

Chain Valley Colliery Consolidation Project (SSD – 17017460)

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9 February 2026

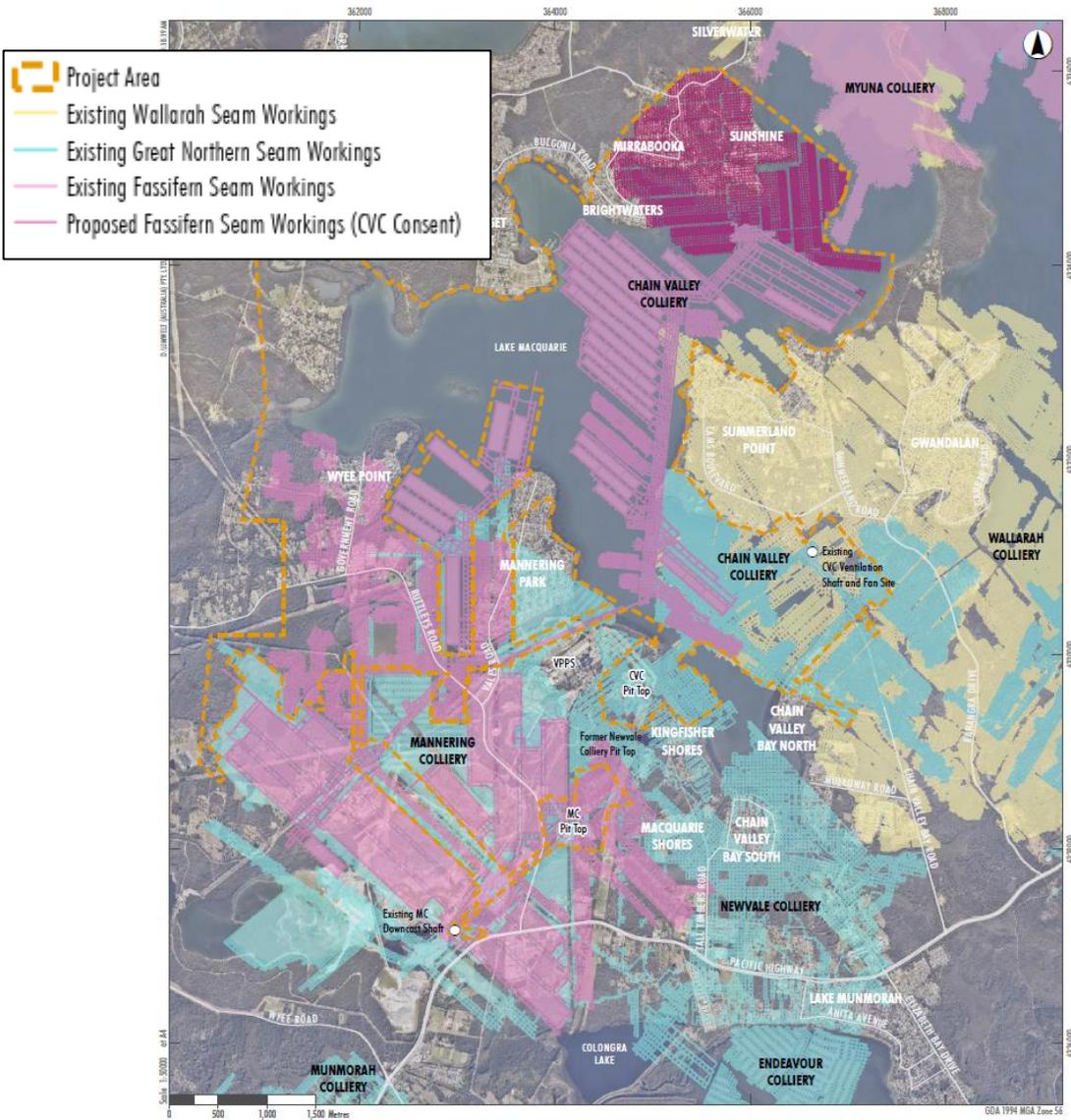


Site History and Current Operations



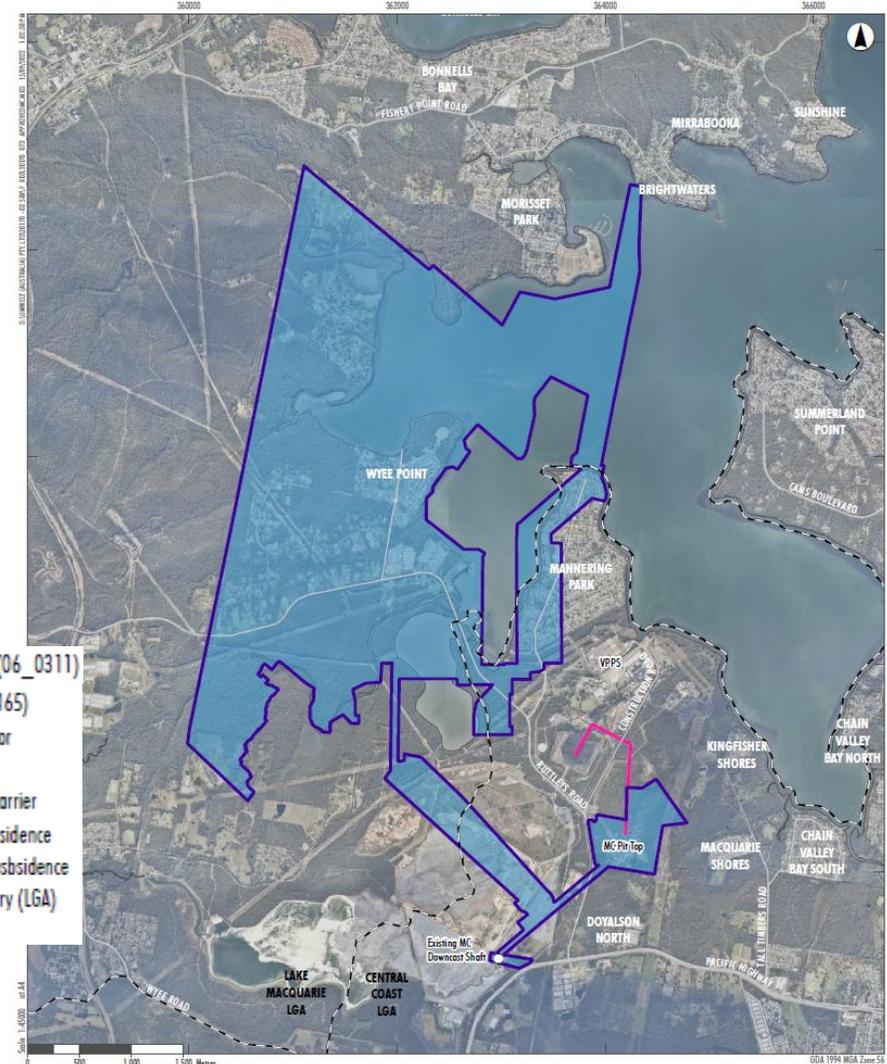
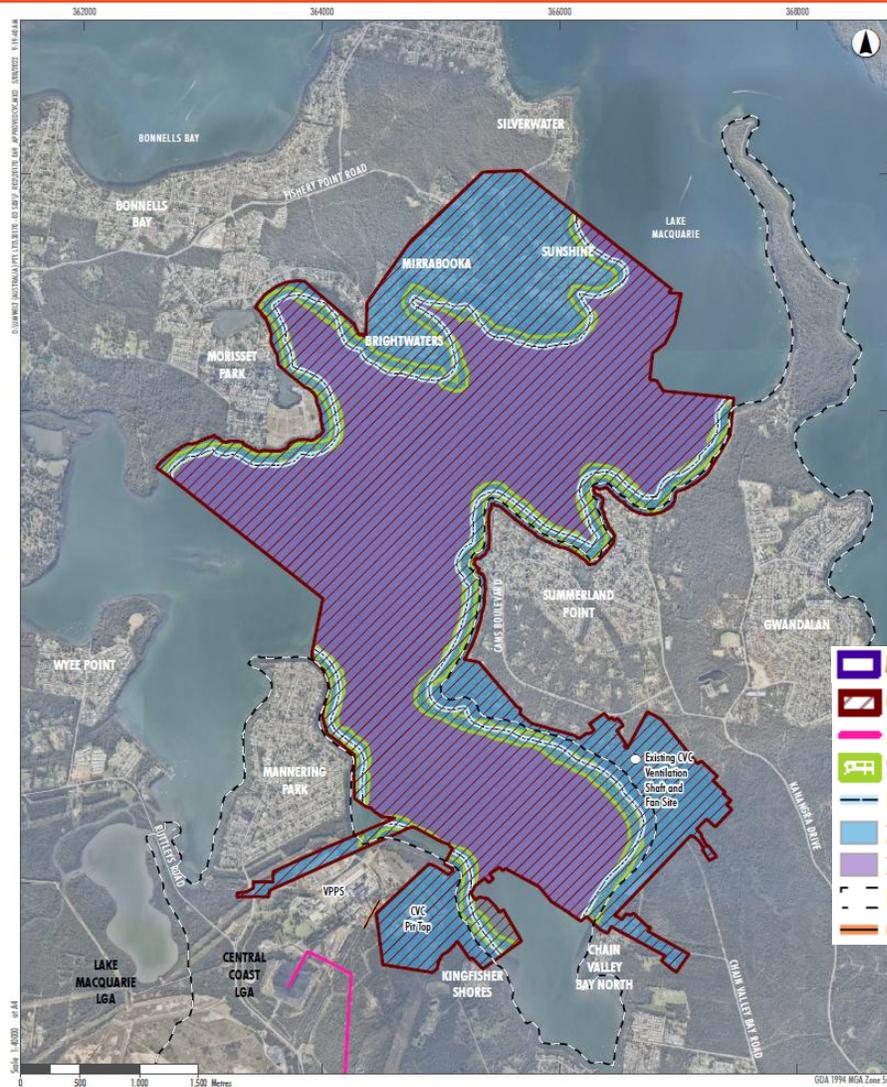
- Chain Valley Colliery (CVC) and Mannering Colliery (MC) commenced mining operations in the early 1960s to supply coal directly to Vales Point Power Station (VPPS).
- Newvale Colliery (located between CVC and MC) also supplied coal directly to VPPS. Newvale is now closed and the site has been rehabilitated.
- Mining operations at CVC currently occur pursuant to SSD-5465 (as modified).
 - Approved mining currently limited to Fassifern Seam
 - Secondary Extraction (mining having more than 20mm subsidence) is approved in the Zone B area below Lake Macquarie but requires approval of Extraction Plan before being undertaken
- Mining operations at MC are currently approved under MPo6_03111 (as modified)
 - Approved extraction area is limited to Fassifern Seam and Great Northern Seam and includes areas beneath land and Lake Macquarie. Part of the approved extraction areas in Fassifern Seam overlaps with approved CVC mining area below lake.
 - Approved mining is limited to first workings only (<20mm subsidence)
 - Currently no extraction occurs within the approved MC approved mining area.

