



# Ashton Coal Operations Pty Ltd Community Consultative Committee Presentation – 15 March 2016



# Action List

ITEM	RESPONSIBILITY	PROGRESS UPDATE
Tree Screen at New England Hwy – Optic fibre has been located and the area needs to be archeologically cleared to allow for the tree screens to commence.	DS	Complete
Poor housekeeping at a privately tenanted, Ashton owned residence, in Camberwell requires addressing	DS	Complete

# Ashton Statistics

Ashton Coal Statistics		
	2016 Budget (YTD)	2016 Actual
ROM (t)	371,669	381,381
Product Coal (t)	161,448	183,517
Total Coal Sales (t)	163,750	265,795
Lost Time Injury (LTIFR)	9.5	14.74
Total Recordable Injuries (TRIFR)	25.53	29.48
Total Employees (FTE)	201	198



# Current Operations

- ACOL is approximately 75% of the way through LW104 in the Upper Liddell Seam.
- South East Open Cut – no further movement.
- Development is continuing in the Upper Lower Liddell seam forming longwall blocks and main headings.





# Exploration Activities

No exploration was conducted in EL5860 or EL4918.





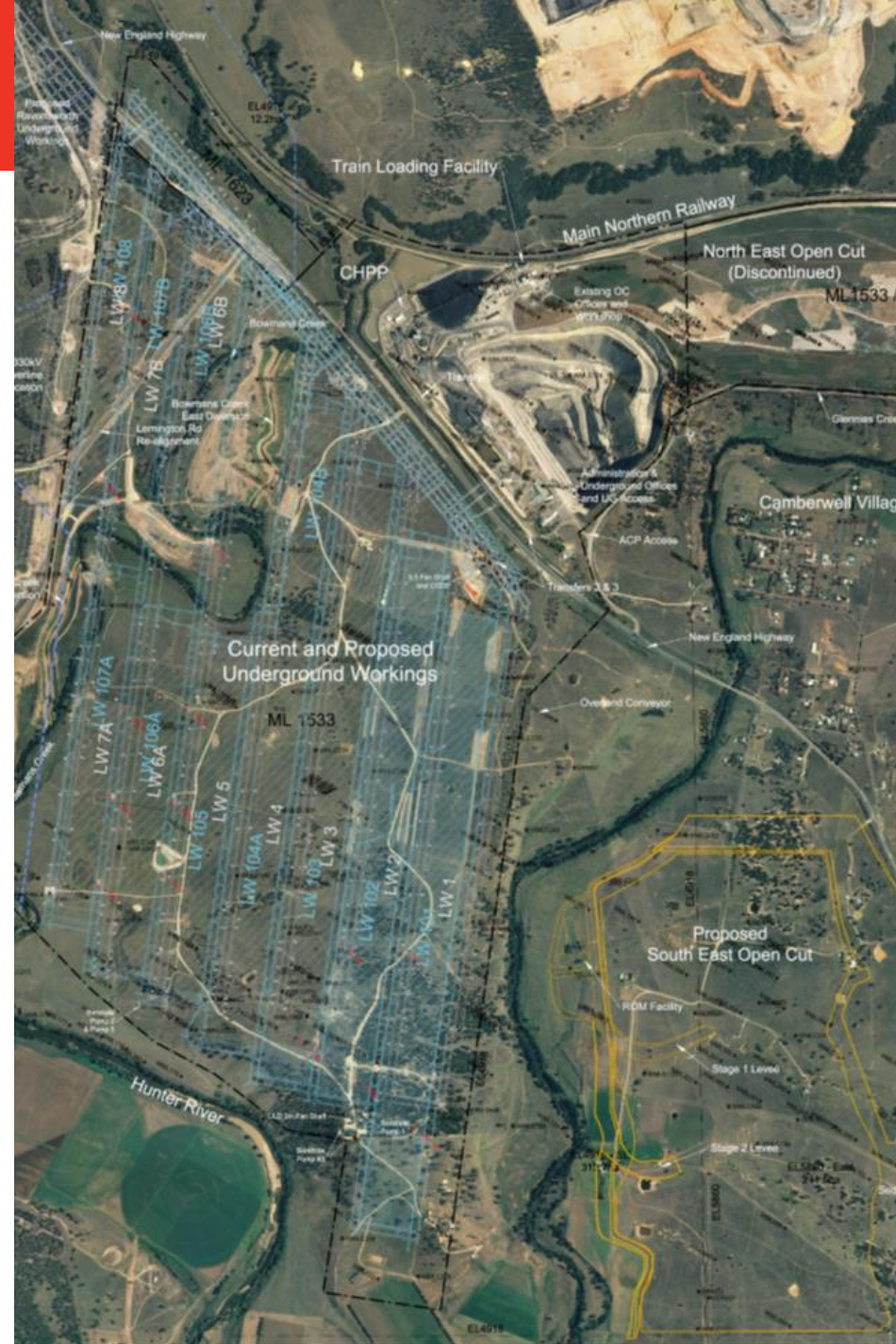
# Approvals Update

As mining at ACOL progresses additional approvals are required to continue operations.

Recent Approval determinations include:

- Extraction Plan (EP) for LW 105-107 in the Upper Liddell Seam.
- Bore licence for the South East Open Cut

Ashton DA Mod 5 – Integration with SEOC currently being assessed. This allows Ashton to process the coal produced by the SEOC should it go ahead. Ashton is also likely to receive modernised consent conditions as a result of the modification.



# Modification 5 – PAC review

## NOTICE OF PLANNING ASSESSMENT COMMISSION MEETING

### *Ashton Coal Project MOD 5*

---

The Department of Planning and Environment (DP&E) has completed its assessment of the above proposal. The application has been referred to the Planning Assessment Commission (the Commission) for determination, under the terms of the Minister's delegation.

