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TRANSCRIPT OF PROCEEDINGS

TRANSCRIPT IN CONFIDENCE

O/N H-1305524

INDEPENDENT PLANNING COMMISSION

MEETING WITH APPLICANT

RE: MAXWELL UNDERGROUND COAL MINE

PANEL: **MARY O’KANE (CHAIR)**
JOHN HANN

OFFICE OF THE IPC: **STEPHEN BARRY**
CASEY JOSHUA

APPLICANT: **WAYNE SEABROOK**
BILL DEAN
JOSHUA HUNT
JOANNA HINKS

LOCATION: **VIDEOCONFERENCE**

DATE: **9.11 AM PM, THURSDAY, 15 OCTOBER, 2020**

THIS PROCEEDING WAS CONDUCTED BY VIDEO CONFERENCE

PROF M. O'KANE: Thank you for coming to the meeting. In opening the meeting,
5 I'd like to acknowledge the traditional owners of the lands that we're on variously
and pay my respects to their elders past, present and emerging. So, as I said,
welcome to the meeting today for Maxwell Underground Coal Mining Project, which
includes the construction of a new mine entry area, transport and services corridor
and ancillary infrastructure. Extraction of up to eight million tonnes of run-of-mine
10 coal per year using longwall and bord and pillar extraction methods. The ongoing
use of processing, rail loading and export infrastructure at the existing Maxwell
Infrastructure site and partial realignment of the southern end of Edderton Road.

15 My name is Mary O'Kane. I'm the chair of the Independent Planning Commission
and the chair of this commission panel. I'm joined by the deputy chair of the
commission and my fellow commissioner for this panel, John Hann, and we are
supported by Stephen Barry and Casey Joshua from the Office of the Independent
Planning Commission.

20 In the interests of openness and transparency and to ensure the full capture of
information, today's meeting is being recorded and a full transcript will be produced
and made available on the commission's website. The meeting is one part of the
commission's consideration of this matter and will form one of the several sources of
information upon which the commission will base its advice. It is important for the
25 commissioners to ask questions of attendees and to clarify issues whenever it is
considered appropriate.

If you are asked a question and are not in a position to answer today, please feel free
to take the question on notice and provide any additional information in writing and
30 we'll then put that up on our website. I request that all of those here today introduce
themselves before speaking for the first time so we get it on the record, and please
don't speak over the top of each other so we get accuracy on the transcript. So with
that, we might pass over to you, Wayne, to make, you know, any introductory
overview comments before we get into questions.

35 MR W. SEABROOK: Yes. Thanks, Mary, and appreciate the opportunity to
present our project to you and John and just, you know, for the record, but just to
ensure. So I'm the chairman of Malabar Resources Limited, and with me in the
room here up at the project site is Bill Dean, our project manager, and I also have our
40 two senior advisors on the – for planning – for the planning process, which is Josh
Hunt and Joanna Hinks, who are, obviously, Zooming in from their Brisbane office.
I have a presentation which I can put up, and happy to, sort of, take you through that
and run it however you would like me to do so, obviously, taking questions along the
way may be the best way to do that.

45 MR J. HANN: That'd be good.

PROF O'KANE: Yes. Okay. That'd be great, Wayne. Yes.

MR SEABROOK: So I'll just see if I can take control of the screen. Now, do you have that in front of you now?

5

PROF O'KANE: Yes. Very clear. Thanks.

MR SEABROOK: I'll put it in full screen mode. There we are. So, yes, the Maxwell Underground Project. So just a bit of a background on who we are. We're a local company, Australian owned, a – in actual fact, an unlisted public company and we own a number of assets in the Upper Hunter. The Maxwell Underground Project EL5460, which, of course, is the subject of this development application, the Spur Hill Underground Project, which is adjacent to Maxwell. The old Drayton Mine, which we've renamed Maxwell Infrastructure, because that's the purpose of which we'll be using it for, and the Maxwell Solar Farm, which is recently approved as a state significant project.

The principles of, and senior management of, Malabar Resources are quite – are very experienced in longwall underground mining, and we've commissioned and operate at least six underground mines here in New South Wales. Flicking to the next page, there's a diagram on the left which shows – and hopefully you can see the cursor. Can you see that? My little hand running around the screen.

PROF O'KANE: Yes. Yes, we can. Thank you.