Historical mining in area

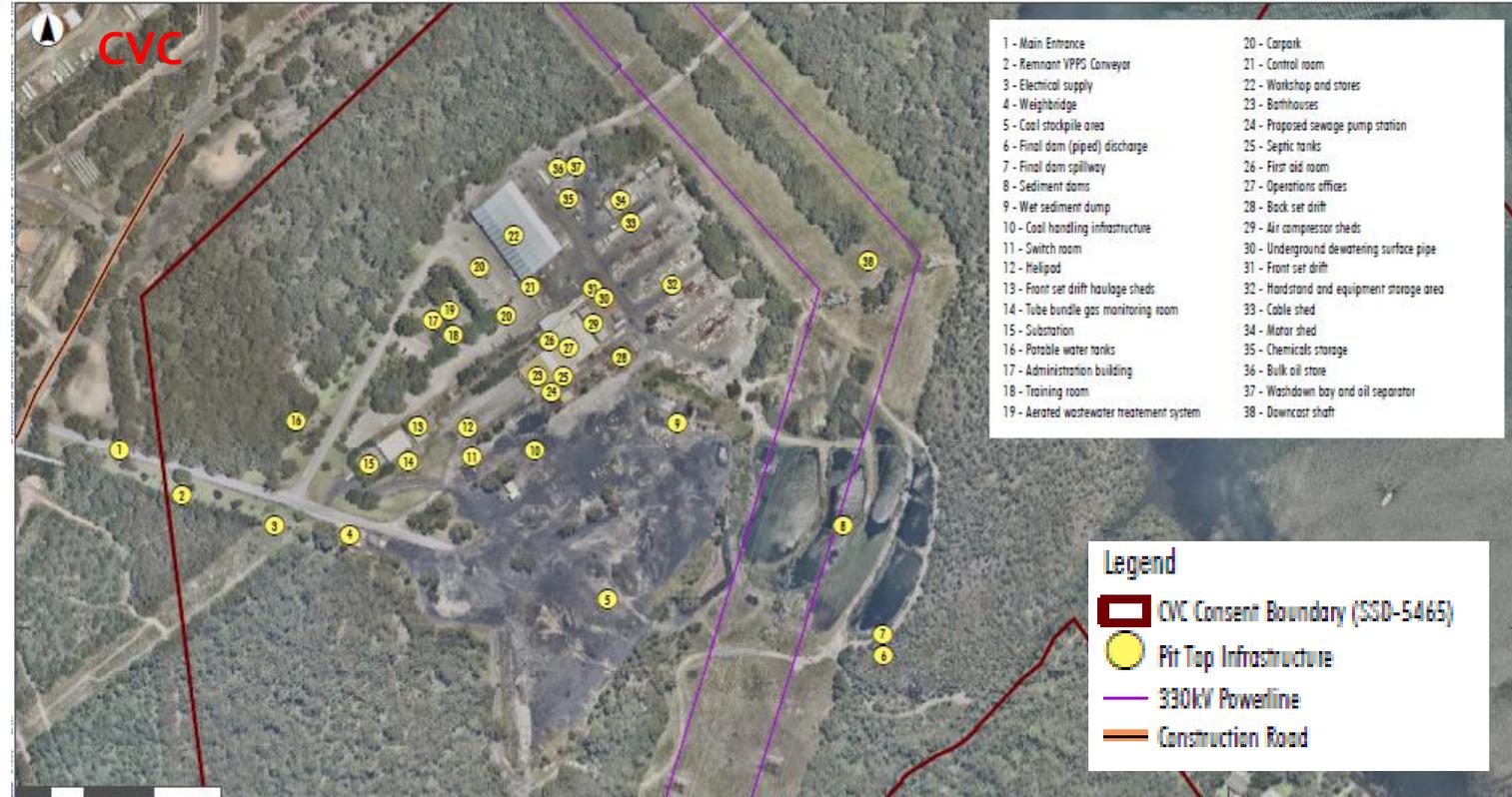
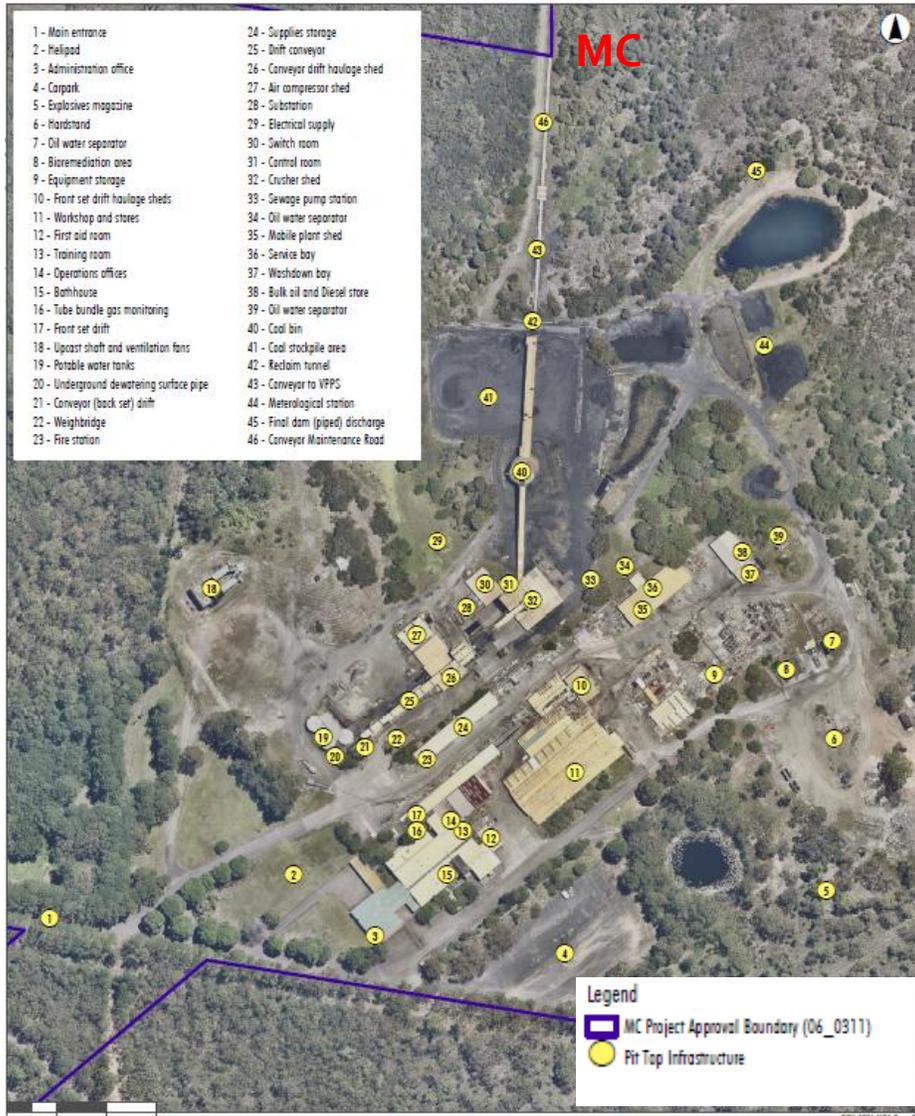


- Extraction from CVC historically occurred within Wallarah Seam, Great Northern Seam and Fassifern Seam (including under land areas).
- Mining at CVC has included first workings, and secondary extraction via pillar extraction and Miniwall mining.
- Extraction at MC was from Great Northern Seam and Fassifern Seam. Mining in Fassifern Seam included longwalls/miniwalls below Lake Macquarie.
- Coal from CVC was historically brought to the surface at Chain Valley, however coal from CVC mining areas is currently brought to the surface at the MC surface site via an underground linkage between the underground workings in the Fassifern Seam
- All coal mined is transported to the VPPS via Conveyor (shown on figure on following slide).

