Coal Project, 367 Upper Bylong Road, Bylong NSW 2849

If you have any questions regarding the application process, or you would like more information, please contact our Community Liaison Officer.

WE ARE HERE



Members of the Rylstone Hospital Auxiliary with the Bylong Coal Project's Community Liaison Officer, Kane Smith

Community Consultation

KEPCO has lodged a Development Application for the Bylong Coal Project with the NSW Department of Planning and Environment (DP&E).

The lodgement of the Development Application is a formal step in the planning approvals process.

In the coming months an Environmental Impact Statement (EIS) supporting the Development Application will be placed on public exhibition for comment.

You will have the opportunity to review and formally comment on the EIS during the public exhibition period. The timing of the release of the EIS for public exhibition is determined by DP&E. When the EIS is placed on public exhibition, KEPCO will advise where it can be viewed and how to provide comment.

In the coming months, KEPCO will host information sessions to update the community on the EIS and approvals process, and to receive community input. We will advertise the information sessions closer to their dates.

We are also meeting with individual landholders to discuss property specific aspects of the EIS. If you would like to arrange a one-on-one meeting, please contact our Community Liaison Officer.

CONTACT US:

 The Bylong Coal Project welcomes your feedback.

 Phone:
 1800 BYLONG (1800 295 664)

 Email:
 bylong@worleyparsons.com

 Website:
 www.bylongproject.com.au



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Issue 10 - April 2015

Inside this issue

- KEPCO in the Community
- Community
 Investment Fund
- Agricultural Land Management
- Project Progress and Upcoming Activities
- Former Upper Bylong Catholic Church and Cemetery

The Bylong Coal Project is 100% owned by KEPCO Bylong Australia



KEPCO in the Community

KEPCO is committed to being a good corporate citizen and neighbour and in investing in the local communities where it operates. Our Community Investment Strategy will target initiatives which are developed in direct consultation with local stakeholders. It is envisaged that long-term strategic initiatives will be focused on the most pressing community needs, and aimed at minimising any social impacts from the Project to the community whilst creating a positive legacy for all involved. KEPCO and WorleyParsons are currently undertaking a community needs assessment to provide a platform for all future investments and to ensure the best outcome for both the local community and the Project alike.

COMMUNITY INVESTMENT FUND

KEPCO have established a Community Investment Fund for investment in strategic community projects and sponsorships and donations.

Over the coming months, KEPCO and WorleyParsons will be liaising with health, emergency and education stakeholders to determine specific programs and/or projects to which KEPCO can contribute.

Sponsorships and donations scheduled for the current year include:

- Walgett drought assistance hay drive
- Platinum sponsorship of the Rylstone Kandos Show
- Bylong Community Hall maintenance and refurbishment works (including pest control, gardens maintenance, kitchen renovations)
- Financial support to the Kandos Rylstone Men's Shed
- Sponsorship of Rylstone Street Feast

Additional funding has also been allocated for discretionary sponsorships and donations, which will be distributed over two rounds.

Community groups and organisations within KEPCO's communities of interest are encouraged to apply for funding or in-kind support for events, programs and initiatives that support the community. KEPCO's communities of interest include Bylong, Rylstone, Mudgee and Kandos. Individual organisations can apply for up to \$3,000 per round of funding. The first round of funding for this year will open 15 May 2015 and close 30 June 2015.

HOW TO APPLY

All applications must be made using the application form available on the Project website www.bylongproject. com.au. Applications will be assessed





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Coal Project



against the eligibility criteria outlined in the Community Investment Guideline, also available on the Project website.

Completed applications forms can be submitted by:

- Email at bylong@worleyparsons.com
- Post: Community Liaison Officer, Bylong Coal Project, 367 Upper Bylong Road, Bylong NSW 2849

If you have any questions regarding the application process, or you would like more information, please contact our Community Liaison Officer on 1800 BYLONG (1800 295 664).

Agricultural Land Management

As part of ongoing agricultural land management activities, KEPCO have engaged a Commercial Fauna Harvester to manage Kangaroo numbers on KEPCO owned properties. The Commercial Fauna Harvester is licenced by the NSW Office of Environment and Heritage and operates in strict accordance with the NSW Commercial Kangaroo Harvest Management Plan 2012-2016. Kangaroo harvesting is expected to commence in April 2015 and will target Eastern Grey species only.

KEPCO's Agricultural Land Manager, Henry Bosman, has completed the final hay harvest for the season. Some of the harvested hay is being sold, with the remaining hay being kept as feed for the 377 head of cattle currently being run on KEPCO owned properties.

Former Upper Bylong Catholic **Church and Cemetery**

KEPCO have engaged a heritage and archaeological specialist to investigate the heritage of the cemetery within the grounds of the former Upper Bylong Catholic Church. The Catholic Diocese established the Upper Bylong Catholic Church and cemetery in 1915. The Diocese sold the site in 2008 and KEPCO recently purchased the site in 2014 as a component of the proposed Bylong Coal Project. The cemetery falls within the proposed mine footprint.

A key part of the archaeologist's current work is to gather information regarding the identity of any unmarked graves and speak with descendants and relatives to gather a more complete historical record. This process has been started early to try and identify descendants, so appropriate arrangements to relocate the graves can be made in consultation with the families. KEPCO is following strict Government guidelines put in place to regulate the process and all of the appropriate approvals are being sought.

KEPCO recognises this is a sensitive issue which needs to be worked through in discussion with affected families. We are committed to working in consultation with relatives and descendants and we are already liaising with a number of relatives who have come forward.

Please contact the project team if you have any further information about the burials at the former Upper Bylong Catholic Church.

Project Progress

Environmental studies are continuing as part of the Project's approvals process. The Project draft environmental impact statement (EIS) is on track for submission to the NSW Department of Planning and Environment in Q3 2015. When assessing the EIS, the Department of Planning and Environment will seek input from key NSW government agencies, and from the Australian Government's Department of the Environment, regarding matters of national environmental significance covered under the Environment Protection and Biodiversity Conservation Act 1999.

You will have the opportunity to review and formally comment on the EIS during public exhibition periods, currently anticipated to occur in late 2015.

CONTACT US:

The Bylong Coal Project welcomes your feedback. Phone: 1800 BYLONG $(1800\ 295\ 664)$

Email: bylong@worleyparsons.com

Upcoming activities

Homestation rectification works

KEPCO have engaged a well-known and respected local stonemason with extensive experience to undertake repair works for the historic 'Homestation' (c1848) building, also known as Lee Homestead.

Historical records suggest that the Bylong Valley was first explored in detail and settled by William Lee (1794-1870). Land Title records indicate Lee was first granted 2000 acres of land in Bylong in 1829, but he probably originally settled there in 1823/1824. Initially, the Lees ran sheep on their Bylong properties, but by the 1840s they began to replace sheep with cattle and horses for which they later became well known.

'Homestation' is of local historical significance as it was the first stone structure built in Bylong and is the only remaining building from the early Victorian period in the area. The house was extensively repaired in 1909 when it was subsequently sold. The current works include reinforcing and moisture proofing the remaining walls and chimney, and improving site drainage.

Geo-technical and exploration drilling activities

We will be carrying out geo-technical studies and operating exploration drill rigs over the coming months. These activities will take place predominantly on KEPCO owned property. All activities will be carried out in accordance with the Land Access Agreements in place with the relevant lessees/owners.

March 2015



Noise & Air Quality Impact Assessments

Mining related activities result in noise and air quality emissions which may affect the amenity of the surrounding environment. Relevant noise and air quality impact studies are currently underway for the Bylong Coal Project (the Project) to predict the likely impacts of the operations to neighbouring landholders. These assessments will form part of the Environmental Impact Statement (EIS).

ENVIRONMENTAL MONITORING PROGRAM

An environmental monitoring program (EMP) is in place to gather background environmental information to inform various EIS studies. The EMP collects data for (at least):

- Meteorological conditions;
- Air quality levels (depositional dust and particulate matter); and
- Noise levels.

Noise

A Noise and Blasting Impact Assessment (NBIA) is currently being prepared for the Project in accordance with the relevant Government guidelines and policies.

Noise modelling will predict the likely worst case noise impacts from the Project to neighbouring sensitive receivers (residents). The noise modelling will include consideration of noise enhancing weather conditions.

The NBIA will assess the level of impact against relevant criteria.

Air Quality

The Air Quality Impact Assessment (AQIA) is being prepared for the Project in accordance with the relevant Government guidelines and policies.

Air quality modelling will predict the likely worst case air quality impacts to sensitive receivers (residents). The modelling will include appropriate consideration of enhancing weather conditions. The AQIA will compare the modelling predictions against relevant criteria.

MANAGEMENT OF IMPACTS

The NBIA and AQIA will provide recommendations which will be incorporated into the monitoring, mitigation and management practices for the Project. Property specific management practices will be developed in consultation with sensitive receivers as identified within the Development Consent.

KEPCO will be in contact with the neighbouring landholders who are predicted to experience impacts greater than the criteria to discuss possible mitigation or management measures to be implemented prior to the EIS being placed on public exhibition.

ACQUISITION ZONE

Should the Project be granted approval, the Development Consent will specify landholders where predicted amenity impacts are determined to be unacceptable in accordance with the NSW Governments Voluntary Land Acquisition and Mitigation Policy. In this instance these landholders will be provided the opportunity to be acquired by the Proponent (KEPCO) if they so wish. Receivers listed in a Development Consent with the right of acquisition are said to fall within the Acquisition Zone.

Acquisition upon Request

Should an eligible landholder who is listed within the Acquisition Zone make the decision to seek acquisition by the Proponent, then the process is as summarised in Figure 1 and will be specified within the Development Consent.

Figure 1

Eligible landholder provide written request for acquisition

Within 3 months, Proponent provide reasonable* written offer for acquisition

If Landholder and Proponent cannot reach an agreement then the matter may be referred to the Secretary of the Department of Planning and Environment (DP&E) for resolution

*Based on the following considerations: a) The current market value;

b) The reasonable costs associated with relocation (including legal fees); and

c) Reasonable compensation.

ONGOING COMPLIANCE MONITORING

KEPCO will continue to operate its EMP. The EMP will monitor noise and air quality impacts during construction and operations to ensure the Project does not exceed noise and air quality limits. The existing monitoring network will be reviewed and augmented for the operation of the Project as recommended in the relevant impact assessments or as directed by the Secretary of DP&E.

CONTACT DETAILS

If you have any questions in regard to the land acquisition process or any other matter relating to the Bylong Coal Project, please contact:

Community Liaison Officers - Bylong Coal Project Phone: 1800 295 664









Exploration

Cockatoo Coal was appointed manager of the Bylong Coal Project in 2011, which is owned by KEPCO Bylong Australia Pty Ltd. Exploration activities will assist us to evaluate any coal resources present in the Authorisation (A) areas A287 and A342. The Authorisation areas simply refer to the geographic area in which we are permitted by the NSW Government to explore for coal. This project only involves coal and does not involve coal seam gas.

Our exploration program has involved primarily drilling activities and monitoring activities. Baseline studies are being undertaken to determine the existing environmental conditions of the area. Studies include air quality and noise assessments, surface and ground water studies, meteorological monitoring, flora and fauna assessments and soils and land resource studies. Once the exploration program and environmental monitoring is complete, an informed decision regarding the viability of a mine within the Authorisation areas can be formed.

What is Exploration?

For the Bylong Coal Project, exploration is the process of looking for and defining coal deposits in our lease area. Exploration activities allow us to better understand the local geology and environment, which over time will assist in determining whether a future mine is viable.

What permission does Cockatoo Coal have to explore for coal?