25

MR SEABROOK: Yes. Yes. So we're looking to develop a long life underground coal mine in EL5460, the Maxwell Project, and it's shown there in red, in that exploration licence. Where – obviously, you can see there the relative distances, the infrastructure, where we are currently sitting, in the north. Maxwell Infrastructure about 10 ks south of Muswellbrook. We are planning on producing high quality coal with at least three quarters of the coal capable of being used for making. The balance would be high quality export thermal coals for new generation HELE power stations, high efficiency low emission power stations. We are looking to develop the project solely as an underground mine, which, obviously, significantly lowers the impacts other – than it otherwise – that an open cut mine would create.

We've obviously – we've carefully placed the mine entry in a valley about five kilometres to the north of the Golden Highway, and designed it such that it cannot be seen from the Golden Highway or the horse studs to the south. So believe this very different approach addresses the concerns that have been raised in relation to the previous proposals for this area. The benefits of the project, we're looking to employ, when operational, 350 direct jobs delivering about \$55 million per year into annual wages into the community, exports in the vicinity of 500 to 700 million dollars annually and over the first 26 years of the project 1 to 1.2 billion of royalties to the State of New South Wales.

45

We've been operating – well, we've been in the local community for about a decade, bringing forward an underground project in this area for some times and have been providing ongoing support for local businesses, and there's a snapshot there of some of the logos of those businesses and community groups which we're supporting, have supported and are supporting into the future. Our philosophy, of course, is being aware of our neighbours' points of view and proactively enhancing our interactions with them, and one of the – obviously, the key aspects to the project is commitment to underground, and I mentioned before we've been in the area for more than 10 years, about that timeframe, since we first commenced with the consideration of the Spur Hill lease, and we've, obviously, been, you know – taken – been aware of, you know, bringing forward a project which will get acceptance, or we believe will be acceptable for the community, and with – by going underground, of course, we can maintain and enhance agriculture activity. I'll tell you there's a lot of local employment that comes from a project of this scale, and we also have a – quite a substantial resource. So we think it – we can certainly present a sustainable long-term business.

I've spoken already about the commitment to underground and, obviously, by doing so we minimise the additional surface infrastructure required. We're, obviously, making use of the existing infrastructure that we've acquired from the previous owner of Drayton, so that means there's only the – a modest amount of infrastructure required at the mine entry for the underground operation, and an overland conveyor. We're locating the underground mining area in an area which is, sort of, sheltered from ridgelines, and the access point to the mine is from the existing Thomas Mitchell Drive to the north. So we won't be connecting to any of the roads to the south of project, such as the Golden Highway or Edderton Road. There'll be no direct substance in the Hunter River or Saddlers Creek and, as I say, when the longwall is in production we'll be conveying the run-of-mine coal from the mine entry to the north to the existing Coal Handling Plant.

So from a community perspective on page 7 there, we've, obviously, had comprehensive community consultation through the social impact assessment and we've continued to consult with the community following the submissions of the EIS. We've prepared property specific booklets for our neighbours, including the Coolmore and Godolphin studs, and there's a photograph of the front page of those, and also for the booklets for the other land holders to the north of the project. We've hosted site visits for the – with one of the horse studs and offered site visits to the other, and we've also met with, you know, landowners to discuss particular aspects of the project and how it may impact them.

As far as public feedback. A total of 231 public submissions were received from individuals and organisations and 77 per cent of those submissions were in support of the project. We believe the local community understand the benefits and trade-offs associated with coal mining, and in – and with respect to our project, we certainly get the feedback that the benefits win out in this particular – for this particular proposal, and we, obviously, see that, you know, a project like this provides a wide range of jobs for quite a broad range of people for quite some time.

On page 9, that's another look at the data, and so the majority of the submissions received from organisations in the Muswellbrook, Denman and Singleton LGA were in support of the project, and you can see with those blue circles. Obviously, the one on the right shows it a bit more clearly, so you can see the project boundaries there to the south of Muswellbrook and the Maxwell Underground. The project in detail. We're, obviously, you know, quite aware of some of those – we're very much aware of the past attempts to get an open cut approved on this exploration licence. So back in 2017 when we announced that we were looking to acquire the project from Anglo, we proactively went to the government and volunteered a couple of key changes to the exploration licence.