Current Approved Mining Areas



Surface Facilities

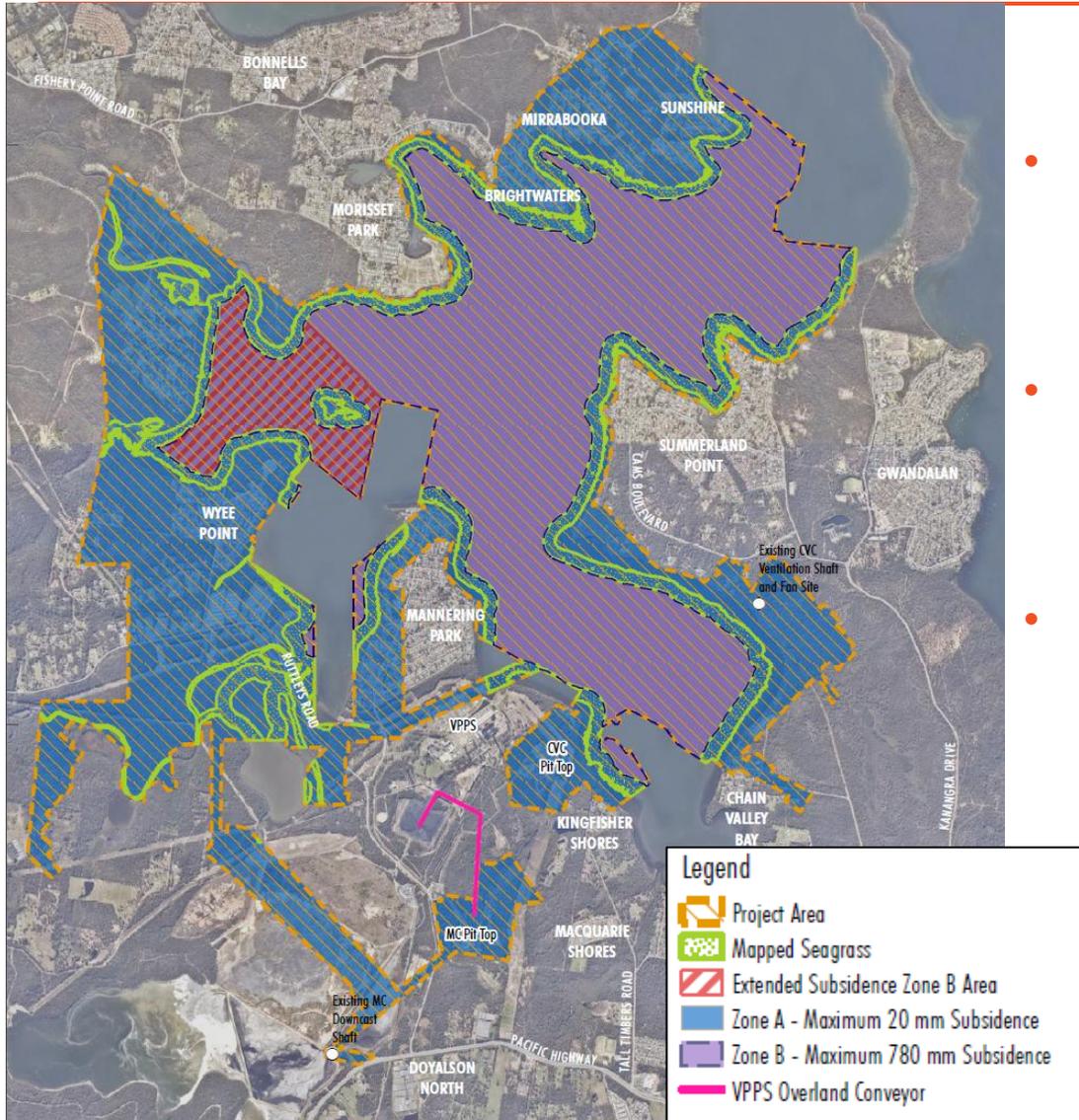


Project Overview



- The Project involves:
 - Consolidation of existing approvals for CVC and MC under a single consent
 - Extension of life of approved mining operations by 2 years to 31 December 2029
 - **Reducing** the combined extraction limit from operations to 2.8 Mtpa (current approved maximum combined limit of 3.2 Mtpa)
 - Aligning approved coal handling from MC pit top to project cap of 2.8 Mtpa (increase from 2.1Mtpa)
 - **No change** to approved coal handling from CVC pit top (up to 1.5 Mtpa)
 - **Retained** ability to transport up to 660,000 tpa for export and 180,000 tpa by road for domestic supply from CVC pit Top.
 - All coal handled at MC is to be transported to Vales Point Power Station via existing conveyor.
- The Project does not seek any change to the extent of existing approved mining areas
- The Project does not seek any change to the extent of existing approved mining areas or surface facilities

Extended Zone B Area



- The Project seeks to extend the current extraction methods (first workings and secondary extraction) and limits approved for mining at CVC below Lake Macquarie to the currently approved MC mining areas below Lake Macquarie (Extended Zone B Area).
- The use of mining methods having more than 20mm subsidence in the Zone B area below Lake Macquarie would continue to be subject to the need for further approval via the Extraction Plan process consistent with existing approval requirements.
- Use of Extraction Plan processes to ensure proposed secondary extraction will meet relevant performance criteria and consider relevant geotechnical issues is also consistent with the development consent for mining below lake at Myuna Colliery to the North of approved CVC mining area (MP10_0080)

Project Benefits



- Consolidates consent conditions for CVC and MC under a single consent
 - Benefits in modernising conditions of approval including improved regulation of key potential impacts such as subsidence, noise and greenhouse gas emissions.
 - Simplifies administrative arrangements for both Delta Coal and Government agencies without any reduction in environmental regulation.
- Enables production from the combined operations to better align with VPPS requirements (duration of supply and production rates) with coal transfer via the MC conveyor being the primary coal transport arrangements.
- Retention of supply option to export and domestic markets enables continuity of production at the mine in the event that supply to VPPS is not required – this mitigates potential impacts to employees associated with unplanned shutdowns.
- **Changed Zone B Subsidence Area:**
 - The previous boundary for secondary extraction was based on historical mining lease boundaries and was unrelated to potential environmental impacts.
 - The changes in the approved Zone B subsidence area below Lake Macquarie provide greater flexibility in mine planning and will improve resource extraction opportunities without any material change in environmental impacts relative to approved operations.
 - Further approval(s) under the Extraction Plan process is required before any mining can occur below Lake Macquarie which would have potential subsidence impacts greater than 20mm