All exploration and mining activities in NSW must be conducted under an approval from the NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS), the State Government department responsible for mineral resources.

An Exploration Licence or Authorisation, allows the title holder to explore for minerals on a designated area of land. The Bylong Coal Project sits within Authorisation (A) 287 and A342.

What access to lands is required for exploration activities?

Our drilling program occurs on both public and private land holdings, meaning land access agreements permitting us to enter a private property must be in place before drilling. Compensation is paid to land holders granting access to their property for drilling activities.

If you are interested in more information about land access agreements, please contact Cassie Jones, Bylong Community Liaison Officer.

"We follow industry Best Management Practices to ensure that impacts to the environment, and groundwater resources and users are minimised."

Who we are

The Bylong Coal Project is owned by KEPCO and is managed by Cockatoo Coal Limited





www.bylongproject.com.au

Bylong Coal Project - Exploration



Can Cockatoo Coal start mining if it finds coal when exploring?

No. An Exploration Licence or Authorisation does not permit mining. Before a Mining Lease can be granted; a full Environmental Impact Statement and mine proposal must be submitted to the NSW Government for consideration or approval.

If it is determined that it is possible to develop a mine, extensive environmental assessments will accompany a project application to the NSW Government. The development of a mine proposal is likely to take up to two years to complete, and will be subject to detailed assessment and close scrutiny by a range of stakeholders including the community, environmental groups and independent scientific experts.

In all cases the Environmental Impact Assessment and applications are publicly exhibited, and public submissions are sought, before the application is determined by the appropriate authority.

How will Cockatoo Coal determine if the Project is viable?

The viability of the Project will be based on a number of factors including how much coal is present in the lease area, the cost of extracting the coal, and whether the appropriate standards of environment and community safeguards can be met.

Your Community Contact - Get in Touch

Want more information about the Bylong Coal Project?

Cockatoo Coal welcomes consultation with the local community. Your feedback forms an integral part of the Bylong Coal Project planning. For more information contact the Community Liaison Officer Cassie Jones via EMAIL at bylong@cockatoocoal.com.au or MOBILE 0431 122 795





Water Resource

The Bylong Coal Project falls within the Hunter River Catchment area that includes the Bylong River, Dry Creek, Lee Creek, and a number of unnamed watercourses. Within the Bylong Valley, there are areas of alluvial floodplains which demonstrate connectivity to groundwater aquifer systems.



We follow industry Best Management Practices to ensure that impacts to the environment, and groundwater resources and users are minimised.

We ensure our proposed drill sites are located more than 40 metres from any creek, waterway, drainage line or dam, wherever practical. During site establishment, generally it is not necessary to clear any vegetation other than groundcover at the proposed drill sites. Erosion and sediment control measures are also implemented to prevent dirty water runoff. Surface water runoff is also directed away from the drill hole to prevent it entering the aquifer.

Any fluids used as drilling lubricants, such as freshwater and non-hazardous drilling fluids are captured during the process. Drill waste material is also captured in the reticulated drilling water system and removed at the completion of the drill hole. Waste material is recycled at a licenced waste treatment facility.

To reduce the risk to the site, refuelling of drilling equipment is undertaken in a controlled manner, with the use of appropriate spill trays and refuelling equipment. We also ensure spill management kits are located on site in the event of minor fuel spillage and at no point do we use hazardous chemicals or materials during exploration activities.

"We follow industry Best Management Practices to ensure that impacts to the environment, and groundwater resources and users are minimised."

Who we are

The Bylong Coal Project is owned by KEPCO and is managed by Cockatoo Coal Limited





Bylong Coal Project - Water Resource

Example of typical Piezometer cross sections



Piezometers are instruments used to measure the pressure of the groundwater in the aquifer. These are installed across the Project site to assess baseline groundwater conditions throughout the life of the Project.

Once drilling is complete, all equipment and fencing is removed, backfilling of in-ground or removal of above ground sumps is completed and rehabilitation of sites to their original form occurs.

To avoid cross contamination between the alluvium and coal measures, and between the coal seams themselves, each borehole is fully backfilled with cement grout to the surface.

Topsoil is placed at the top of the grouted hole and the site is sown with a suitable pasture mix. Any tracks or gates degraded from the drilling activities are repaired or improved in consultation with the landowner.

Before, during and after the drilling process, we take every precaution necessary to protect the environment

and the land that we are operating on.

Your Community Contact - Get in Touch

Want more information about the Bylong Coal Project?

Cockatoo Coal welcomes consultation with the local community. Your feedback forms an integral part of the Bylong Coal Project planning. For more information contact the Community Liaison Officer Cassie Jones via **EMAIL** at **bylong@cockatoocoal.com.au** or **MOBILE 0431 122 795**





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Issue 9 - November 2014

Inside this issue

- New Project Management
- Community BBQ
- Appointment of Project Agricultural Land Manager
- Project progress
- Sponsorship
- How to contact us

The Bylong Coal Project is 100% owned by KEPCO Bylong Australia



KEPCO has appointed WorleyParsons to manage the Bylong Coal Project on behalf of KEPCO.

WorleyParsons will be responsible for the delivery of the Project's exploration activities, mine feasibility planning, environmental approvals and ongoing environmental monitoring. Subject to the Project obtaining all necessary approvals from the New South Wales and Commonwealth Governments, WorleyParsons will also manage construction activities in accordance with consent conditions and sound environmental and social practices.

WorleyParsons would like to meet its new neighbours and in conjunction with KEPCO, extends an invitation to the local Bylong community to attend a barbeque.

WHEN:	27th November	

WHERE: B	ylong	Community	Hall
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TIME: Drop by at any time at your convenience between 3pm – 6pm

The barbeque will provide an opportunity to meet key project personnel, gain an update regarding the Project and ask any questions that you may have. We are looking forward to seeing you there!

APPOINTMENT OF PROJECT AGRICULTURAL LAND MANAGER

Henry Bosman

AGRICULTURAL LAND MANAGER



The Bylong Coal Project has recently appointed Henry Bosman to oversee the agricultural aspect of KEPCO owned properties. As the Project Agricultural Land Manager, Henry will develop farming plans and systems to best utilise the land for the life of the Project and beyond.

With over 30 years' management experience within the agricultural industry in the areas of orchards, crops, livestock (poultry, cattle and sheep), and row crop farming, Henry will utilise his wealth of knowledge to manage KEPCO's land, farms and other assets.

Henry and his wife Gail have relocated to Bylong and are both looking forward to working with, and being part of the local community.



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PROJECT PROGRESS

The Bylong Coal Project has received the Secretary's Requirements (formerly Director General Requirements or DGRs) allowing the Project to move through to the next stage of approvals and planning.

The Secretary of the Department of Planning and Environment issued the comprehensive requirements which will each be addressed in the Project Environmental Impact Statement (EIS).

The Secretary's Requirements are available to the public on the NSW Government's Department of Planning and Environment website

www.majorprojects.planning.nsw.gov.au Type "Bylong Coal Project" in the search box.

Exploration Activities

Gateway Application and Background Document Lodgement (NSW Government)

Environment Protection and Biodiversity Conservation Act (EPBC) Referral (Federal Government)

Gateway Certificate Issued (NSW Government)

Secretary's Requirements (SEARs) Issued (NSW Government)

Environmental Impact Statement Lodged (NSW Government)

Development Consent (NSW Government)

EPBC Controlled Action Approval

Mining Lease Determination (NSW Government)

HOW TO CONTACT THE BYLONG COAL PROJECT

Community Liaison Officer Cassie Jones will remain with the Project and can be reached via the community hotline 1800 BYLONG (1800 295 664). Cassie will continue to be available to meet with local landholders and residents in Bylong 5 days a week.

SPONSORSHIP

The Bylong Coal Project is committed to being a good corporate citizen and giving back to the communities in which we operate. Our focus is to support initiatives that directly benefit our local community. Since 2011 the Project has provided \$60,000 in sponsorship, and is proud to provide funding to the following groups this quarter:

- Bylong Upper Public School The Project has donated funds to the school to assist in providing a safer and convenient option to transport students to and from school excursions and sporting activities.
- Kandos Rylstone Men's Shed – Since 2012 the Project has partnered with the Kandos Rylstone Men's Shed to provide important financial support to the

Shed's general running costs to allow the Shed to continue to provide support to the local community.

Rylstone Street Feast – The Project is proud to sponsor the Rylstone Street Feast for the fourth year running. The Street Feast is an annual event providing guests the opportunity to sample a diverse range of locally produced food, wine and olive products. The events main feature is the "Long Lunch" which sees Louee Street closed off and set up as a big restaurant.

To find out how your community group can apply for sponsorship or donation, please contact the Community Liaison Team.



WE ARE HERE

CONTACT US:

The Bylong Coal Project welcomes your feedback.

Phone: 1800 BYLONG (1800 295 664) Email: bylong@worleyparsons.com



Community Newsletter

ISSUE 8 - MAY 2014

Who We Are

Technical Managers



ABN 13 112 682 158





Bill Vatovec Project Spokesman

Project Spokesman

Bill Vatovec, Chief Operating Officer at KEPCO Australia, has recently been appointed as Project Spokesman and will provide a public voice for the Project. Bill will manage and lead various activities including media relations, public affairs and stakeholder relations.

Contact: 1800 BYLONG (1800 295 664)

Project Update

In April, the Bylong Coal Project received a conditional Gateway Certificate from the NSW Government's Mining and Petroleum Gateway Panel.

The Gateway Panel provided a set of non-binding recommendations to the Project and to the Department of Planning to consider in its determination of Director General Requirements (DGRs). The Project will be taking these considerations on board and work closely with regulators as the Project progresses.

The Project recognises that the Gateway Process, while an important step in the approvals process, is only a preliminary assessment of the environmental impact and there is still significant work to be done to develop a detailed environmental assessment.

The next step is the development of the Project's Environmental Impact Statement (EIS), which will require extensive community and stakeholder consultation, and rigorous scientific assessment of the Project's development plans.

Drilling Update



Drill rig undertaking limit of oxidation (LOX) drilling

To build on previous exploration drilling works, the Project recently commenced efforts to assist in defining the near-surface extent of unoxidised shallow coal reserves across the Authorisation Areas. Determining the limit of oxidation (LOX) involves drilling a series of lines of shallow boreholes to calculate the depth of weathered coal.

Register for Updates

There are a number of opportunities for interested members of the community to get involved in the Project.

If you would like us to keep you up to date about Project activities, including opportunities to have input, please contact our Community Liaison Department on **1800 BYLONG (1800 295 664)** or via **bylong@cockatoocoal.com.au**

FAST FACTS

The Bylong Coal Project recently released its proposed mine plan:

- RUN OF MINE (ROM) coal up to 6Mtpa (million tonnes per annum)
- EXPORT AND DOMESTIC GRADE thermal coal
- Combination of OPEN CUT AND UNDERGROUND mining methods
- An operational workforce of approximately
 350 PEOPLE (long-term)

For more information about the proposed plan, please contact the Community Liaison Department on 1800 BYLONG (1800 295 664) or via bylong@cockatoocoal.com.au

Agricultural Update

KEPCO is currently reviewing the overall farm management strategy for Project owned properties with the aim to further develop its agricultural business.

KEPCO will be handling the farm management aspect of the Project going forward. Cockatoo Coal remain as Project managers responsible for the technical management of the exploration and Environmental Impact Statement (EIS) activities.



Steers recently purchased for Bylong Station

Environmental Impact Statement (EIS)

The purpose of the EIS is to understand the existing environment of the Project area, identify potential impacts of the proposed development on that environment, and then reducing these impacts through avoidance, mitigation and offsetting.