One, we relinquished that part of the exploration licence that was south of Golden Highway and under the horse studs, and, importantly, we volunteered conditions that the exploration licence would only be ever developed as an underground project. So that's become a condition, you know, hardwired into the exploration licence. There is a further layer of protection the State Government has set over this exploration licence, again prohibiting open cut mining. We wanted to be very clear from the outset that there was no doubt that this project could only be developed as an underground and then somehow in the future would change from underground to an open cut, given the history of the project.

That – those conditions and renewal of the exploration licence were undertaken by the State Government late in 2017, so by the time all the final conditions for the acquisition were met we got ownership of the project in late February 2018, and within a week we started rehabilitation activities on the former Drayton open – Drayton open cut mine. Late in the year in August – or I should say in August 2019, we had prepared and put on an exhibition at EIS and, of course, now we're at the next stage, the – getting towards the last stage of that process.

Now, the next page shows our land holding in the orange hatch, and the important message for this page is that you can see the white extent of the underground project, and the – and as you can see, all that activity takes under – is taking place underneath ground that – land that we own, and we – currently, of course, that's grazing land for cattle, and we'll be able to show you, obviously, that on Monday next week.

Project boundaries shown in yellow. So this is the – the yellow is the corridor coming down from the Maxwell Infrastructure down to the mine entry, and within that there will be an access road, and again the concept that we have is – and, obviously, Thomas Mitchell Drive is a road which services the mining industry, particularly with, you know, Mount Arthur next to us and all of the maintenance and service facilities along Thomas Mitchell Drive.

So the concept is to extend the access road and bring it all the way down to the mine entry. So all our workers and materials and services that are required to be used in the underground project come and go on that access road. So again we won't be impacting on the rural roads and the Golden Highway to the south of project. You can see there the mine entry area, and the other yellow line on the map is the – is the

realignment of Edderton Road prior to the commencement of extraction from the second seam, the Arrowfield Seam.

5 PROF O'KANE: Do we want to interrupt on that now - - -

UNIDENTIFIED MALE: Yes.

PROF O'KANE: - - - because we did say we'd ask questions.

10 MR SEABROOK: Sure.

MR HANN: Yes. I was going to leave it till we come - - -

15 PROF O'KANE: No. We'll go on.

MR HANN: Yes.

PROF O'KANE: Keep going.

20 MR HANN: I - - -

PROF O'KANE: And we'll see, Wayne, and a bit later we'll come back over some road issues.

25 MR SEABROOK: Okay. So we're, obviously, looking to maximise the use of existing infrastructure. This Google Earth photograph shows you the existing infrastructure in the north. So we have the existing Coal Processing Plant. This was built in about two thousand – sorry, 1983, I think, it was commissioned.

30 UNIDENTIFIED MALE:

MR SEABROOK: Shell built the project, and then a number of years later it was acquired by Anglo, so this project – this – the open cut was in production from about 1983, and it's probably the last coal mining of – in the open cut was in late 2016. So
35 you can see here the infrastructure that we've acquired. The process CHPP, or Coal Handling and Processing Plant, behind that to the north is the product coal stockpiles, you know, stacker reclaimers and there's a train loadout, then, and a rail loop, and also, of course, around to the – in this area is all the administration and workshops and other infrastructure, such as the access – the water storage and dams and so forth
40 process water and down here in the east void tailings reject empowerment. So we've inherited all the surface infrastructure that we require for the processing of the coal and the handling and railing of the coal down to the Port of Newcastle.

45 Within this boundary, this red boundary, is the old open cut. Like, you'll notice that this – it's, obviously, looking quite green. This is a fairly recent Google Earth photograph which shows some of the progress that we've made on rehabilitating the old open cut. So the bulk movement of waste emplacement has taken place and,

obviously, we've also put on biosolids, pastures and commenced further planting of tree corridors and so forth, and what remains are three voids. The south void, east void and north void, and they'll be used for ongoing reject emplacement and water management.

5

Just a bit of a zoom in on the mine entry area. So again in here is just the essential infrastructure that we need for accessing underground. So there's the portals with the drifts coming off, ventilation facilities, onsite water management and administration areas where our underground workers can come to site, bath house, administration, workshops and so forth, and we're looking to have – you know, construct modest surge stockpiles. So the concept is the run-of-mine coal exits the mine – the underground mine, deposit on a modest size stockpiles and then transport it on the overland conveyor up to the existing wash plant, and up there is – we will maintain a larger raw coal stockpile.