Project Benefits - General



- Ongoing economic benefits at a local, regional and State level, inclusive of ongoing employment of the existing CVC workforce and ongoing contribution to the local and regional economy
- VPPS is currently scheduled to continue operations to 2033.
 - The Project does not extend the life of VPPS and, if not approved, alternative supplies of coal would need to be sought from at least 31 December 2027
 - Supply of coal to VPPS from CVC and MC is not necessarily cheaper than from other sources but does have the following benefits:
 - Less susceptible to international price shocks
 - Less susceptible to third party supply constraints or disruptions to transport logistics
 - Reduces transport related impacts (noise, air quality and GHG) associated with supply of coal from other sources
 - VPPS rail handling facilities less suited to supply from other domestic coal sources due to limits on train lengths and rail access constraints
- During the transition to lower carbon energy sources, VPPS will remain an important part of the NSW electricity grid: reduced coal supply and price risks for VPPS will mitigate potential higher electricity prices for NSW consumers during this transition

Environmental Impact Statement



- The Project Environmental Impact Statement (EIS) provides a detailed analysis of the potential environmental and social impacts of the Project.
- Due to CVC and MC having a long operational history and the Project being a continuation of these operations, potential environmental and social impacts were well understood and further informed through EIS engagement processes.
- Key issues identified during both the preparation of the EIS and in submissions received during the EIS exhibition period related to:
 - Subsidence
 - Noise
 - Air Quality
 - Water Quality
 - Greenhouse Gas and Climate Change Impacts
- In general, the Project's potential environmental impacts are associated with the longer period of operations rather than an increased magnitude of impacts relative to existing approved operations.
- A large percentage of submissions received on the EIS during the exhibition period, particularly those related to climate change impacts, included concerns regarding impacts associated with the continued operation of the VPPS which does not form part of the Project under consideration.

Summary



- CVC and MC have been operating since the early 1960s
- The Project represents a minor increase in life of CVC and MC (2 years) associated with the extended life of VPPS
- Consolidation of existing consents into a single consent has a number of benefits including:
 - Updated and contemporary conditions for environmental management
 - Simplified regulatory arrangements for both the proponent and regulators
- The Project will not result in any material changes to environmental and social impacts other than those associated with the extended duration of the mine life (i.e. existing impacts will continue for slightly longer period).
- Extended life of operations provides:
 - extended employment and economic benefits for local and regional community
 - continued coal supply security for VPPS with associated benefits for electricity security during transition to low carbon energy sources consistent with NSW policies.

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Mining Context

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- Mining at Newvale Mine resulted in unplanned subsidence impacts in foreshore areas of Chain Valley Bay in the late 1980s. As a result, potential subsidence impacts have been a key area of focus for mining operations at CVC and MC over the past 3 decades.
- Mining in CVC and MC Zone A subsidence areas to date under existing consents has not resulted in any observable surface impacts (less than 20mm vertical subsidence).
- The EIS did not include a stand-alone subsidence assessment but rather relied on the adequacy of the existing Extraction Plan regulatory process to ensure that any secondary extraction ultimately proposed in the extended Zone B subsidence area would meet relevant performance measures.
- No material impacts to benthic environments associated with historical mining in Zone B under existing CVC Consent.
- The potential for soft floor and roof conditions to result in higher-than-expected levels of subsidence in the Fassifern Seam is well recognized and this was the primary area of focus for the Independent Expert Advisory Panel for Mining (IEAPM)

- In response to IEAPM advice, Delta submitted a Subsidence and Geotechnical Assessment. The assessments confirmed that secondary extraction beneath Lake Macquarie can comply with the existing performance measures of:
 - Negligible subsidence impacts (<20mm) in foreshore and seagrass areas (Zone A), and
 - Up to 780mm subsidence beneath Lake Macquarie (Zone B), consistent with historical operations and previously accepted as environmentally manageable.
- The DPHI assessment report states that the Independent Expert Advisory Panel (Panel) indicated that it was not concerned with compliance with the current 20mm subsidence limit, but rather with differentiating this with natural ground variations. As such the proposed consent conditions now require 'negligible' vertical subsidence within Zone A.
- The Panel completed a comprehensive review of the assessments and associated data provided for herringbone pillar stability, indicating its satisfaction with the overall design and methodologies.
- Draft Conditions include specific geotechnical issues to be considered in Extraction Plan applications.

Rehabilitation

- Project does not alter proposed rehabilitation of site other than a delay in planned closure
- Primary objective is to restore the site to native bushland other than the existing high voltage transmission lines easements crossing the site.
- Rehabilitation objectives in proposed Condition B51 reflect contemporary standards.

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Environmental Context

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Greenhouse Gas - Emissions



- EIS included a GHGEA prepared in accordance with accepted methodologies at the time. Assessment based on projected production schedule rather than maximum production – assumptions (and totals) outdated due to delay in determination.
- The majority of Scope 1 emissions are generated by fugitive emissions (predominately associated with fugitive emissions from historical workings) and diesel combustion.
- IEAPM raised concerns with approach to fugitive emissions assumptions.
- Revised calculation of predicted emissions provided on 11 September 2025 response to RFI. Revised assessment based on maximum production rates and permitted net emissions under Safeguard Mechanism.

Calculated Maximum Net Scope 1 emissions under Safeguard Mechanism

Reporting Period	Target Emission Intensity (EI)	Approved (Proposed) ROM Production (Mtpa)	Max Scope 1 Emissions at Target EI – Approved (Mt CO2-e)	Max Scope 1 Emissions at Target EI - Project
2025-26	0.5031	3.2 (2.8)	1.60992	1.40868
2026-27	0.4651	3.2 (2.8)	1.48832	1.30228
2027-28*	0.3892	1.6 (2.8)	0.62272	1.08976
2028-29*	0.3067	(2.8)	0	0.85876
2029*	0.2178	(2.8)	0	0.60984
		Total	3.72096	5.26932

Greenhouse Gas - Emissions



Maximum GHG Emissions 25/26 – end 2029 under maximum production scenario

GHG Emissions	Approved (Mt CO ₂ -e)	Proposed (Mt CO ₂ -e)	Difference (Mt CO ₂ -e)	% of Total Approved	% of total - incremental
Scope 1	3.72	5.27	1.55	14%	12%
Scope 2	0.19	0.30	0.11	1%	1%
Scope 3 (combustion)	19.49	30.70	11.21	84%	86%
Scope 3 (export transport)	0.32	0.44	0.12	1%	1%
Total	23.72	36.71	12.99		

- From the 2025-26 reporting period, the CVC operations would produce up to an *additional* approximately 1.66 Mt CO₂-e net Scope 1 (1.55Mt) and 2 (0.1Mt) over the life of the Project relative to existing approved operations. This increase is almost solely attributable to the extra 2 years of operation.
- The Project’s Scope 3 emissions are essentially all associated with the operation of VPPS and would occur irrespective of Project proceeding.