Collection of environmental monitoring data commenced in April 2011 for noise, air quality, meteorological conditions, surface water and groundwater. Information collected from this monitoring is used to assess the baseline environmental conditions of the area and will be used to set monitoring thresholds for project development and execution.

Indicative Project Timeline





The Bylong Coal Project welcomes community feedback. PHONE 1800 BYLONG (1800 295 664) EMAIL bylong@cockatoocoal.com.au Bylong Community Liaison Officer - Cassie Jones MOBILE 0431 122 795 EMAIL cjones@cockatoocoal.com.au

Bylong Coal Project

Community Newsletter

February 2014



ABN 13 112 682 158

Project Update

Exploration work continues on the Bylong Coal Project with the fifth Review of Environmental Factors (REF) approved by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) in August 2013.

The REF supports the Project's ongoing exploration drilling program, and outlines the proposed drilling locations within the two Exploration Authorisations held by KEPCO Bylong Australia.

Land Access Agreements must be in place prior to any drilling on private property can commence and this is done in negotiation with the landholder/s.

During these discussions with landholders, the drill site locations are discussed to reduce the impact on the landholder and the operation of the property. Also taken into consideration when determining appropriate exploration drilling locations, are the ecology and archaeology values and the final rehabilitation requirements.

All REF documents are available to the public on the DTIRIS website **www.resources.nsw.gov.au**, on the Bylong Coal Project website **www.bylongproject.com.au** or by contacting the Project Team on **Email:** bylong@cockatoocoal.com.au **Phone:** 02 4033 4300 or **Mobile:** 0431 122 795.

Gateway Process

Early in 2014, the first step in the approvals process began for the Bylong Coal Project, with the submission of the conceptual mine plan and supporting information to the NSW Government.

The Gateway Application was lodged with the NSW Department of Planning and Infrastructure (DP&I) on 10 January,

and a Background Document was lodged on 17 January. The independent Gateway Panel conducts a preliminary assessment of the potential impact of state significant mining proposals on Strategic Agricultural Land (SAL) and associated water resources.

The outcomes of the assessment will identify to SAL the potential impacts resulting from the Project, which must be addressed in the Development Application (DA), to be assessed by DP&I.

For more information about the approvals process including the necessary steps required for the proposed operations, see the fact sheets on the Bylong Project website or contact Cassie Jones, Community Liaison Officer on 0431 122 795.

undertaken at various locations across the Bylong Project area since December 2011.

Water Monitoring Program

The aim of the surface and groundwater monitoring program is to collect data to allow for the identification of aquifers, their depths, behaviour, where they contain layers and their connectivity with the surrounding aquifers or surface water systems. The program assesses the type, quantity and quality of water within the identified water systems.

Surface and groundwater monitoring has been

All information gathered will be used to develop a model to enable the impacts of a proposed mining operation to be assessed.

	Method of Monitoring	How Monitored
Surface Water	Sample Collection - water quality	9 surface monitoring locations
	Automated Loggers - water levels and flow rates	3 locations of continuous monitoring using velocity meters and telemetry transfer of data
Ground Water	Sample collection piezometers and automated - water quality, depth and pressures	92 monitoring locations across the lease area



Water monitoring piezometer is used to collect data for identification of aquifers.

The Bylong Coal Project is owned by **KEPCO Bylong Australia** and managed by Cockatoo Coal Ltd. The Bylong Coal Project is a coal only exploration project.



WIRES

When Cockatoo Coal Bylong Environmental Field Coordinator, Sam Price received a call from contractors Total Drilling and Douglas Partners reporting an injured bird on site, the team sprang into action and called WIRES (NSW Wildlife Information, Rescue and Education Service Inc) for advice.

The injured magpie, affectionately named Maggi, received some TLC from Project Geologist, Cara McMeeken (below) before carefully being transported to Rylstone for care and treatment.

The WIRES carer has since reported Maggi the magpie is doing much better on a diet of mince and water while recuperating.



Cara McMeeken transporting the injured magpie to WIRES in Rylstone

Want to know more?

Cockatoo Coal welcomes community feedback. There are a number of ways to find out about the Bylong Coal Project, including fact sheets and community newsletters.

Phone: 02 4033 4300

Mobile: 0431 122 795

Email: bylong@cockatoocoal.com.au

Web: www.bylongproject.com.au

Conceptual Mine Plan

As part of Cockatoo's Gateway Application community consultation process, a series of meetings and information sessions were held during December 2013 prior to lodgement with the NSW Government. Additional Project information sessions will be held in Kandos and Mudgee on 18 and 19 February.

A conceptual mine plan was presented to local landholders, residents and community. The conceptual plan was designed to minimise the visual impact and disturbance in the area. Key surface infrastructure including a coal handling and preparation plant and rail load out facility have been located adjacent to existing rail infrastructure and in areas where existing landforms can help create natural buffers.

To find out how the conceptual mine plan was developed, please contact Cassie Jones, Community Liaison Officer on 0431 122 795.



Conceptual mine plan for the Bylong Coal Project (Note: subject to changes and Government approval).

Bylong Coal Project

Overview Factsheet



December 2013

NEXT PHASE - APPROVALS PROCESS

Early in 2014, the Bylong Coal Project will move into the next phase, with the commencement of the approvals process for the proposed operations.

Exploration work to date has defined a mineable economic coal resource within Authorisations A287 and A342.

Before a Mining Lease (ML) can be granted, a Project Approval is required from the NSW Government. This requires the preparation and submission of an Environmental Impact Statement (EIS) and Development Application (DA) to the NSW Department of Planning and Infrastructure (DP&I). The application will then be assessed by the independent Planning and Assessment Commission.

The first step in the approval pathway is the

preparation and lodgement of a Gateway Certificate Application with the independent Mining and Petroleum Gateway Panel. The Gateway process is a preliminary assessment of Strategic Agricultural Land, which assesses the impacts that the proposed development may have on productive agricultural land and associated groundwater within the Project boundary. The outcomes of this preliminary assessment will guide the technical studies that will support the EIS.

The purpose of the EIS is to understand the existing environment of the Project area, identify potential impacts of the proposed development on that



Water Monitoring: Piezometer



Water Monitoring: Telemetry and Flow

environment, and then reducing these impacts through avoidance, mitigation, and offsetting.

Exploration Drilling

Core sample

Collection of environmental monitoring data commenced in April 2011 for noise, air quality, meteorological conditions, surface water and groundwater.

Information collected from this monitoring is used to assess the baseline environmental conditions of the Bylong Valley and will be used to set monitoring thresholds for Project development and execution.

Over several years, the delineation of the coal resource and economic viability has occurred, with conceptual planning of the proposed development to be included in the documentation to be lodged with DP& I early in 2014.

PROJECT BACKGROUND

n December 2010, KEPCO Bylong Australia (KEPCO) acquired Authorisation (A) 287 and A342. Cockatoo Coal Limited (CCL) was appointed as manager to explore the feasibility of developing a coal mine, known as the Bylong Coal Project (the Project).

The Project is located within the Mid Western Regional Council (MWRC) Local Government Area, approximately 55km from Mudgee.

The Project has undertaken environmental and technical studies to understand the feasibility and viability of the coal resource.

The Bylong Coal Project is at an advanced stage of exploration and moving towards obtaining the appropriate environmental approvals.

BYLONG COAL PROJECT Run Of Mine (ROM) COAL Up to 6Mtpa MINING **STAGE METHOD** Exploration & developing EIS 2 Open cut areas and underground mining **Operational Workforce** Approx 350 (long-term) **START** Export & 2016 Domestic (Construction) Thermal coal **Owners** CED ELECTRIC POWER CORPORATION

ABN 790 75 361 769

BYLONG AUSTRALIA

The Bylong Coal Project is owned by KEPCO Bylong Australia and managed by Cockatoo Coal Ltd. The Bylong Coal Project is a coal only exploration project.

> Bylong Coal Project: Unit 601, 19 Honeysuckle Drive, Newcastle, NSW 2300 Phone: 02 4033 4300 Web: bylongproject.com.au

APPROVALS PROCESS

he approvals path below outlines the steps necessary for the Bylong Coal Project to receive planning approval. The likely time frames from the Director General's Requirements to the granting of the mining lease is several years.

The exploration activities are ongoing although the Project is moving towards the formal approvals pathway.

Project is here `

APPROVALS PROCESS - SUMMARY

he Project Team will apply to the NSW Government seeking Development Consent for State Significant Development under the Environmental Planning and Assessment Act (1979).

The conceptual mine plan is for the construction and operation of an open cut and underground coal mine operation. The mine life is anticipated to be approximately 27 years and will take up to 2 years to construct.

Two small short-term open cut mining areas are planned to be developed and operated for 8 years, with the commencement of an underground mining operation remaining for the life of the Project.



For more information about the timeline, contact the Community Liaison Officer via email bylong@cockatoocoal.com.au or on 0431 122795.

Map: Authorisations 287 and 342 - Environmental Monitoring

The Bylong Coal Project is owned by KEPCO Bylong Australia and managed by Cockatoo Coal Ltd. The Bylong Coal Project is a coal only exploration project.

> Bylong Coal Project: Unit 601, 19 Honeysuckle Drive, Newcastle, NSW 2300 Phone: 02 4033 4300 Web: bylongproject.com.au

Bylong Coal Project

Community Factsheet



BYLONG Coal Project

December 2013

Bylong Coal Project

Cockatoo Coal Limited (Cockatoo) act as managers on behalf of KEPCO (Bylong) Australia Pty Ltd (KEPCO), who holds Authorisation (A) 287 and A342 over an area of approximately 10,300ha at Bylong, NSW, known as the "Bylong Coal Project".

The mining authorities A287 and A342 were originally granted in 1982 and 1984, respectively. Phase 1 of the Bylong Coal Project Exploration Program commenced on 12th May 2011.

Community Participation

At Cockatoo Coal, we are committed to ongoing consultation with the community through the life of the project. Community Consultation is a twoway communication process that aims to give the community opportunities to contribute to decisions affecting them.

During exploration and then moving into the approvals process phase, there are opportunities for stakeholders to provide input and feedback directly to the Project Team. Importantly, there are statutory periods when formal participation, feedback and public comment is requested. Public notices are placed in local newspapers and advertised on the Bylong Project website explaining how formal comment can be made.

All stakeholders are entitled to and encouraged to get involved in the Stakeholders can be defined as individuals, consultation process. communities, government agencies, non-government organisations,



not for profit associations, private organisations, small and large businesses, employees, media and any others who have an interest, influence or 'stake' in the Bylong Coal Project.

It is important to try and engage with all stakeholders and use a flexible approach in terms of methods of interacting with the community. A summary list of some of the regular tools that are used during the consultation process are listed on the back of this factsheet.



Site Visit: Community Members at a exploration site

Cockatoo Coal in the Community

Cockatoo Coal currently has a Project Team based in Bylong, supported by an office in Newcastle.

The Team, consisting of geologists, environmental planners, health and safety advisors, a community liaison officer and field technicians are working on the environmental studies and exploration program in Bylong.

The Team regularly participate in community activities and have held a number of site visits inviting interested people to inspect

a drill rig and learn first hand what coal exploration involves.

To organise a site visit, presentation to a community group, school class or just to learn more about the Project, please contact Cassie Jones, Cassie Jones



Community Liaison Officer,

Community Liaison Officer via: Email: bylong@cockatoocoal.com.au or Mobile: 0431 122 795.

Location: Bylong

Want to know more?

Cockatoo Coal welcomes community feedback. There are a number of ways to find out about the Bylong Coal Project. including fact sheets and community newsletters.