15

So we think it's a very compact layout designed to minimise disturbance of the surrounding pastures and woodlands, and also we've designed it such that the height of the equipment is such that they're below the ridgelines to the south, so it is invisible to people in the south on the Golden Highway, or further south than there.

20

A 3-D diagram of the mine entry area at the top of the photograph, and, sort of, in relation to where the Coolmore stud is to the south. So it's about five kilometres a straight line to the Golden Highway at its closets point, and again another image. An aerial simulation just showing what it looks like when it's constructed. So we have the overland conveyor coming down to the mine entry area, up to the north again, the Maxwell Infrastructure, and you can see our neighbours, Bayswater and Liddell Power Station to the east, and the Mount Arthur mine to the west.

25

This page on page – these photographs on page 18 show the view from the highest vantage point, on the Coolmore stud, of the project. At the top you can see the existing view with Mount Arthur and the Mount Arthur mine, the distance and then our project. You won't see the mine entry area, because it's behind the ridgelines. We've shown a small orange dot where the Edderton Road realignment would be, and in the far distance, more than seven and a half ks away, the overland conveyor stakes to the side of a small hill, but it'll be pretty – it'll be quite difficult to see that distance.

35

Maxwell Infrastructure final land form. So, obviously, we take the rehabilitation responsibility very seriously, and this just – diagram indicates the various aspects of that rehabilitation. So within the pit we've, obviously, done the substantial amount of the reject emplacements – sorry, emplacement of overburden material back into the pit, and the brown represents the ecological corridor. So the tree planting is taking place in those areas. To the west of that in blue is the Maxwell Solar Project, that was approved in August this year, and again you can see the voids.

45

So current – to date there's about 849 hectares of partial woodland which is being rehabilitated on the site, and in the last 18 months, 34,000 tubestock trees have been

planted in that – in the existing woodland corridor. As I mentioned before, we’re looking to provide – to backfill the east void with rejects from washing the Maxwell Underground Coals through the wash plant, and there’s also potential to work with AGL and other miner operators to produce the size of the voids by emplacing their waste material into those voids.

As I say, importantly, the department considers it a stable non-polluting and appropriate integrated final form’s achievable at the Maxwell Infrastructure site, and on page 20 there are a couple of drone photographs showing some of our progress. As I say, we actually commenced rehab in March 2018, and these are, obviously, later photographs from April 2020 and more recently in June 2020. In actual fact, just by way of interest, in the upper photograph on the top of that plateau is the intended location for the Maxwell Solar Farm.

Coexistent with the northern neighbours, the East Antiene rural resident areas up the north there are expected to experience less impacts than those associated with the previous Drayton Mine, because, obviously, in the past they had – there was the open cut mine running. That no longer is the case. That’s been substantially backfilled and, of course, there’ll be a solar farm on top of that and the wash plant will be doing what it has been doing since about 1983.

We maintain regular contact with representatives through the area on the Maxwell Infrastructure CCC, and the project will comply with all relevant criteria for the project and only 24 hour dust concentrations. Four properties have – would experience marginal exceedance of the project specific noise trigger levels and a right to mitigation measures at their property on request. All other properties have negligible or no exceedance of the project noise trigger levels, apart from temporary impacts with construction activities. So the conclusion from the department and the EPA is that they’re satisfied with the noise and air quality impacts of the project can be managed under the recommended conditions of an EPL for the site.

Coexistence with the equine industry. Clearly, this has been a major focus of – also of our project design to address previous feedback from the equine industry, and, you know, the – I guess, you know, the big fundamental change was committing to an underground mine, and there has obviously been other significant project design measures. So the conservative air quality and noise modelling that we’ve done indicate there’ll be negligible immediate impact on both the studs, in particular, changes to particular matter concentration in the air at the studs will be negligible. Likewise with dust deposition on pastures and noise contributions will be indistinguishable from background.

Production blasts will not be required for underground mining activities, and we would seek to eliminate and minimise for construction. This is, obviously, for building the overland corridor for the road and the conveyor, but though that – if that blasting is required, it’s much less significant than what is typical for an open cut operation. There’ll be no subsidence impacts on infrastructure or land owned by either Coolmore or Godolphin, and project traffic on Golden Highway in Edderton

will be limited because of our design such that the site is only accessed via Thomas Mitchell Drive.