Greenhouse Gas/Climate Change

Local Impacts

- Like all areas of the Country, the Local and Regional Area around the Project will experience impacts associated with climate change driven by anthropogenic emissions of greenhouse gases.
- The Project's total Scope 1 and Scope 2 emissions (25/26 to 2029) of 5.6Mt CO₂-e represent approximately 0.0003% of the global emissions budget of 1700000 Mt CO₂-e for the period 2000 to 2050 which drive climate change impacts.
- The Project's total *incremental* Scope 1 and Scope 2 emissions (25/26 to 2029) of 1.66 Mt CO₂-e represent less than 0.0001% of the global emissions budget of 1700000 Mt CO₂-e for the period 2000 to 2050
- Applying the US-EPA social cost of carbon price to the Project's incremental GHG emissions was estimated to have a social cost to NSW of approximately \$50,000 over the life of the Project. The social costs associated with local impacts would be significantly lower.
- Due to the Projects very small contribution to global emissions giving rise to projected climate change impacts, the Project's contribution to climate change related impacts on the locality is considered to be negligible and not proceeding with the Project would not have any discernible impact on the locality in terms of climate change related impacts.

Greenhouse Gas Emissions



Climate Change Policy Objectives

- Some submissions on the Project raised concerns that the Project would be inconsistent with commitments under the Paris Agreement.
- The NSW Government Strategic Statement on Coal Exploration and Mining:
 - Supports the reasonable development of coal resources during the transition to different forms of energy generation.
 - Recognises existing industry investment by continuing to consider responsible applications to extend the life of current coal mines.
 - Recognises that ending or reducing NSW thermal coal production whilst there is strong long-term global demand would likely have little or no impact on global carbon emissions, and
 - Takes a responsible approach to the global transition to a low carbon future, consistent with Australia's ambition under the Paris Agreement.
- GHG emissions in NSW will continue to decline over the coming decades as coal fired generators exit the National Electricity Market. During this transition, VPPS will remain an important source of electricity for Australia over the coming years. The CVC project plays an important strategic role in supporting VP generation by providing a reliable, integrated coal supply.