EMAIL bylong@cockatoocoal.com.au or PHONE 02 4033 4300

The Bylong Coal Project is owned by KEPCO Bylong Australia and managed by Cockatoo Coal Ltd. The Bylong Coal Project is a coal only exploration project.



Community



Support: Community Liaison Officer Cassie Jones with recipients of sponsorship funding

Supporting Our Community

Sponsorships and donations are an important way we can support the Bylong community.

Sponsorship rounds will be open on a quarterly basis and advertised through the community newsletter and on the website.

Applications which support initiatives or programs that directly benefit the Bylong community and region and that relate to a priority area will be eligible to apply.

There are six priority areas, these include: education, healthcare, community benefit, culture and heritage, economic growth and sport.

For a copy of the application form and information about the process, contact our Community Liaison Officer on **bylong@cockatoocoal.com.au** or call the office on 0431 122 795.

Contact the Bylong Community Liaison Team

T: 02 4033 4300

M: 0431 122 795

E: bylong@cockatoocoal.com.au

W: www.bylongproject.com.au

How will Cockatoo Coal keep the community informed?

Engaging with the community is critical to our business. Cockatoo Coal is committed to effective consultation and engagement and recognises that this engagement must continue through the life of our projects.

The team will be the first point of contact for most stakeholders and will facilitate meetings, events and project updates. The team currently have a number of ways of informing the community, some of which include:

Web Updates

A dedicated website **www.bylongproject.com.au** provides an easy way to access information about the projects. It will also be used as a tool for collecting feedback and publicise upcoming events.

Factsheets

There are a number of factsheets available on subjects ranging from Approvals Process, Project Timeline and Community. These fact sheets are designed to provide information about the project. They are also available to download from the website.

Information Days

Regular community information days will be held throughout the region. The sessions are intended to provide project updates by key staff in our team. It is an opportunity to meet the team responsible for the projects and answer any questions you may have. Details about information days will be posted on our website **www.bylongproject.com.au** and publicised throughout the community.

Newsletters

Newsletters and bulletins will provide the community with a regular source of information on the progress of work underway and will include an opportunity for the community to provide feedback.

Emails

Project updates will be provided to interested community members and distributed via email. It is a method of distributing project information, letters, newsletters that allows interested parties to subscribe and ensure they don't miss important updates.

To subscribe to email updates visit www.bylongproject.com.au.

Mailouts

Project updates can be provided to interested community members via the post. Please contact the office if you would like to go on our mailing list.

Community Liaison Team

Our Community Liaison Officer is available to meet with you in person or answer your questions via any of the contact details listed below.

The Bylong Coal Project is owned by KEPCO Bylong Australia and managed by Cockatoo Coal Ltd. The Bylong Coal Project is a coal only exploration project.

Bylong Coal Project: Unit 601, 19 Honeysuckle Drive, Newcastle, NSW 2300 Phone: 02 4033 4300 Email: bylong@cockatoocoal.com.au Web: bylongproject.com.au

Bylong Project

Drilling Process

Currently, Cockatoo Coal is in the first year of exploration activities, which will assist us to evaluate any coal resources present in the Authorisation areas. The Bylong Project sits within Authorisation areas A287 and A342, which simply refers to the geographic area in which we are permitted by the NSW Government to explore for coal. This project only involves coal and does not involve coal seam gas.

Part of the evaluation process is exploration drilling which will assist in providing a clearer picture about the local geology and better define coal deposits within the lease area. This helps us to understand the viability of future mining activities and what the potential environmental impacts will be.

Access and Location

No site works will commence on any private property until a formal written Land Access Agreement is in place. As part of any land access agreement suitable compensation will be negotiated with the landholder. The amount of compensation is related to a number of factors including the type of work undertaken and the time required. Cockatoo Coal work with each landholder to ensure that agreements are reached regarding access, locations for exploration activities and work schedules.

Prior to drilling, the site will be secured with fencing to ensure people and stock cannot access the work area. The fencing remains until the site has been rehabilitated once exploration drilling is complete.



Before - Site Preparation

Site preparation undertaken prior to the commencement of drilling includes documenting and monitoring the drill site before, during and after drilling occurs. Generally it is not necessary to clear any vegetation other than groundcover at proposed drill sites. Erosion and sediment control measures are also implemented in accordance with industry best practice environmental standards. An archaeologist and ecologist will also inspect the area to ensure minimal impact will occur to threatened flora and fauna and/or heritage items.

"Part of the process is exploration drilling which will assist in providing a clearer picture about the local geology and better define coal deposits within the lease area."

Who we are

The Bylong Project is 100% owned by KEPCO and is 100% managed by Cockatoo Coal Limited





www.bylongproject.com.au

Bylong Project - Drilling Process

During - Exploration Drilling

Open hole drilling represents normal drilling methods whereby rock chips are brought to the surface by water. This is the standard method used for drilling water bores. The second method involves coring. This is where intact sections of the strata are brought to the surface. Coring enables more accurate geological analysis of the rock and coal seam. Drill holes are typically 10-20cm in diameter.

At any one time there will be up to 5 people (geologists and drilling crew) on site for approximately 5 days for cored holes and 2 days for open holes.

The Environmental team will periodically undertake routine inspections to ensure that the work is being undertaken in accordance with the project's Environmental Management Plan.

The Community Liaison Officer will endeavour to keep the landowner fully informed of any such inspections.





After - Site Decommissioning and Rehabilitation

Decommissioning of a drill site involves the complete removal of all equipment and fencing, backfilling of sumps and rehabilitation of the sites. The aim of rehabilitation is to return all sites to their original form.

Each borehole is fully backfilled with cement grout to the surface once drilling is complete. This is to avoid cross contamination between the alluvium and coal measures, and between the coal seams themselves. Topsoil is placed at the top of the grouted hole and sown with a suitable pasture mix. Any tracks or gates degraded from the drilling activities are repaired or improved in consultation with the landowner.

Following completion of the drilling at each site, the location of the drill hole is surveyed by qualified surveyors.

After drilling on each private property our Community Liaison Officer visits the landholder to obtain feedback about the process. We also continue to monitor the rehabilitation performance of each drill site until a stable landform has been achieved and vegetation successfully re-established.

Your Community Contact - Get in Touch

Want more information about the Bylong Project?

Cockatoo Coal welcomes consultation with the local community. Your feedback forms an integral part of the Bylong Project planning. We've recently appointed Cassie Jones as the Community Liaison Officer for the Bylong Project. Please contact Cassie via **EMAIL** at **bylong@cockatoocoal.com.au** or **MOBILE 0431 122 795** if you have any queries.



Bylong Project

Exploration

Cockatoo Coal was appointed managers of the Bylong Project in 2011, which is owned by KEPCO Bylong Australia Pty Ltd. Currently, we are in the first year of our exploration activities, which will assist us to evaluate any coal resources present in the Authorisation areas. The Authorisation areas simply refer to the geographic area in which we are permitted by the NSW Government to explore for coal. This project only involves coal and does not involve coal seam gas.

To date, our exploration program has involved primarily drilling activities and monitoring activities. Also planned are baseline environmental studies to determine the existing environmental conditions of the area. Studies include air quality and noise assessments, surface and ground water studies, weather monitoring, local vegetation mapping and soils and land resource studies. Once the exploration program and environmental monitoring is complete, an informed decision regarding the viability of a mine within the Authorisation areas can be formed.

What is Exploration?

For the Bylong Project, exploration is the process of looking for and defining coal deposits in our lease area. Exploration activities allow us to better understand the local geology and environment, which over time will assist in determining whether a future mine is viable. Exploration drilling activities are intended to occur between April 2011 and July 2014.

What permission does Cockatoo Coal have to explore for coal?

All exploration and mining activities in NSW must be conducted under an approval from the NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS), the State Government department responsible for mineral resources.

An Exploration Licence, also known as an Authorisation, allow the title holder to explore for minerals on a designated area of land. The Bylong Project sits within Authorisation (A) 287 and A342.

What access to lands is required for exploration activities?

Our drilling program occurs on both public and private land holdings, meaning land access agreements permitting us to enter a private property must be in place before drilling. Compensation is paid to land holders granting access to their property for drilling activities.

If you are interested in more information about land access agreements, please contact Cassie Jones, Bylong Community Liaison Officer, via the details below.

"We follow industry Best Management Practices to ensure that impacts to the environment, and groundwater resources and users are minimised."

Who we are

The Bylong Project is 100% owned by KEPCO and is 100% managed by Cockatoo Coal Limited





Bylong Project - Exploration



Can Cockatoo Coal start mining if it finds coal when exploring?

No. An exploration licence does not permit mining. Before a mining lease can be granted; a full Environmental Impact Statement and mine proposal must be submitted to the NSW Government for consideration.

At this stage it is too early to say whether there are economically viable coal deposits within the lease area. Additionally, no form of mining method can be decided until further exploration and the full assessment has been completed and submitted to the NSW Government.

If it is determined that it is possible to develop a sustainable mine, extensive environmental assessments will accompany a project application to the NSW Government. The development of a mine proposal is likely to take up to two years to complete, and will be subject to detailed assessment and close scrutiny by a range of stakeholders including the community, environmental groups and independent scientific experts.

In all cases the Environmental Impact Assessment and applications are publicly exhibited, and public submissions are sought, before the application is determined by the appropriate authority.

How will Cockatoo Coal determine if the Project is viable?

The viability of the Project will be based on a number of factors including how much coal is present in the lease area, the cost of extracting the coal, and whether the appropriate standards of environment safeguards can be met.

Your Community Contact - Get in Touch

Want more information about the Bylong Project?

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Bylong Project

Timeline



Stakeholder Engagement



- Ongoing throughout the life of the project with regular updates, including:
 - Quarterly newsletters
 - Factsheets
 - Website updates
 - News articles
 - Community information sessions
 - Dedicated community liaison officers

Environmental Monitoring & Studies

- Ongoing Monitoring commenced in May 2011 and will continue throughout the life of the exploration project, including:
 - Water (surface and groundwater)
 - Noise and Vibration
 - Flora and fauna
 - Heritage
 - Dust and Air
- Studies undertaken to establish baseline data and for environmental approval purposes.

Exploration

- Involves a range of ongoing exploration activities, including:
 - Exploration Drilling
 - Aerial Survey
 - Seismic Survey
 - Existing Data Investigations
- The purpose of these activities is to establish the extent of the coal reserve.

Conceptual Planning

- Purpose of which is to evaluate the overall feasibility of a potential coal mine if a viable resource is found.
- Based on exploration work undertaken over a period of time.

Bylong Project

About the Project



Want to know more?

Cockatoo Coal welcomes consultation with the local community. Your feedback forms an integral part of the Bylong Project planning.

We've recently appointed Cassie Jones as the Community Liaison Officer for the Bylong Project.

Please contact Cassie via:

- W: www.bylongcoal.com.au
- E: bylong@cockatoocoal.com.au
- M: 0431 122 795



About the Bylong Project

Cockatoo Coal was appointed managers of the Bylong Project in 2011, which is owned by KEPCO Bylong Australia Pty Ltd (KEPCO).

Currently, we are in the first year of our exploration activities, which will assist us to evaluate any coal resources present in the Authorisation areas. The Bylong Project sites within Authorisation area A287 and A342, which simply refers to the geographic area in which we are permitted by the NSW Government to explore for coal. This project involves exploration for coal and does not include the right to develop coal seam gas.