5 As previously stated, Edderton Road will be realigned and the Saddlers Creek
crossing upgraded prior to longwall mining in the second seam, the Arrowfield
Seam, and the important thing is the view to the project and surface components will
be largely screened by the topography to the north of the Golden Highway, hence,
we were pleased with the department's own conclusion that the project is unlikely to
10 have demonstrable impact on the reputation and viability of the equine and
viticultural critical industry clusters.

Obviously, DPIEs assessment report. I won't go through all these comments, but we,
obviously, accept – we accept the findings of the DPIEs assessment report and we
also accept the recommended conditions of approval. In regard to the need of the
15 project, we believe it's, you know, the project has demonstrated ongoing support –
provides ongoing support for community groups. Obviously, our commitment to
progress and rehabilitation of existing Maxwell Infrastructure has been, you know,
well received by many people and folk in the community, and we've undertaken
extensive stakeholder engagement, and sought to design the project to address many
20 of the issues that stakeholders have raised and, obviously, we've already started
employing staff for the project, but, of course, that would ramp up significantly on
approval and commencement of construction.

We believe the project has attributes akin to a brownfield project because of the
25 beneficial use of substantial existing infrastructure at the – what we now term the
Maxwell Infrastructure site. We've, obviously, got access to the rail and port
infrastructure. We've got our own rail loop and the sufficient capacity available on
the rail network and port infrastructure for the quality of coal that we're looking to
produce. There's, obviously, already an existing established site access entry and, in
30 effect, we'll just be extending that to the south, to the mine entry area.

We've inherited an extensive geological and geotechnical database put together over
many decades by previous owners, Shell and Anglo, and before them CSR. So that
35 gives us a high level of confidence of the resource, not only with respect to its
quality, but also it's – with respect to the underground conditions that we'll be
dealing with and, obviously, we've had extensive environmental monitoring program
that supports our EIS and environmental management plans and measures.

As far as the product quality, other – rather than be an open cut, we're going for an
40 underground mine and so we're targeting specific seams and deeper seams. So we're
targeting those seams where three quarters of the coal meets the standard for semi-
self coking coal. Obviously, that's the coal which is currently in high use in the likes
of Japan and South Korea and that part of South-East Asia, and over the longer term
it is anticipated that the other countries – other countries such as Indonesia and others
45 within South-East Asia will become significant customers of the project's coking
coal, as they develop their economies and construct, you know, more blast furnace
capacity.

Hence, the Maxwell Project diversifies the local economy and provides, obviously, jobs for quite some time, and diversification comes in a number of ways. One is the nature of the product, being coking coal, whereas this LGA is – you know, is characterised by thermal coal principally and, obviously, as an underground mine
5 where, again, most of the coal out of this LGA – or all the coal currently out of the Muswellbrook LGA is from open cut mining techniques, and, obviously, the local community identified the benefits the project would create from employment opportunities and also the benefits for local suppliers. So - - -

10 PROF O’KANE: Thank you.

MR SEABROOK: - - - in conclusion - - -

PROF O’KANE: Yes. Go on.

15

MR SEABROOK: We think our underground project is a – you know, very different to previous proposals, and there’s been significant project design measures to deal with the issues raise in the past. Obviously, use of infrastructure, you know, substantially reduces our costs of construction compared to a greenfield project, and,
20 you know, I guess I just reiterate again the stakeholder feedback that’s been reflected in our commitment to the project and right back to the very start, and we were looking to acquire the project, we proactively, you know, sought to condition the EL that there would never be an open cut mine developed in this vicinity.

25 PROF O’KANE: All right. Thank you very much. That’s very helpful. Just as a starting question, the project – and you’ve – the way you’ve expressed it and the way it comes through in the assessment report and the material, the EIS and things, makes a lot of sense. Why did it take you people to propose it? Is the return a lot less than
30 it would have been on an open cut, or – you know, because given the issues that came up before, this does seem to be a sensible proposition on the face of it.

MR SEABROOK: Yes. I can’t speak for the previous proponents, you know, obviously, we’ve got experience of developing open – underground mines in New South Wales, and, you know, we – you know, this, sort of, could – our detailed
35 design and modelling, we can developing a highly productive underground project which will deliver some of the lowest cost coal, you know, onto ships out of Newcastle. So we’ve taken quite a different approach, and also by going deeper and targeting the better quality coals, we can ensure that we’re getting a better price for our commodity. So it’s quite a different approach. As I say, one of the points I made
40 before, we’ve been blessed with a very detailed database that we’ve inherited from the previous miners, including a lot of detailed seismic work and drilling, and that gives us great confidence in the viability both technically and economically of an underground project.