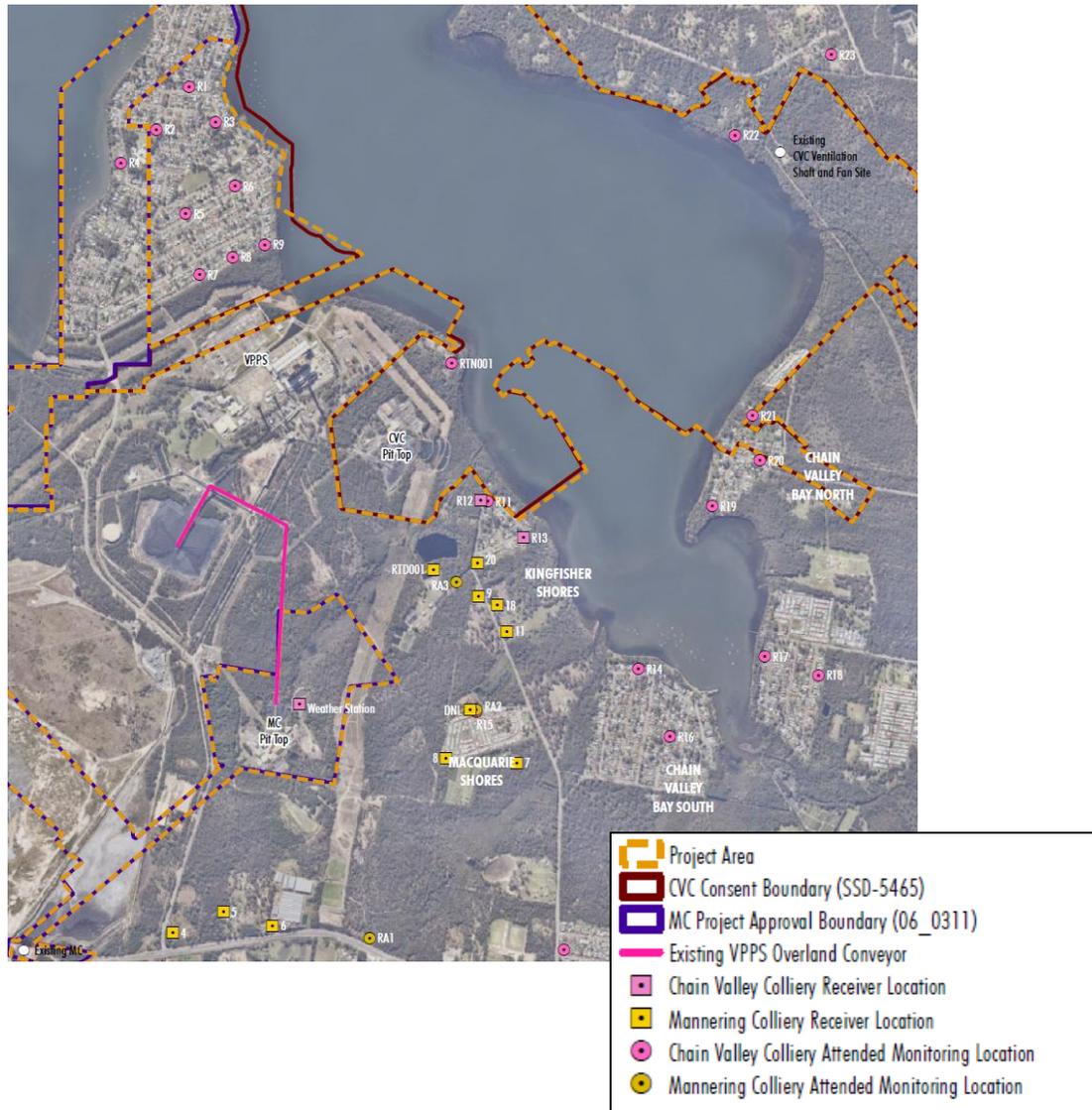
Greenhouse Gas Emissions



Management measures

- As outlined in the DPHI Assessment Report, existing GHG mitigation measures would continue to be implemented should the consolidation project be approved, inclusive of the sealing of underground panels and installation of ventilation control devices.
- Under the safeguard mechanism, the Scope 1 emissions intensity of the Delta Coal operations are required to significantly decline over the life of the project with net emissions intensity per tonne of production to more than halve during this period.
- The proposed consent conditions require Delta to prepare a Greenhouse Gas Mitigation Plan in consultation with the EPA. The Plan will address the recommendations of the IEAPM included in its advice on the development in relation to the calculation of fugitive emissions.
- Export coal (if supplied) would be restricted to purchasers bound by legislated commitments under the Paris Agreement 2015.
- The EPA provided the following additional advice based on its review of assessment materials:
 - *Based on existing information, the impacts on the NSW emissions reduction targets should be relatively small if the Project ceases operation on 31 December 2029*
 - *Emissions predicted for this project have been considered in the Net Zero Modelling assumptions informing the Net Zero Stage 1: 2020-30 Implementation Update*

Air and Noise Impacts



- Project has been assessed in accordance with EPA Approved Methods.
- Criteria against which impacts are assessed are based on acceptable levels of impacts on human health.
- Some public groups conveyed they were critical of the AQIA methodology as it did not consider VPPS air emissions from the combustion of coal. VPPS emissions are **outside the scope of the assessment of the Project's emissions, but were considered as part of the cumulative impact assessment** (consistent with the EPA Approved Methods)
- Increased throughput at the MC pit top has potential to increase air quality impacts from this location however overall site impacts are expected to be lower as any increased throughput at MC will have a corresponding reduction in allowable throughput at CVC which would have a higher level of noise and dust impact relative to the increased throughput at MC.
- Evaluation by EPA and DPHI has determined that emissions associated with the Project are likely to remain below the applicable EPA incremental and cumulative impact assessment criteria.
- Proposed consent conditions including particulate matter air quality criteria limits and application of best management practice through an endorsed Air Quality Management Plan will ensure that all reasonable and feasible mitigation measures will be employed to ensure this is the case.

- Noise impacts have historically been a key issue for the community however significant noise mitigation programs have been implemented at CVC and MC in recent years, inclusive of CV ventilation fan noise attenuation and surface noise mitigation works at MC.