To date, our program has primarily involved drilling activities and environmental monitoring activities. Baseline environmental studies to determine the existing environmental conditions of the area are underway. Studies include air quality and noise assessments, surface and ground water studies, weather monitoring, local vegetation mapping and soils and land resource studies. Once the exploration program and environmental monitoring is complete, an informed decision regarding the viability of a mine within the Authorisation areas can be formed.

Phase 1 of the Bylong Project Exploration Program commenced on 2011 following the granting of all necessary approvals allowing the exploration work to commence. Exploration works are anticipated to continue for 3 years. An estimated minimum of 150 holes are to be drilled throughout the exploration project, however this figure may change over the life of the exploration project as more geological information is gathered and to allow flexibility in the drilling program. The purpose of these exploration activities are to delineate the coal resource and evaluate the viability of a potential mine. Any future development is subject to a detailed environmental assessment and mining application that is reviewed by a variety of stakeholders including the NSW Government, community, environmental groups and scientific experts.

Who we are

The Bylong Project is 100% owned by KEPCO and is 100% managed by Cockatoo Coal Limited







Community Newsletter

ISSUE 7 - AUGUST 2013

Who We Are

The Bylong Coal Project is 100% managed by Cockatoo Coal Limited



BYLONG AUSTRALIA

ABN 790 75 361 769

Men's Shed Sponsorship

The Bylong Coal Project is proud to enter into the second year of sponsorship of the Kandos Rylstone Men's Shed.

The sponsorship continues to provide important financial support to the Shed's general running costs allowing the Shed to continue to provide support to the community through local projects, health education programs and other activities.

The Kandos Rylstone Men's Shed is an important resource for the local community. The Shed provides a safe environment where men in the community can gather to share and learn new skills, as well as providing invaluable support with health and well-being issues.

New Technical Office

Cockatoo recently moved into a new office within the same work compound on Upper Bylong Road. Known as the Technical Office, the renovated office space provides more room for the growing Project team.

All visitors to the Project are asked to register at the yellow Field Office after arranging their visit with a Cockatoo representative.



Visitors and contractors are asked to sign in at the Bylong Coal Project Field Office.

Water Monitoring

The protection of the environment is a key component of the Bylong Coal Project's exploration program. Guided by the Project's Exploration Environmental Management Plan, Cockatoo is undertaking an environmental monitoring program to actively minimise any impact to our environment and assess baseline environmental conditions.

Part of this program is extensive and comprehensive surface and groundwater monitoring across the Project area. Surface water monitoring collects real-time information on stream water flows of major creek lines and manual water quality sampling is undertaken. Ground water quality sampling is undertaken. Ground water monitoring gathers information on aquifer levels and water quality. To date, 76 piezometers have been installed by Cockatoo across the Project area.



A groundwater monitoring piezometer on Harley Hill.

Both surface and groundwater will continue to be monitored throughout the life of the Project.

Further information about the Bylong Coal Project's environmental monitoring program is available by contacting the Community or Environment teams.

Register for Updates

There are a number of opportunities for interested members of the community to get involved in the Project.

If you would like us to keep you up to date about Project activities, including opportunities to have input, please contact our Community Liaison Officer on **0431 122 795** or **bylong@cockatoocoal.com.au**.

FAST FACTS

The Bylong Coal Project is 100% OWNED by KEPCO Bylong Australia Pty Ltd and 100% MANAGED by Cockatoo Coal Limited.

THE PROJECT AREA COVERS AUTHORISATIONS 287 AND 342, which were originally granted in 1982 and 1984 respectively. Periodic exploration drilling has occurred over this time.

EXPLORATION DRILLING is similar to drilling a water bore, of which there are hundreds in the lease area.

TWO YEARS OF ENVIRONMENTAL MONITORING IS CONDUCTED as a minimum with studies including ground water, surface water, noise and dust monitoring.

THE BYLONG COAL PROJECT only involves coal exploration and not coal seam gas exploration.

1080 Baiting Programme

Cockatoo has been working with local landholders and the Mudgee Livestock Health and Pest Authorities (LHPA) to conduct a valley-wide wild animal program to control feral pigs in the area. The presence of feral pigs not only has a negative impact on agriculture in the valley, but has also triggered a rise in incidents involving trespassers hunting pigs on private properties, which is a safety concern.



Cockatoo has commenced a 1080 baiting program across Project owned properties.

Under the *Rural Lands Protection Act 1998*, landholders have an obligation to ensure management and control of declared pests. After discussions with other Bylong landholders and the LHPA, a group control program was considered the most effective way to achieve this.

Cockatoo has started the first round of baiting using the pesticide sodium fluoroacetate, better known as 1080, on Project owned properties. Only farm managers certified to handle the pesticide 1080 have been permitted to take delivery of and lay out the bait. Signage and notification to neighbouring properties will also be completed throughout the baiting program to ensure that stock and pets do not come in contact with the pesticide. Cockatoo will work with landholders to effectively complete the control program across land owned by KEPCO Australia.

More information about wild animal control is available through the Mudgee LHPA, www.lhpa.org.au or 02 6548 2175.

Creating a Safe Workplace

Safety is a top priority in the exploration and mining industry and at Cockatoo we are committed to providing a safe working environment for all staff and contractors working on the Bylong Coal Project.

Health and Safety is integral to how we operate as a business, and we encourage everyone across the Project to work together and create a safe working environment.

Through the implementation of safe work practices and procedures and the provision of adequate resources for the identification and control of hazards, we aim to demonstrate leadership in health, safety and environmental responsibility and sustainable development.



Project staff and contractors undertake a 'Take 5' to assess potential risks and hazards prior to commencing tasks.

Contact Us

Cockatoo Coal welcomes community feedback. PHONE 02 4033 4300 EMAIL bylong@cockatoocoal.com.au Bylong Community Liaison Officer - Cassie Jones MOBILE 0431 122 795 EMAIL cjones@cockatoocoal.com.au



Community Newsletter

ISSUE 6 - APRIL 2013

Bylong Coal Project Receives Licence Renewals

The Bylong Coal Project confirmed it has accepted an offer of renewal from DTIRIS for the Project's coal exploration leases, Authorisation 287 (A287) and Authorisation 342 (A342).



Authorisation Areas 287 and 342.

The renewals mark an important milestone in the development of the Project and follow a comprehensive exploration program and environmental monitoring program since the licenses were acquired by KEPCO Bylong Australia in December 2010. In that time significant progress has been made in understanding the coal quality and geology in the lease area.

Renewals allow exploration and mine planning to continue which will lead to determining the overall economic and environmental viability of a mine in the lease areas. Renewals of the leases have been granted through to July 2014.

Project Update

A fourth Review of Environmental Factors (REF) August 2012 has been approved by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS).

This REF supports the Project's exploration drilling program, containing proposed locations across multiple properties within the Exploration Authorisations. Land Access Agreements will need to be in place prior to any drilling on private property.

All drill site locations will be finalised in conjunction with relevant landholders and will also take in account assessment of a number of issues including ecology and archaeology values and rehabilitation requirements.

All REF documents are available to the public on the DTIRIS website www.resources.nsw.gov.au and on the Bylong Coal Project website www.bylongproject.com.au.

Exploration Drilling Update

Throughout 2013, Cockatoo Coal will continue exploration throughout the Project area. A comprehensive exploration drilling program has been developed to assist in further defining the coal resource across the Exploration Authorisation Boundaries. An Exploration Authorisation area simply refers to the geographic area in which we are permitted by the NSW Government to explore for coal.



The Bylong Coal Project currently has three drill rigs operating across the Project area. Strict regulations apply to all drill sites, and all Cockatoo Coal staff and contractors must ensure drilling activity is undertaken in a safe and environmentally responsible manner.

If you would like to arrange a visit to a drill site, please contact the Community Liaison Officer who can arrange inspections of active, completed and rehabilitated drill sites.

Sponsorship and Donations for 2013

The Bylong Coal Project is committed to being a good corporate citizen by giving back to the communities in which we operate. This is demonstrated through supporting community events, programs and individuals. Our focus is to support initiatives which directly benefit our local communities.

In 2012 the Bylong Coal Project provided \$20,000 in sponsorship and donations to local community groups and organisations.

The next round of sponsorship for 2013 is now open. Applications which support initiatives or programs that directly benefit our local community are now invited to apply. Our priority areas include;

- Community benefit
- Economic growth
- Culture and Heritage

For more information regarding the Bylong Coal Project's Sponsorship and Donation Policy, or to request an application form, please contact Community Liaison Officer

Cassie Jones on **0431 122 795** or **bylong@cockatoocoal.com.au**.

Who We Are

The Bylong Coal Project is 100% managed by Cockatoo Coal Limited



and 100% owned by KEPCO



Bushfire Management

A Risk Assessment was completed to assess fire risks within and adjacent to the Bylong Coal Project area. The aim was to identify practical tools to reduce the risk of an unplanned fire to protect life, property and the environment.

Cockatoo Coal also met with members of the Rural Fire Service from Mudgee and Bylong as part of the development of a Bushfire Management Plan for the Bylong Coal Project.



At the start of 2012/13 bushfire season, a number of procedures were implemented to reduce risks and hazards. These included:

- A fire truck was added to the Project's equipment,
- Assessment of hazardous work according to RFS Fire Danger Ratings,
- Risk prevention work on Bylong Coal Project properties including slashing and spraying,
- Risk analysis is performed on a daily basis.



RFS providing training to Bylong Coal Project staff and contractors.

Register for Updates

There are a number of opportunities for interested members of the community to get involved in the Project.

If you would like us to keep you up to date about Project activities, including opportunities to have input, please contact our Community Liaison Officer on **0431 122 795** or **bylong@cockatoocoal.com.au**.

Contact Us

Cockatoo Coal welcomes community feedback. PHONE 02 4033 4300 EMAIL bylong@cockatoocoal.com.au Bylong Community Liaison Officer - Cassie Jones MOBILE 0431 122 795 EMAIL cjones@cockatoocoal.com.au



Community Newsletter

ISSUE 6 - JANUARY 2013

Who We Are

The Bylong Project is 100% managed by Cockatoo Coal Limited



and 100% owned by KEPCO

BYLONG AUSTRALIA ABN 790 75 361 769

Creating a Safe Workplace

Safety is a top priority in the mining industry and at Cockatoo we are committed to providing a safe working environment for all staff and contractors working on the Bylong Project. Health and Safety is integral to how we operate as a business, and we encourage everyone across the Project to work together and create a safe working environment.

Through the implementation of safe work practices and procedures and the provision of adequate resources for the identification and control

of hazards, we aim to demonstrate leadership in health, safety and environmental responsibility and sustainable development.

> Bylong Project staff and contractors undertake a 'Take 5' to assess potential risks and hazards prior to commencing tasks.

Project Update

A fourth Review of Environmental Factors (REF August 2012) has recently been approved by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS). This REF supports the Project's exploration drilling program.

This REF contains proposed locations across multiple properties within the Exploration Authorisations. Land Access Agreements will need to be in place prior to any drilling on private property.

All drill site locations will be finalised in conjunction with relevant landholders and will also take in account assessment of a number of issues including vegetation, ecology and archaeology values, and rehabilitation requirements.

All REF documents are available to the public on the Department of Trade & Investment Division of Resources and Energy (DTIRIS) website - **www.resources.nsw.gov.au** and on the Bylong Project website - **www.bylongproject.com.au**.

Exploration Drilling Update

Throughout 2013, Cockatoo will continue prospecting activities and we have developed a comprehensive exploration drilling program to assist in further defining the coal resource across the Exploration Authorisation Boundaries. An Exploration Authorisation area simply refers to the geographic area in which we are permitted by the NSW Government to explore for coal.