45 PROF O’KANE: Great. Thank you. John, do you want to deal with that question on the - - -

MR HANN: Yes. Sure. Look, just going back to the road – Edderton Roadway and the realignment as proposed. The timing, as we understand it, for that is around 2032, and that’s driven by the undermining, if you like, of the road once you target the Arrowfield Seam, I think it is, which has got quite substantial predicted
5 subsidence of about 4.3 vertical metres, and yet earlier you’ll be working the Woodlands seam, which has got a fairly substantial vertical subsidence of 2.3 metres. So the question is are you confident that you’re able to monitor, and I – we’d like to know a bit more about how you do the 24/7 monitoring, but are you confident that
10 you’re able to manage that interim impact of subsidence between mining the Woodlands seam and when you actually start to realign the road.

MR SEABROOK: Yes. We are very – you know, are confident we can manage the Edderton Road through the longwalling of the Woodlands Hill Seam. In fact, in our EIS we, obviously, sought to manage in situ all the seams, because we’re confident
15 that we could manage the subsidence of the road for Woodlands or Arrowfield and Bowfield, and it’s not unique. There’s been a number of cases, you know, in the Hunter Valley where operators have managed roads and kept them open 24/7, not just for under – longwalling under one seam, but multiple seams, and the Broke Road is an example of that, but we – during the exhibition period and discussions we were
20 prepared to, I guess, you know, go – take the view that we were prepared to do the relocation, even though we’re confident we could manage all of the seams through active management. So we did that to – you know, to – as a proposal to the local community and, particularly, the council, and so when it comes to undermining just the Woodlands Hill Seam, we can put in place a detailed management.

25 We already have a draft action plan for how we would go about doing that, which, obviously, talks to the ongoing – we know precisely when we will be approaching the road, obviously, from what we’re doing underground and then we start the process of increasing our monitoring such that it’s very intense during the period of
30 which we’re actively, you know, bringing the longwall machine under the road, and so we can provide to you a detailed management plan and process, and also some – you know, some prior examples of where that’s been done successfully. As I say, there was a – there’s an example, such as the Broke Road, in the Hunter Valley where they’ve done that on a couple of occasions by undermining that road with a
35 couple of seams, and in those circumstances there were no incidents, and we’ve got the benefit - - -

MR HANN: Can you tell us a little bit more about your monitoring and how that works, Wayne.

40

MR SEABROOK: Perhaps I can hand – I can probably hand that across to Bill, do you – can you talk a bit about that.

MR DEAN: Yes. Yes. So, Bill Dean, project director on this project. Basically,
45 what we would be doing is once we’re approaching the road be putting people on the ground to carefully monitor it. So you’ll know as the wall approaches the road just

exactly what's happening, and then there will be people out there 24/7, and you'll have lighting plants at night so they can see exactly what's going on.

5 So there's visual, plus you'll have survey and other measurements as you work your way through it. So the surveyors, plus where you can't get to easily, and I don't think there's any of those spots, but you can use, potentially, cameras, but also strain gauges and other things can be put in place to, again, make sure that we know what's happening as we move up to it.

10 MR HANN: Okay.

PROF O'KANE: Yes.

MR HANN: Okay.

15

PROF O'KANE: Is there anything else you wanted to go - - -

MR HANN: No, not immediately.

20 PROF O'KANE: All right. Then I wanted to ask, we've - sorry. Go on.

MR SEABROOK: We - what we can do is provide you with a - some correspondence to set out more - in more detail, you know, the management plans, how we would do that. So provide you with some - you know, our reasons why
25 we're confident we can manage it and also some, you know - a case study.

PROF O'KANE: Yes.

MR HANN: Okay. Thank you.

30

PROF O'KANE: That'd be good. I think we've got the latest on your negotiations with Muswellbrook Shire Council, but we are meeting them this afternoon. So I just wondered is there any update on the VPA negotiations there?

35 MR SEABROOK: We met with them yesterday, and they have got some - they've put forward some modifications to the VPA that they're - that they are seeking, and we've yet to revert back to them on those modifications, which are to do with the payments in the first few years of the project prior to longwall kicking off. So we have yet to respond. We've got to take - go away and just consider those - a couple
40 of those points that they made.