- There have been no CVC or MC noise complaints received since February 2022.
- The proposed noise limits for the combined operations represent a lower level of permitted noise impacts relative to both operations separately operating at permitted noise levels under current consents.
- Increased throughput at the MC pit top is not predicted to result in an increase noise impacts as it would not require any additional plant (but may involve extended operation of plant on stockpiles). Overall site (MC + CVC) impacts are expected to be lower as any increased throughput at MC will have a corresponding reduction in allowable throughput at CVC which would have a higher level of noise impacts relative to the increased throughput at MC.

Water Resources



- Project would maintain existing surface water management measures.
- CVC has been connected to the Central Coast sewer network which has avoided potential discharges of treated effluent from the site.
- Overall impacts of CVC and MC on surrounding water ways has improved significantly over the 60+ years of operations
- Project does not involve any changes to approved operations which would increase impacts on downstream environment relative to currently approved operations.

Biodiversity Impacts

- Project does not change surface disturbance footprint – no additional direct impacts to native vegetation of fauna
- Permitted subsidence impacts below land areas are less than 20mm and this would have negligible impacts and outside of levels of detection relative to natural ground movement
- Permitted impacts to foreshore areas and sea grass beds also negligible (generally less than 20mm predicted subsidence).
- Potential impacts to deeper benthic fauna will depend on proximity to secondary workings. Subsidence up to 780mm permitted.
- Historical monitoring of benthic fauna (CVC and Myuna) in parts of the lake experiencing higher levels of subsidence have not identified any statistically significant changes to community.
- Strong monitoring evidence that continuation of existing performance measures over Zone B mining Area will not result in any material changes to benthic communities.
- CVC and MC operations have not been associated with any historical fish kill incidents.

Ecologically Sustainable Development



- Section 7.3 of the EIS contains a review of the Project against the principles of Ecologically Sustainable Development.
- The Project extends the economic and social benefits of the operations with minimal additional environmental impacts.
- Project is considered to be consistent with the principles of ecologically sustainable development.

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Other Matters

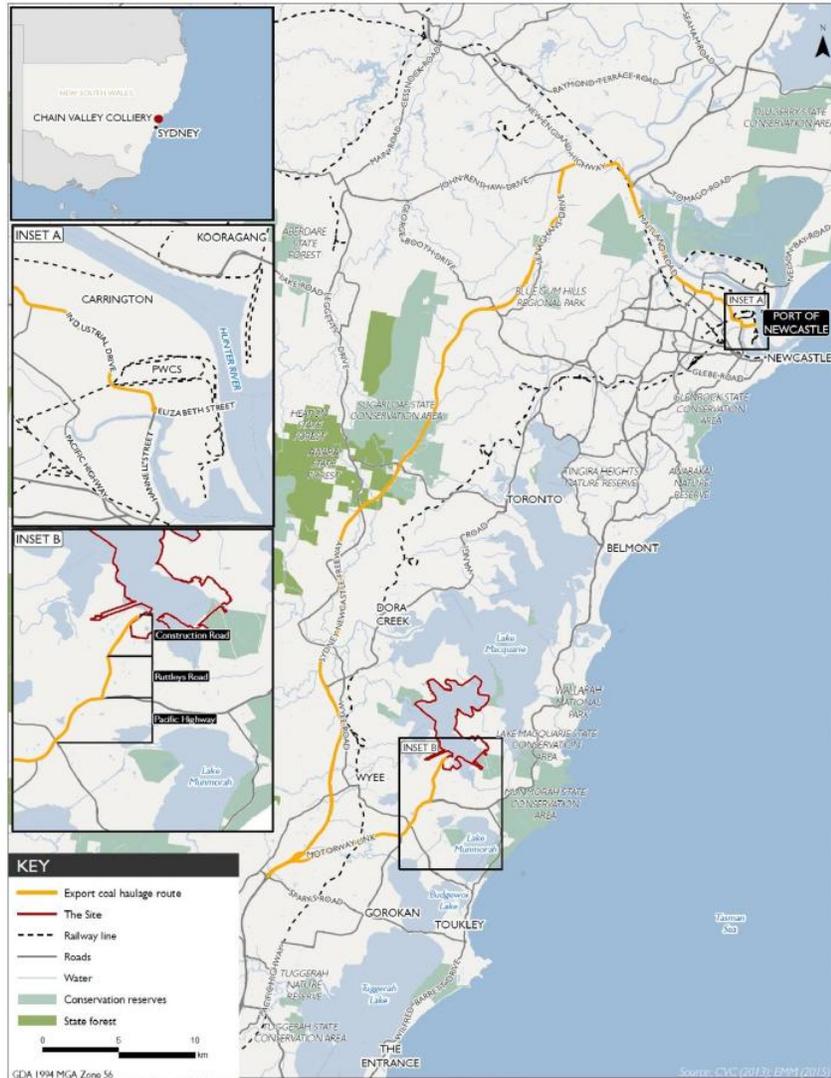
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Linkages with VPPS