The Bylong Project currently has three drill rigs operating across the Project areas. Strict regulations apply to all drill sites, and all Cockatoo staff and contractors are diligent in ensuring drilling activity is undertaken in a safe and environmentally responsible manner.

If you would like to arrange a visit to a drill site, please contact the Community Liaison Officer who can arrange inspections of active, completed and rehabilitated drill sites.

Sponsorship and Donations for 2013

The Bylong Project is committed to being a good corporate citizen by giving back to the communities in which we operate. This is demonstrated through supporting community events, programs and individuals. Our focus is to support initiatives which directly benefit our local communities.

In 2012 the Bylong Project provided \$20,000 in sponsorship and donations to local community groups and organisations.

The next round of sponsorship for 2013 is now open. Applications which support initiatives or programs that directly benefit our local community are encouraged to apply in early 2013. Our priority areas include;

- Community benefit
- Economic growth
- Culture and Heritage

For more information regarding the Bylong Project's Sponsorship and Donation Policy, or to request an application form, please contact Community Liaison Officer Cassie Jones on **0431 122 795** or **cjones@cockatoocoal.com.au**.

Register for Updates

There are a number of opportunities for interested members of the community to get involved in the Project.

If you would like us to keep you up to date about Project activities, including opportunities to have input, please contact our Community Liaison Officer on **0431 122 795** or **cjones@cockatoocoal.com.au**.

Bushfire Management

Recently Cockatoo undertook a Risk Assessment to assess fire risks and assets across and adjacent to the Bylong Project area. The aim of the assessment was to identify practical management strategies to reduce the risk of unplanned fire in order to protect life, property and the environment. Cockatoo also met with members of the Rural Fire Service from Mudgee and Bylong as a part of the development of a Bushfire Management Plan for the Bylong Project.



At the start of the 2012/13 bushfire season, Cockatoo increased Project specific risk prevention and hazard reduction procedures including;

- The addition of a fire fighting truck to the current plant requirements,
- Bans of hazardous work on days of very high fire danger,
- Risk prevention work on Project owned properties,
- Stringent daily risk analysis.

As we are continuing to experience higher temperatures than usual and a drier environment across the Project area, Cockatoo will continue to implement additional specific risk prevention and hazard reduction procedures.



RFS providing training to Bylong Project staff and contractors.



Cockatoo Coal welcomes community feedback. PHONE 02 4033 4300 EMAIL bylong@cockatoocoal.com.au Bylong Community Liaison Officer - Cassie Jones MOBILE 0431 122 795 EMAIL cjones@cockatoocoal.com.au



Community Newsletter

ISSUE 5 - OCTOBER 2012

Who We Are

The Bylong Project is 100% managed by Cockatoo Coal Limited



and 100% owned by KEPCO

EXCEPCIÓN COMPONENTIAL IN BYLONG AUSTRALIA ABN 790 75 361 769

Land Access in Bylong

Agriculture and mining are both important industries in New South Wales (NSW) and contribute to the economic prosperity of our communities.

Although landholders own the land, most mineral resources in NSW are owned by the State. The State encourages companies to explore for these minerals. The purpose of a land access arrangement is to ensure companies fulfil their responsibilities of searching for mineral deposits while recognising the rights of landholders.

If you are interested in discussing a LandAccessAgreement, please contact Cassie Jones on **0431 122 795** or **cjones@cockatoocoal.com.au**.

The Bylong Project under Authorisation 287 and 342 is exploring for coal only and does not have the right to explore or develop coal seam gas.

Project Update

With the Bush Fire Danger Period in effect from October 1, the NSW Rural Fire Service are warning the coming bush fire season has the potential to be one of the worst in years. The increasingly warmer weather and lack of rainfall is causing vegetation growth to die and dry out, presenting fuel for potential bushfires.

Cockatoo Coal is aware of the increased threat of fire and will be working with the RFS to conduct a risk assessment which will enable advance planning for emergency action and the implementation of hazard reductions for exploration work across the Project area.

The RFS is encouraging everyone in the community to prepare a bush fire survival plan. For more information visit **www.rfs.nsw.gov.au**.

Agricultural Activity

The Bylong Project is continuing to develop its agricultural business which goes hand in hand with the proposed mining project. All properties that are purchased by KEPCO Bylong Australia will be actively managed as agricultural businesses. The Project remains committed to ensuring no net loss of agricultural productivity across the Project during exploration and through to future development if the Project progresses.

Work on Harley Hill is progressing steadily as the paddocks are slashed, mulched and sown for feed. Cattle have also returned to the property.



Harley Hill paddocks before and after recent ongoing agricultural activity.

KEPCO Global CEO Visits Bylong Project

KEPCO's global CEO Mr Joong Kyum Kim recently came to Australia and visited the Bylong Project site. Mr Kim viewed an exploration drill rig prior to taking in the Valley via helicopter.



Cockatoo staff Stuart Hides, Tobie O'Shea-Anderton, and Cassie Jones with KEPCO CEO Mr Kim.

Register for Updates

There are a number of opportunities for interested members of the community to get involved in the Project.

If you would like us to keep you up to date about Project activities, including opportunities to have input, please contact our Community Liaison Officer on **0431 122 795** or **cjones@cockatoocoal.com.au**.



Meet Our Team

Meet Donna Sheehy, Cockatoo Coal's NSW Geology Manager.

Donna Sheehy has recently joined the Cockatoo Coal team as NSW Geology Manager. The opportunity to be involved in the Bylong Project drew Donna over 1,000 kilometres from Queensland back to her home state of NSW.



Cockatoo Coal's NSW
Geology Manager, Donna Sheehy.

Donna has over 14 years' experience working in Coking and PCI Coal among a range of other resources. Having spent much of her career in agricultural resources such as limestone, dolomite, claystone and basalt, Donna has developed a strong affinity to the challenges of agricultural producers along with a deep respect for their industry.

Donna will spend one week each month at Bylong and warmly welcomes any opportunity to meet with the local community and share the exploration program underway at Bylong.

Bylong Project Sponsors the Rylstone Street Feast

Bylong Project is once again proud to be a platinum sponsor of the 2012 Rylstone Street Feast.

Held on the first Saturday of November, the feature of the annual Street Feast event is the gourmet 'Long Lunch' which is set amongst the shade of Louee Street.

The Street Feast event provides a wonderful opportunity for the crowd of locals and visitors from all over NSW to enjoy the produce and wines of the local Rylstone Kandos region. Market stalls offer an array of art, craftworks, clothing, produce and local wares to those not partaking in the Long Lunch.



An important part of the Bylong Project's activities are the contributions we make to the community through our sponsorship and donations program. Cockatoo Coal is seeking submissions from community groups and organisations interested in applying for funding. For more information or a copy of the application form, please contact Community Liaison Officer Cassie Jones.

Drill Contractor Tender

In August 2012, Cockatoo Coal put out a tender for a new drilling contract for the Bylong Project. After receiving a number of competitive proposals, Lucas Drilling were awarded the contract with the changes coming into effect in October 2012. Lucas Drilling, who have undertaken previous drill programs within the local region, have an excellent understanding of the local geology as well as the environment and community.

Contact Us

Cockatoo Coal welcomes community feedback. PHONE 02 4033 4300 EMAIL bylong@cockatoocoal.com.au Bylong Community Liaison Officer - Cassie Jones MOBILE 0431 122 795 EMAIL cjones@cockatoocoal.com.au

BYLONG PROJECT COMMUNITY BULLETIN

Issue 1



PROJECT UPDATE – AUGUST 2012

What's been happening on the Bylong Project

Environmental News

The project team has been undertaking environmental studies and monitoring works across the exploration area. The data obtained can used to model potential impacts of any future operations and plan appropriate measures to mitigate against those impacts.

Rehabilitation of Exploration Works

Cockatoo Coal has developed a rehabilitation procedure that has been prepared in accordance with the NSW Government's "EDGo1 Borehole Sealing Requirements on Land: Coal Exploration", guideline. The procedure establishes the standards for rehabilitating an exploration borehole, ensuring that the site is returned to the original state.

Each borehole is fully backfilled with cement grout to the surface once exploration has ceased. Topsoil is placed at the top of the grouted hole and site specific seed or turf is then planted. Where necessary, the surface casing is placed at a level that will not impact on how the land may be used in the future. For example, the casing is set to be below the ploughing depth.

Inspections and photographs of drill sites occur before, during and after drilling. Erosion and sediment control measures are also implemented in accordance with environmental standards.

The environmental team carries out routine inspections of the site to ensure

that the work methods undertaken comply with the Project's Environmental Management Plan.

The Community Liaison Officer will keep the landowner informed of plans to inspect the rehabilitation work. For more information, contact Cassie Jones for a copy of the Drilling Process or Exploration Factsheet.



During Drilling - A truck mounted drill rig is used during the drilling process. Generally it is not necessary to clear any vegetation other than groundcover at proposed sites.



Rehabilitated Site - After drilling, the Community Liaison Officer visits the landholder to obtain feedback about the process. The site is monitored until a stable landform has been achieved and vegetation successfully re-established.

Email: bylong@cockatoocoal.com.au

Bylong Project Community Bulletin August 2012

COMMUNITY SUPPORT Bylong Project provides funding for the community



Photo: Cassie Jones with members of the Kandos Rylstone Men's Shed. Photo courtesy of the Mudgee Guardian

Bylong Project is proud to sponsor the Kandos Rylstone Men's Shed. Over two years, the sponsorship will provide important financial support to the Shed's general running costs allowing the Shed to continue to provide support to the community through local projects, health education programs and other activities.

We believe that the Kandos Rylstone Men's Shed is an important resource for the local community. The Shed provides a safe environment where men in the community can gather to share and learn new skills, as well as providing invaluable support with health and wellbeing issues.

The Bylong Project has also provided funding to Bylong Upper PS for a school excursion to the Blue Mountains giving the students the opportunity to experience first-hand some of the learning that has taken place in the classroom over the last two terms.

Web: www.bylongproject.com.au

Phone 0431 122 795

BYLONG PROJECT COMMUNITY BULLETIN

CONTACT US



QUESTIONS OR FEEDBACK

Contact Cassie Jones Bylong Community Liaison Officer Phone: 0431 122 795 Email: <u>bylong@cockatoocoal.com.au</u> Web: <u>www.bylongproject.com.au</u>







ABN 13 112 682 158

BYLONG PROJECT

Cockatoo Coal is an emerging PCI and thermal coal producer, with operations and exploration projects spread across the east coast of Australia.

Cockatoo Coal manages the exploration program on the Bylong Project (Authorisation 287 and 342), which is owned by KEPCO Bylong Australia.

For more information about Cockatoo Coal visit <u>www.cockatoocoal.com.au</u>.

Land Access in Bylong

Agriculture and mining are both important industries in New South Wales (NSW) and contribute to the economic prosperity of our communities.

Although landholders own the land, most mineral resources in NSW are owned by the State. The State encourages companies to explore for these minerals. The purpose of a land access arrangement is to ensure companies fulfil their responsibilities of searching for mineral deposits while recognising the rights of landholders.

The Bylong Project under Authorisation 287 and 342 is exploring for coal only and does not have the right to explore or develop coal seam gas.

Why do you need land access agreements?

Before entering a landholder's property to undertake coal exploration activities, we must have in place an agreement to authorise the work. The agreement sets out the details of the exploration work to be carried out while on the property. This includes:

- The type of exploration to be undertaken.
- Where on the property the work will occur.
- The time the work will occur and how long it will take.
- Any relevant conditions.
- Compensation to be paid to the landholder.

What is an Exploration Licence?