PROF O'KANE: Great. And then also talking about other stakeholders, any further light to shed on the - where the studs are on the matter? Obviously, we'll visit on Monday, but is the concern mainly about the image of the industry? Are there any
45 residual concerns about impact on the horses or - there, or is it mainly the visuals?

MR SEABROOK: I can't really, obviously, speak for them. We've met with both studs, you know, prior to lodging the EIS and have – well, sorry, offered site visits to our site and they were taken up by Coolmore. We believe that we've dealt with their issues, but with respect to where we placed the mine infrastructure, making it
5 invisible and quite some distance from their operations, and that fact that we're – you know, there's no open cut, there's actually less impact from what they had to – than there has been in the past with the Drayton open cut mine.

So I guess from – all I can, sort of, speculate is perhaps the – one of the outstanding
10 issues may be the one that we've just been talking about, which is perhaps the Edderton Road, and so perhaps that's something which we need to provide some more information on is how we propose to manage the first mining – the mining of the Woodlands Hill Seam whilst we manage the subsidence of that road in situ. That's my – that's only my, sort of, speculation. I guess you'll hear more from them,
15 and, you know, obviously, we've seen the submissions that they've made.

PROF O'KANE: Yes. Then another question. We're jumping all over the place, because a lot of – everything we wanted to know is well covered in the assessment report and your EIS and so on. You mentioned before that you're comfortable with
20 the conditions the department's proposing. Can I just confirm that's the case, or are there any conditions you've got any residual worries about?

MR SEABROOK: No, we're comfortable with the conditions.

25 PROF O'KANE: Good. Okay. That's helpful for us to know. Any – in terms of people opposed, you've really done a – you know, a lot of great consultation in the area. Is there any other significant worries that you are picking up in those opposed about environmental factors? I mean, if you had to pick what is worrying the most, and we've looked at the submissions, too, but you're on the ground and hearing
30 people. What do you think is driving the rest of the opposition?

MR SEABROOK: Well, as I say, we've had very little opposition. We've had zero complaints registered on the project, you know. So we haven't had anybody, you know, put a complaint to us directly. Obviously, we also see what's been put into
35 submissions on the project from opponents, and I guess they cover, broadly, you know, some specific things about the project, you know, whether it's – you know, again we've touched on Edderton Road, and then the – there's probably, more broadly, just, you know, obviously, there's the greenhouse gas issues, for example. Just the, you know, the more global opposition to a coal project, but, obviously, in
40 response to that, you know, the fact that we're chasing – we're targeting the metallurgical coal, you know, is a – is significantly different from what has traditionally been in the Upper Hunter, and also with the balance of the coal, which is thermal coal, being low sulphur, high energy, you know, if that's as per the CRU and other reports, if that was replaced by other coals from other sources, in actual fact,
45 there's a net negative of that.

So, in actual fact, our, sort of, high energy coal, the 25 – the quarter which goes into that sector provides an improvement in comparison to other sources of coal. So we don't actually get a lot of – well, it's very hard to identify any negative feedback. So when one walks around the street, talks to people, to be candid, I haven't had
5 anybody which has raised a concern. It's more of the messaging I get, as well, "What you've done has dealt with the big issues of the past. So why shouldn't the project proceed?" That's a typical - - -

10 PROF O'KANE: Right. Yes.

MR SEABROOK: - - - we'll get at the – you know, the coffee shop.

15 PROF O'KANE: No. It's handy to know what's there, because that often gives a real flavour of what's going on. I've pretty much covered everything I had.

MR HANN: I have, too.

PROF O'KANE: Yes.

20 MR HANN: Yes.

PROF O'KANE: Do we need to say anything more about what we need to see on Monday

25 MR HANN: Just mention the road intersection, I think, Mary.

30 PROF O'KANE: Yes. Are you – on Monday, I think – just from talking to the department, I think we particularly want to look at the road intersection is one of the things we need to do. Maybe we can do that ourselves, but it's probably best guided by you. So the early upgrade - - -

35 MR HANN: This'll be Thomas Mitchell Drive, I think, and Denman Road, Wayne, which has got some timing issues around the Mount Arthur upgrade of that intersection and your proposed activities and the service – the level of service for that intersection in the interim. It'd be good to – for us to at least view that as part of - - -

MR SEABROOK: Yes.