Effect of Project not proceeding on VPPS operations

- Project does not alter planned operational life of VPPS which is scheduled to continue operating to 2033. VPPS will continue to operate to assist with maintaining power system security, irrespective of the CVC Project outcome.
- Coal fired generators remain an important source of electricity to ensure the reliable and secure supply of energy to the National Electricity Market (NEM). VPPS's current planned withdrawal from the energy market is in 2033. CVC supplies approximately one third (1 to 1.2Mtpa) of the required coal supply to VPPS, which removes the requirement to transport this volume of coal via rail from other mines, generally located in the Hunter Valley. The Project would enable a higher % of supply from CVC.
- Supply of coal from CVC to VPPS has an associated potential reduction in Sulfur Dioxide point source air emissions from VPPS – alternate sources may have higher Sulfur Dioxide emissions.
- Transport and handling related noise and dust impacts from alternatively sourced coal for VPPS would affect more people than the continuation of existing operations and supply from CVC.



Export coal haulage route

TRAFFIC

- Traffic Assessment included with EIS
- Assessment based on peak workforce and export trucking as well as modelled traffic growth to 2030.
- Assessment concluded all relevant intersections would continue to operate at an acceptable level of service.
- Haulage routes, haulage times and movement restrictions remain as per existing approved operations (refer to Conditions A10, A13, A14 and A15 and Appendix 5 of Recommended Conditions)

Community engagement/ Consultation

- Long history of community engagement through CCC processes
- Formal engagement of Project commenced in 2020. Original engagement included consultation on the Eastern Extension Area which was removed from the Project
- Engagement post lodgement largely restricted to CCC processes and regular community newsletters
- Community views also obtained through EIS exhibition processes and were considered in RTS.

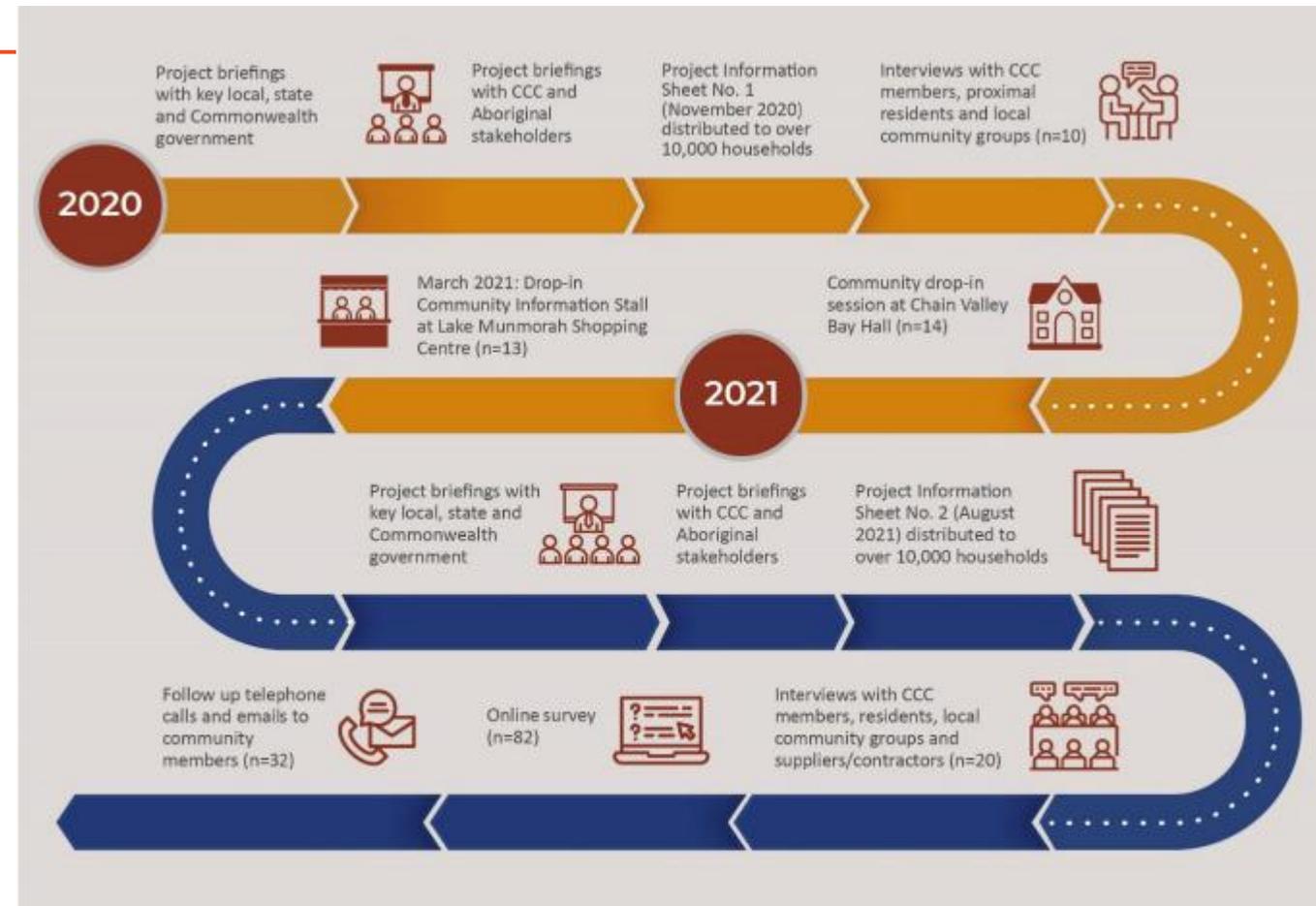


Figure 5.2 Engagement Mechanisms

**Note: Yellow represents Round 1, Blue represents Round 2.*

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