An Exploration Licence or Authorisation gives the licence holder exclusive rights to explore for specific minerals within a designated area. It does not permit mining, nor does it guarantee that a mining lease will be granted. In the case of the Bylong Project the mineral subject to exploration is coal. Exploration Licences contain conditions which ensure any disturbance caused by exploration is minimised and rehabilitated. All work carried out on the Bylong Project must meet strict regulatory requirements of the government.

What happens if an explorer wants to access my land?

To access property and carry out exploration activities, we must first have a land access agreement in place. As the licence holder, we must notify the landholder of the intention to enter into a land access arrangement. This is done by writing or calling the landholder prior to negotiations commencing. The land access agreement contains important information and specific details of the exploration activities.

What happens if an agreement cannot be reached?

"If an access agreement cannot be reached then the holder of an Exploration Licence may request to appoint a mutually agreed arbitrator. If after 28 days both parties have been unable to agree on an appointment, either party can request the Director General appoint an arbitrator from the Minster's panel of arbitrators. It is preferable that access be negotiated through mutual agreement." Source: NSW Department of Trade and Investment; Resources and Enerav. http://www.resources.nsw.gov.au/titles/l andholders-rights/mining act 1992

How will my land be protected from the impacts of exploration?

There are a number of legal requirements in the Mining Act 1992 (and in Exploration Licence conditions) to minimise the impacts of exploration on the environment and land. Under the Bylong Project's Review of Environmental Factors (REF) all works are fully rehabilitated after completion. For more information see our factsheet on the *Drilling Process*.

What can I be compensated for?

Landholders are entitled to compensation for "compensable loss" as defined in the Mining Act 1992. This compensation is payable for loss caused by damage during exploration activities or for deprivation of the use of the land. The compensable loss is dependent on (amongst other things) the value of the land, improvement of the land, time of land deprivation and the area of land disturbed.

Email: bylong@cockatoocoal.com.au

Source: NSW Department of Trade and Investment; Division of Resources and Energy, Minerals and Petroleum. Landholders Rights <u>http://www.resources.nsw.gov.au/titles/landholders-rights/mining_act_1992</u> Accessed: 01/08/2012

Bylong Project

Community Newsletter

ISSUE 4 - MAY 2012

Who We Are

The Bylong Project is 100% managed by Cockatoo Coal Limited



and 100% owned by KEPCO



About Cockatoo Coal Limited

Cockatoo Coal is an emerging PCI and thermal coal producer, with the aim of becoming a major independent coal company. Cockatoo Coal is expanding both in terms of developing our coal assets taking them from exploration to operational, and as a company, employing more than 100 people across our sites.

Cockatoo Coal manages the exploration program on the Bylong Project (Authorisation 287 and 342), which is owned by KEPCO Bylong Australia. For more information about Cockatoo Coal visit **www.cockatoocoal.com.au**.

Project Update

There has been increased activity around the Bylong Project Field House on Upper Bylong Road. Local earthworks company Lynchys Civil Services has been contracted to prepare a site for a purpose built environmentally friendly wash pad. The wash pad encompasses a fully contained water recycling system that allows Cockatoo Coal staff and contractors to wash down their vehicles and equipment to prevent weed contamination.



 A mobile wash pad has been installed at the administrative area.

Another local company, PJL Constructions, are undertaking renovation works which will provide much needed office space and training facilities. 3M Fencing has also been contracted to install fencing around the administrative areas.

Community Update

24th Annual Bylong Mouse Races

The Bylong Project was again pleased to be able to assist with the success of Bylong's unique community event - the annual Mouse Races. Held on the last weekend of March, the 2012 event bought more than 2,000 people to the village and aimed to raise \$50,000 for a number of well-deserved charities and local community organisations.

An important part of the Bylong Project's activities are the contributions we make to the community through our sponsorship and donations program. Cockatoo Coal is seeking submissions from community groups and organisations interested in applying for funding. For more information or a copy of the application form, please contact Community Liaison Officer Cassie Jones.



• Cockatoo Community Liaison Officer, Cassie Jones and Senior Environmental Planner, Shaun Smith with Bylong Community Hall Committee President, Andrew Wallings (centre).

Farming Update

The Bylong Project is committed to no net loss of agricultural production. As part of this commitment, we have engaged local farmers to manage KEPCO owned properties within the Lease Authorisations. Work began this year on both Harley Hill and Glenview properties and involves remedial works to facilitate mixed cropping and cattle grazing. We will adopt this approach on any additional acquired properties.



• Work on the paddocks of Harley Hill has begun.

Got Questions or Feedback?

Do you have questions about drilling, environmental or community issues?

There are a number of ways you can provide feedback or ask questions about the Bylong Project. A feedback form is available online at **www.bylongproject.com.au** or you can email **bylong@cockatoocoal.com.au**.

If you would like to speak to the Community Liaison Officer, Cassie is available in Bylong four days a week and can be reached on **0431 122 795**.



 Cockatoo Geologist inspecting the core from a large diameter drill.

Environmental Update

Drilling Update Large Diameter Drilling Program Commences

Over the last twelve months Cockatoo Coal has been conducting a preliminary exploration drilling program to begin to identify and understand the depth and extent of the coal formations in the Bylong Valley. We have recently engaged Highland Drilling to expand on the overall drilling program, and have recently commenced a large diameter drilling program across the Authorisations 287 and 342.

You may have noticed some unusual looking equipment around the Bylong area. The Environmental team has been busy implementing a number of additional monitoring programs across the project site.

Five permanent dust gauges, which look like a bottle and funnel (see photo), have been installed. The gauges measure dust in the air over a 30 day period. Mobile noise monitors are also being used. The noise loggers which look like a small black case and microphone are placed in a location for 2-3 weeks to measure existing noise levels.

Fauna surveys are due to commence shortly. You may notice some consultants about, conducting studies to determine the species diversity of animals across the project area.

The data collected helps to inform our environmental monitoring programs used to model potential impacts of any future operations and assist in planning appropriate measures to mitigate against those impacts.



• Dust Deposition Gauge installed on Bylong Station.



 Noise logging equipment installed at Weeroona, close to Village Centre.

Contact Us

Cockatoo Coal welcomes community feedback. PHONE 02 4033 4300 EMAIL bylong@cockatoocoal.com.au Bylong Community Liaison Officer - Cassie Jones MOBILE 0431 122 795 EMAIL cjones@cockatoocoal.com.au

Bylong Project

Community Newsletter

JANUARY 2012

Who we are

The Bylong Project is 100% managed by Cockatoo Coal Limited



and 100% owned by KEPCO

ABN 790 75 361 769

Land access agreements are in place or are being discussed with landholders to enable exploration investigations and environmental studies to continue.

Community Update

Cockatoo Coal recently hosted an Exploration Information Day enabling landholders and local residents to experience first-hand a number of stages involved in the exploration drilling process. The two sessions provided participants with a site tour and gave participants the opportunity to discuss any project related questions and issues with the project team and technical representatives.



 Local landholders and residents viewing core samples on site at the Bylong Project Exploration Information Day.



 Group from Bylong Upper PS prepare for a site visit at the Bylong Project Exploration Information Day.

A special session for the children of Bylong Upper Public School was also organised. Geologists talked through the history of the local landscape and showed the children examples of different rock layers found specifically in the Bylong area.

As the project progresses, there will be more opportunities for interested parties to attend further information days.

Project Timeline

The Bylong Project is three quarters through the first year of the project timeline. Major activities across each year of exploration include collecting baseline data through environmental monitoring and exploration drilling, aerial and seismic surveys and existing data investigations to establish the extent of the coal reserves.



www.bylongproject.com.au

Project Update

The Bylong Project team has returned after a month long break over the Christmas period, Land access agreements are in place or are being discussed with landholders to enable exploration investigations and environmental studies to continue.

A third Review of Environmental Factors (REF) was submitted and approved by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS). The additional holes proposed in this REF will build on previous prospecting efforts and will assist in defining the coal distribution, depth and type across the Authorisations A287 and A342. The holes have been spaced throughout the Authorisations to provide a reasonable level of confidence in the continuity of coal and coal quality between holes in order to develop a detailed geological model of the strata.

Bylong Project Website

The Bylong Project website was launched in November 2011.



The website was created to provide the community with relevant and up to date information about the Bylong Project. The site features information on the community, environmental and exploration information, FAQ's, as well as Factsheets which are available for download. The site also enables visitors to subscribe to project updates and news, which are distributed via email.

Visit www.bylongproject.com.au for more information.

Environmental Studies Update

Water Monitoring Program

Based on community feedback, the potential impact on water and natural water systems is a key area of concern. Throughout the exploration process, environmental studies, including water monitoring are undertaken.

Douglas Partners has been engaged to design and carry out water monitoring across the Bylong Project site. The monitoring program will involve baseline studies to better understand local water conditions and variations due to climatic conditions. The studies will allow us to determine where the aquifers are and

connectivity between various water bearing zones.

The data collected across the Bylong Project Authorisations will be used in modelling and will form the basis of any future groundwater impact assessments.

To date, a total of nine groundwater piezometers have been installed within coal measures and in the alluvium as part of the monitoring program. Each piezometer contains a water and salinity logger. An additional 23 piezometers are planned across the Bylong Project. Compensation is paid to land holders granting access to their property for exploration drilling and water monitoring activities. If you are interested in more information about exploration activities and/or environmental monitoring on your property please contact Cassie Jones on 0431 122 795.



Bylong Piezometer



Before Weed Management

Weed Management Procedure

Machinery and people carrying soil and plant fragments can be a significant dispersal agent for weed species. As a result of movement between properties across the Bylong Project Authorisations, we have developed a weed management procedure to minimise weed dispersal and spread throughout the Project area during exploration activities.

To mitigate the spread of weeds civil plant, drill rigs and light vehicles are inspected, and where required cleaned, before moving between sites (and out of Authorisations 287 and 342) and travelling within the Project Authorisations. All personnel are required to undertake a brief self-inspection before moving between sites and follow a set procedure for the removal and disposal of plant material and soils.

Contact Cockatoo Coal

Cockatoo Coal welcomes community feedback. You can contact the Bylong Project Community Liaison Officer Cassie Jones in the following ways:

EMAIL bylong@cockatoocoal.com.au OR cjones@cockatoocoal.com.au MOBILE 0431 122 795

Feedback forms are available on our website: www.bylongproject.com.au

RDA4397 01/1



In this issue:

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Contact Cockatoo Coal

Cockatoo Coal welcomes community feedback. You can contact us in the following ways:

Phone 02 4033 4300 or

Email bylong@cockatoocoal.com.au

Bylong Community Liaison Officer

Cassie Jones Mobile 0431122795 Email cjones@cockatoocoal.com.au

BYLONG PROJECT Community Information Brochure

SEPTEMBER 2011

Project Upate

Phase Two Exploration Drilling

A second Review of Environmental Factors (REF August 2011) has recently been approved by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS). This REF supports the phase two drilling programme of an additional 121 drill holes.

This second phase of the drilling programme contains proposed locations across multiple properties within the Exploration Authorisations. Land Access Agreements will need to be in place prior to any drilling on private property.

All drill site locations will be finalised in conjunction with relevant landholders and will also take in account assessment of a number of issues including vegetation, ecology and archaeology values, and rehabilitation requirements.

Cockatoo is developing a number of fact sheets that provide landholders with information regarding the exploration drilling process and the Community Liaison Officer will be contacting landholders on an individual basis to discuss any potential Land Access Agreements.

If you have any questions about the second phase or would like more information please contact the Bylong Community Liaison Officer.



Operating Drill Rig on location in Bylong.



BYLONG PROJECT



Your Community Contact

Consultation with the local community forms an integral part of the Bylong Project planning. Cockatoo has recently appointed Cassie Jones as Community Liaison Officer for the Bylong Project.

