COMMUNITY REACTION TO ABEL MINE PROPOSED UPGRADE MODIFICATION

Following the most recent Community Consultative Committee Meeting (CCC #15 8th August 2011), community representatives spoke with several property owners regarding the proposed upgrade. The reaction from the community was generally one of concern considering that the Company was proposing a major change to the mining operation without any consultation with the community as a whole, especially since it related to potential shortwall and longwall mining techniques.

The four community representatives on the CCC (Alan Brown, Allan Jennings, Terry Lewin and Brad Ure) had an informal meeting on Sunday 25th September 2011 to discuss some of these issues. Outlined below are the concerns on the proposed changes to mining techniques, but we also feel that it is beyond our role to inform property owners of the extent of the proposed modification and there is an obligation on the Company to both inform and engage with the general community.

 We feel that the proposed upgrade is very much at odds with the overall rationale provided in the original Abel Underground Mine submission (Part 3A Environmental Assessment – Executive Summary, 22nd September 2006), in which the Company clearly stated:

P4 Project Description

Longwall mining will not be used by Donaldson for this proposal as it does not enable flexible mine planning to protect specific surface features. A high productivity bord and pillar system using continuous miners and pillar extraction was selected as it enables subsidence to be controlled at the surface in varying degrees and locations.

P11 Conclusion

- The selection of flexible bord and pillar techniques with secondary extraction that enables the amount of extraction that occurs in particular areas to be varied so that subsidence can be reduced.
- Key decisions were made early in the mine planning process to not use longwall mining so that subsidence could be minimised and managed. Exclusion areas such as Pambalong Nature Reserve were also determined, and monitoring systems installed to collect baseline data. The mine plan was designed to include the needs of landowners, in particular to ensure minimal impact to principal residences, and to also be compatible with the draft Lower Hunter Regional Strategy and future reservation of environmentally protected lands in this locality.

The NSW Government, Department of Planning, Director-General's Environmental Assessment Report (June 2007 - refer to the Executive Summary P3) and subsequent Project Approval by the Minister (7th June 2007 - refer to Schedule 4 – Specific Environmental Conditions), endorsed the above conditions.

- 2. Although many members of the local community were opposed to the development of the Abel underground coal mine, it is likely that the largest area of ongoing community concern (post mine approval) relates to the potential impacts of subsidence on both their own and their neighbours' properties and on local infrastructure together with concerns about the Company's capacity to minimise these risks and efficiently remediate any problems that arise. The Company's upgrade modification diagram presented at the last CCC meeting created a degree of alarm especially about the areas that had been highlighted as either:
 - i. Potential mix of bord and pillar and shortwall mining areas and
 - ii. Potential longwall mining area.

The diagram highlighted for option (i.) had in the order of 50 landowners affected and for option (ii.) around 10 landowners. We feel, at the very least, that the Company needs to adjust its proposed strategy to reduce these potential impacts on landowners – who were, in effect, promised a more flexible, bord and pillar technique that reduced the potential for subsidence.

3. Moreover, it is clear that "subsidence management" techniques in any given location need to be both comprehensive and iterative. In addition, it is very important that regular, progressive feedback is given to the local community about the actual subsidence outcomes and experiences and the extent of consistency with modelled or projected effects. While the Abel Mine has generally adopted this approach, such would clearly not be the case if there was a substantial change in the mining technique.

Signed

Alan Brown Allan Jennings Terry Lewin Brad Ure