40 MR HANN: - - - our site visit.

MR SEABROOK: Yes. No problem. That's easy and straightforward.

UNIDENTIFIED MALE:

45 PROF O'KANE: And apart from that I don't think we've got anything else. As I said, it was all very clear, well laid out, lovely presentation. Is there anything you – we should've asked?

MR SEABROOK: I don't believe so, but I'm sure the site visit will raise questions and so forth, but I – you know, I look forward to the site visit, because it's only then when one gets on the landscape and puts the whole project in perspective do you really get a sense for what we're looking to build her, because you're looking at, you
5 know, aerial photographs, and one doesn't get the scale, but when you're on the landscape, we'll go to a – you know, obviously, down to the mine entry area. It is – you know, it really brings it home that we've sought to put it in a location where it really is, you know well away from, you know, the horse studs to the south and then, you know, bringing up the coal via an overland conveyor to the existing wash
10 plant. It's a pretty simple story, you know, and that's why it's made - - -

PROF O'KANE: All right.

MR SEABROOK: - - - it very easy to talk to the community, because the
15 community up here, of course, is characterised by – clearly there's a deep understanding about coal mining, a deep understanding of the benefits and also some of the concerns up here, and when we talk – so the community gets it very easily, and so I was at – you know, presented at a CCC for the – you know, last night, and again the community were – you know, understand what we're doing. There were no
20 issues – major issues that came out of that, and so if we take a poll out there, I'd think, you know, the broad support for the project really reflects, pretty much, those numbers that were in the chart at the start of the presentation, as far as the level of support in the community.

25 And I guess there's just a couple of other points I just – on process I'd just like to touch on. As I say, we spent, you know, about a decade championing and underground metallurgical mine in the Upper Hunter, and the last three years focused on Maxwell in particular with a lot of time, effort and money incurred thus far, and it's, obviously, gratifying for us that the DPIE have made a favourable assessment of
30 our project, but, obviously, it's yourselves, the commission, that makes the final assessment and determination. My first request is that if the IPC has a reservation about the project that we're informed and not kept in the dark so we have the opportunity to respond and have the ability to provide any further information, and we've, obviously, identified what - - -

35

PROF O'KANE: Can I just stop you there and ensure you that that's the way we operate. We're very transparent, we're very open and we ask. So, yes, we – that's no worries at all there.

40 MR SEABROOK: Great. And the second one is just on the conditions that you mentioned before. We find them – we are – we do find that the draft conditions in the assessment report are acceptable, and, obviously, you know, what we'd like, that if there's – if at some point you're contemplating a variation to the draft conditions or adding a new condition that we get the opportunity to be – to share that with us so
45 that we can provide a comment, because it may have a material impact, you know, on the project from, you know, project viability or some other reason. It might affect some other aspect from a, you know, environmental perspective. So just we would

appreciate that if there's any changes – proposed changes to conditions or additions we get an opportunity to discuss those with you.

5 PROF O'KANE: Fine. So one last question. Why is the Upper Hunter Council opposed? I mean, we've read the – we've read their submission to the original set of submissions, but just wondered why they've stayed opposed, or seem to be.

10 MR SEABROOK: I think that's the be 100 per cent sure on this, but Joe or Josh may know the answer to this one, but I believe that they have a policy that they oppose any coal mine no matter whatever the nature is, they just have a state of policy to oppose coal projects.

PROF O'KANE: Right.

15 MR SEABROOK: But I'll have to come back and confirm that.

PROF O'KANE: It's all right. We can ask them. That's a helpful thing we can check with them as to their – did anyone else want to comment? Josh or Joanna?

20 MR HUNT: No, thanks. I think it's probably to, yeah, raise it directly with the council. We wouldn't want to speak for them. I'm not sure of their - - -

PROF O'KANE: Yes.

25 MR HUNT: If they have a policy position or it's just their – has been their position consistently over time. Yes.

30 PROF O'KANE: Okay. Thank you. All right. Well, look, that's all very clear. We look forward to seeing you all on Monday and we'll see what questions we have then.

MR SEABROOK: Thank you.

35 PROF O'KANE: So we'll, I think, say - - -

MR HANN: Thank you very much.

MR SEABROOK: Thank you. Yes

40 PROF O'KANE: Bye.

MR HANN: Bye-bye.

45 **MATTER ADJOURNED at 10.04 am INDEFINITELY**