Cassie is available in Bylong to local residents and community groups to discuss any questions or concerns about the project.

Please contact her on 0431122 795 or via email at cjones@cockatoocoal.com.au.

"Cockatoo has recently appointed Cassie Jones as Community Liaison Officer"

A community engagement programme has been established for the project and is well underway with a number of landholders and local residents contacted to discuss the current exploration works. A project website is under development and will provide interested parties with a centralised point for information as the project progresses over the next three years.

Local Geology

The Bylong exploration area is located within the Western Coalfield of the Sydney Basin in NSW. Bylong is located in the northern part of the Western Coalfield which is an area extending from Ulan in the north to Lithgow in the south. The Permian sequence of the Western Coalfield consists of the Shoalhaven Group overlain by the Illawarra Coal Measures. The Narrabeen Group, a Triassic sequence of sediments, overlies the Illawarra Coal Measures with a sharp erosional contact (Table 1). The Illawarra Coal Measures, which dip gently to the Northeast at approximately 2°, host the majority of resources found in the Western Coalfield. In descending stratigraphical order, the coal seams present in the Bylong area, within the Illawarra Coal Measures are the Farmers Creek, State Mine Creek, Goulburn, Glen Davis, Ulan and Coggan Seams.

Table 1. Rock types, ages and approximate thickness of stratigraphic units found in the Bylong exploration area. (Source: DPI NSW Western Coalfields Notes)

Stratigraphic Unit	Rock Type	Age	Approximate Thickness
Basalt and Unconsolidated Sediments	Basalt and Unconsolidated Sediments	Tertiary (2.6-65) million years)	0 - 60m
Narrabeen	Sandstone &	Triassic	0 - 50m
Group	Conglomerate	(200-350 million years)	
Illawarra Coal	Coal, Sandstone	Permian	100 - 200m
Measures	& Siltstone	(250-300 million years)	
Shoalhaven	Mudstone, Siltstone	Permian	Unknown
Group	& Sandstone	(250-300 million years)	





BYLONG PROJECT

Environmental Update

The Bylong Project is in the process of establishing and undertaking environmental monitoring and studies across the project area.

Baseline environmental studies will be undertaken to determine the existing environmental conditions of the locality. Studies include baseline air quality and noise assessments, surface and ground water assessments, local vegetation mapping, and soils and land resource studies. Ongoing monitoring and further specialist assessments will be undertaken as the project progresses.

Environmental monitoring equipment is in the process of being established across the Bylong Project site to gather baseline environmental information. Suitable monitoring locations for surface and ground water have been identified across the project area. Potential air quality and noise monitoring locations have also been assessed and equipment will be installed across these locations in the coming months.

An automated weather station has been established at a location central to the project area and this will capture information on wind speed and direction, rainfall, temperature, and humidity. This local weather data is needed to feed into specialist assessments for the project.

Dust monitoring equipment has also been installed and will capture baseline data for Total Suspended Particulate (TSP), $PM_{2.5}$ and PM_{10} . $PM_{2.5}$ and PM_{10} refer to Particulate Matter up to a size of 2.5 and 10 microns respectively.

Baseline environmental information will feed into environmental studies which will be made publically available as part of any potential development application to the NSW government.

Borehole Sealing and Rehabilitation

Regular inspections will be undertaken of each site to ensure they return to pre-drilled condition. After the completion of each bore hole, all boreholes will be filled from the base to the surface with approved cement mixtures.

Each site will also be appropriately rehabilitated and reseeded in accordance with best practice.



Diagram showing sealing procedures for abandoning exploration boreholes. (Source: Bylong Valley Exploration Project REF July 2011)

Completion of all exploration holes will follow in accordance with the NSW Department of Trade and Investment, Regional Infrastructure and Regional Services (DTIRIS) guideline - EDG01 "Environmental Management Guideline for Industry Borehole Sealing Requirements on Land: Coal Exploration". The full guideline can be viewed online at www.dpi.nsw.gov.au/minerals/environment/pgf/Glines/edg01.pdf



Drill hole location prior to site preparation.



Drill hole location after drilling prior to regrowth.



BYLONG PROJECT



A drill location prior to site preparation.



A drill location with sumps dug prior to drilling.



Bylong Community Liaison Officer

Cassie Jones Mobile 0431122 795 Email cjones@cockatoocoal.com.au

Community Information Day

Cockatoo are proposing an information day for residents and landholders within the local community to view exploration drill rigs on site. Drillers and Geologists will be on hand to explain the drilling process and answer questions.

In order to set a suitable agenda for the local community, Cockatoo would like to invite those interested to contact Cassie Jones who will use community feedback in planning the day.



A drill rig set up and in operation at site.

Contact Cassie Jones to make suggestions to the agenda of the community day.

Contact Cockatoo Coal

Cockatoo Coal welcomes community feedback. You can contact us in the following ways: Phone 02 4033 4300 or Email bylong@cockatoocoal.com.au



Frequently Asked Questions

What is the project timeline? The Bylong Project is still at a very preliminary stage, however

very preliminary stage, however exploration and evaluation is planned to take approximately 3 years.

There is a very thorough exploration, environmental assessment and approvals process that must be undertaken before a decision is made on whether mining will proceed. At this stage, Cockatoo needs to undertake detailed pre-feasibility assessments of the resource and the environment to determine the viability of the Project. Once project viability is determined a timeline will be established for an environmental assessment.

How many jobs will the Bylong Project create for the region?

In the short-term we do not foresee that many new jobs will be created, however Cockatoo is committed to employing local people and utilising local businesses wherever possible.

Does Cockatoo intend to acquire land within the lease areas?

Where we identify properties of interest in the lease area, purchases will be considered based on their merits.

Does Cockatoo require access to lands to undertake exploration activities?

Yes land access is required to undertake exploration drilling, and we will seek to establish land access agreements and provide fair compensation to landholders. If landholders are interested in negotiating access agreements they should contact Stuart Hides, Manager Bylong Project, on **bylong@cockatoocoal.com.au** or **(02) 4929 3926**.

BYLONG EXPLORATION PROJECT

Community Information Brochure

APRIL 2011

The Bylong Exploration Project

Cockatoo act on behalf of KEPCO Bylong Australia Pty Ltd ('KEPCO'), who holds Authorisation (A) 287 and 342 over an area of approximately 10,300 ha at Bylong, NSW. KEPCO purchased acquired 100% of Anglo Coal (Bylong) Pty Ltd from Anglo American. KEPCO have granted a 3 year call option for a 30% interest to Cockatoo.

The Bylong Exploration Project, which comprises A287 and A342, was originally granted by the NSW government in 1982 and 1984 respectively. Since this time, periodic exploration programs have been conducted across each authorisation.

Under the terms of the Bylong authorisations, Cockatoo is required to undertake exploration activities to evaluate the coal resources, and whether they can be economically recovered. It is an obligation of the lease holder to undertake exploration activities as required by the NSW Government.



Bylong Exploration Project Area

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Frequently Asked Questions

Can Cockatoo drill on my land without my consent?

We intend to engage directly with any local landholders within the Bylong Project lease that may be impacted as a result of future exploration activities. We will approach all of these discussions in an open and good faith manner, with the aim of negotiating a Land Access Agreement that is acceptable to both the land owner and Cockatoo. Drilling may occur following an arbitration process if agreement cannot be met, but we view this as an absolute last resort option as Cockatoo wishes to develop and maintain a close, open and transparent relationship with all our neighbours and stakeholders.

What type of mining is possible in the lease areas?

The early exploration indicates that there is open-cut and underground potential, however it is too early to determine what a detailed mine plan may eventually look like. Whatever mining method that is eventually presented for approval, Cockatoo will design the best mine plan that can balance economic factors and meet all environmental standards required by legislation.

Will mining impact the aquifers in the Bylong Valley?

The protection of aquifers will be a primary consideration of any project planning undertaken for this site. Detailed hydrological and geological studies by recognised experts will guide the planning of any proposal to ensure that these important environmental features are protected.

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Expected Exploration Activities

In accordance with the terms of the exploration authorisations, all exploration work must be designed and managed to ensure potential environmental impacts are minimised.

A Review of Environmental Factors (REF) has been prepared for the exploration program and this has been assessed and approved by the Department of Industry and Investment NSW. This REF was undertaken for the approval to drill initially up to 44 boreholes, however further REF's will be required to establish up to 150 exploration holes.

As detailed in the REF, key best-practice measures to be implemented at all drill locations include:

- Inspection by an ecologist and archaeologist prior to any ground disturbance to ensure there is no impact to native flora and fauna and/or heritage items;
- Employment of erosion and sediment controls to minimise erosion potential and surface water impacts at each site. Efficient drilling practices will also reduce the length of onsite works;
- Use of appropriately designed drill methods to deal with site specific conditions;
- All boreholes will be fully grouted from bottom to top once drilling is complete; and
- Ensure timely rehabilitation and that follow up inspections are undertaken.

Respecting the Bylong Valley Environment

Respecting the Bylong Valley environment and surrounds is a fundamental priority for Cockatoo.

Cockatoo's environmental policies and programs are integrated into all aspects of our operations and are designed to ensure minimal harm, enhance our leadership in environmental excellence, and assure compliance with all legal and regulatory requirements.

Each project stage will have a comprehensive environmental management and protection component. All site works will adhere to strict legislative controls and be undertaken in accordance with industry best practice.

Cockatoo will be working with a range of specialist experts with proven experience in the coal mining industry and in the region to ensure the highest practical levels of protection for the local environment. These experts will be working on the ground, closely involved with every stage of the Bylong Project.

As part of any advancement of the Project, appropriate schedules of base-line and ongoing environmental monitoring will be put in place to ensure best practice industry standards are met.



Frequently Asked Questions

What environmental monitoring and base-line studies will be undertaken?

As part of the assessment of the Bylong Project, environmental monitoring and base-line studies will be undertaken to gauge the present environmental conditions of the exploration area. Equipment will be installed to monitor weather, surface and groundwater, and other environmental parameters across the Project area. There will also be detailed base-line studies undertaken for flora and fauna, surface and groundwater, soils, Aboriginal and European heritage, and air quality.

How will Cockatoo determine if the Project is viable?

The viability of the Project will be based on a number of factors including how much coal is present in the lease area, the cost of extracting the coal and whether the appropriate standards of environment safeguards can be met.

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The Bylong Project Management Team

The Bylong Project Management Team will be led by highly qualified engineers, geologists, environmental scientists, and community liaison officers. Two key staff for the Project are Stuart Hides (Manager Bylong Project) and Shaun Smith (Senior Environmental Planner).

About Cockatoo Coal

Cockatoo Coal Limited ('Cockatoo') is an independent Australian coal mining and exploration company listed on the Australian Securities Exchange. We have operations in central Queensland and exploration licences for a number of other projects, including the Bylong Project in the Western Coal Fields of NSW.

Coal mining and coal use are essential to NSW's economic prosperity and quality of life. While these are important benefits, they do not override the need for mining operations to be sustainable, minimise impacts on the environment and meet community expectations. Cockatoo embraces this approach in all its operations.

Cockatoo provides employment to many Australians in a wide variety of roles and utilises the services of local businesses, providing direct and indirect benefits to local communities. Apart from the economic benefits generated by our operations, we seek to engage the community and be involved with the sponsorship of local events, organisations and provide local amenities and infrastructure.



Contact Cockatoo Coal

Cockatoo Coal welcomes community feedback. You can contact us in the following ways: Phone +61 2 4929 3926 or Email bylong@cockatoocoal.com.au