The Commission to determine the application comprises Mr Alan Coutts (chair), Mr David Johnson and Ms Abigail Goldberg.

Due to the level of public interest in the proposal, the Commission will be meeting to hear public views on the Assessment Report and recommendation, prior to determining the proposal. This is a final opportunity for interested parties to comment on the DP&E's assessment and recommended conditions of approval, before a decision is made.

The Commission meeting is scheduled to commence at **9:00am on Wednesday, 30 March 2016 at the Singleton Youth Centre Corner of Pitt & Bathurst Street Singleton NSW 2330**. The meeting is open to the public to observe the proceedings.

If you wish to comment on the DP&E's recommendation at the meeting, you must register to speak, by contacting **Philippa Vale on (02) 9383 2100 by 1:00pm, Thursday, 24 March 2016**.

The Assessment Report (including recommendation) is available on the Commission's website [www.pac.nsw.gov.au](http://www.pac.nsw.gov.au) (reference: **D406-16 Ashton Coal Project MOD 5**). Other documents associated with the application are available on the DP&E's website via <http://majorprojects.planning.nsw.gov.au> (reference: DA 309-11-2001).

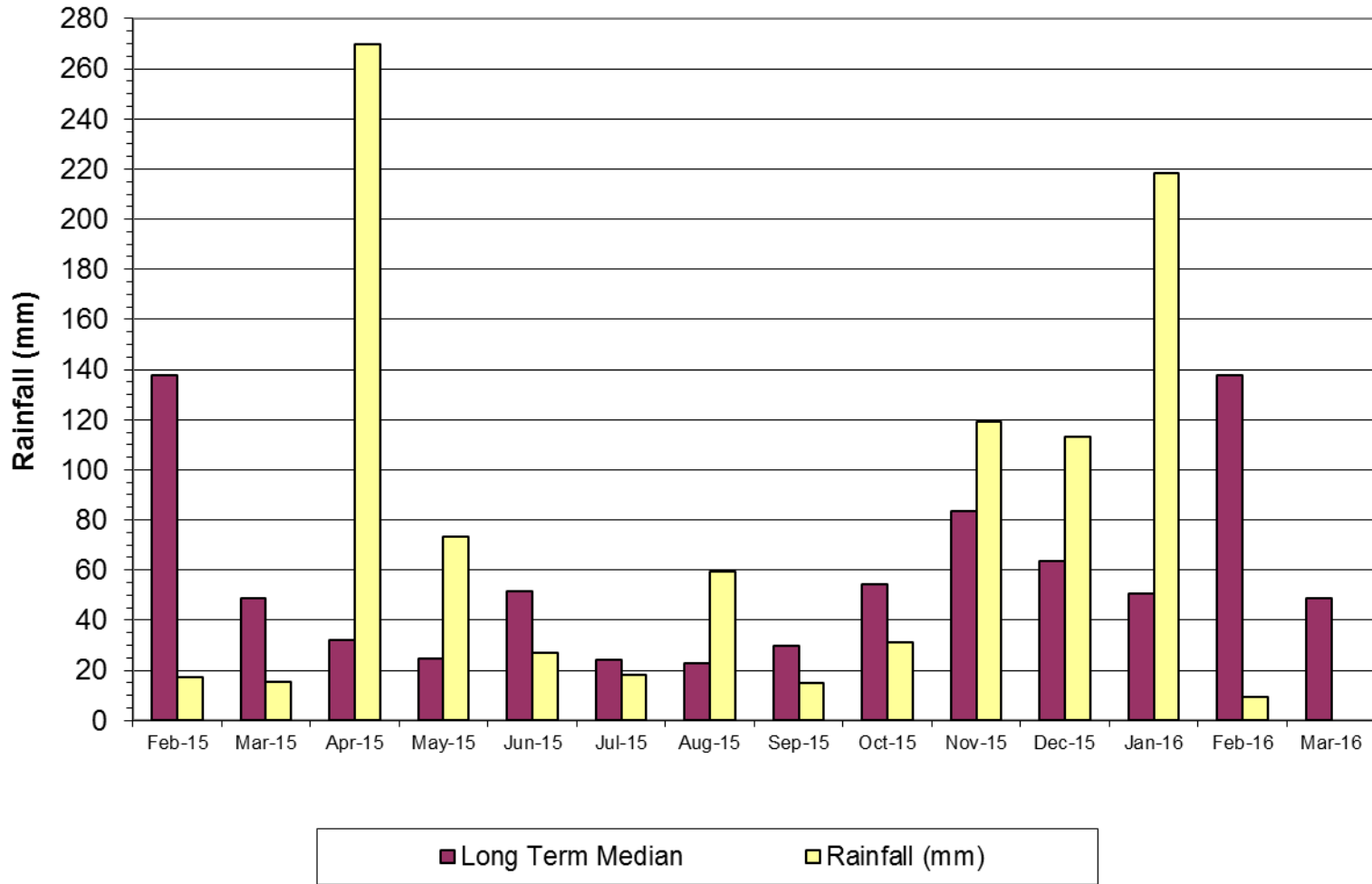
# Environment Monitoring Data

- The following slides present environmental monitoring data for the reporting period
- Meteorological
  - Rainfall
- Air Quality
  - Depositional Dust Gauges – Total suspended dust
  - PM10 – Tapered Element Oscillating Microbalance (TEOM)
- Surface Water – Glennies Ck, Bowmans Ck and Hunter River
- Groundwater – various aquifers
- Noise



# Rainfall

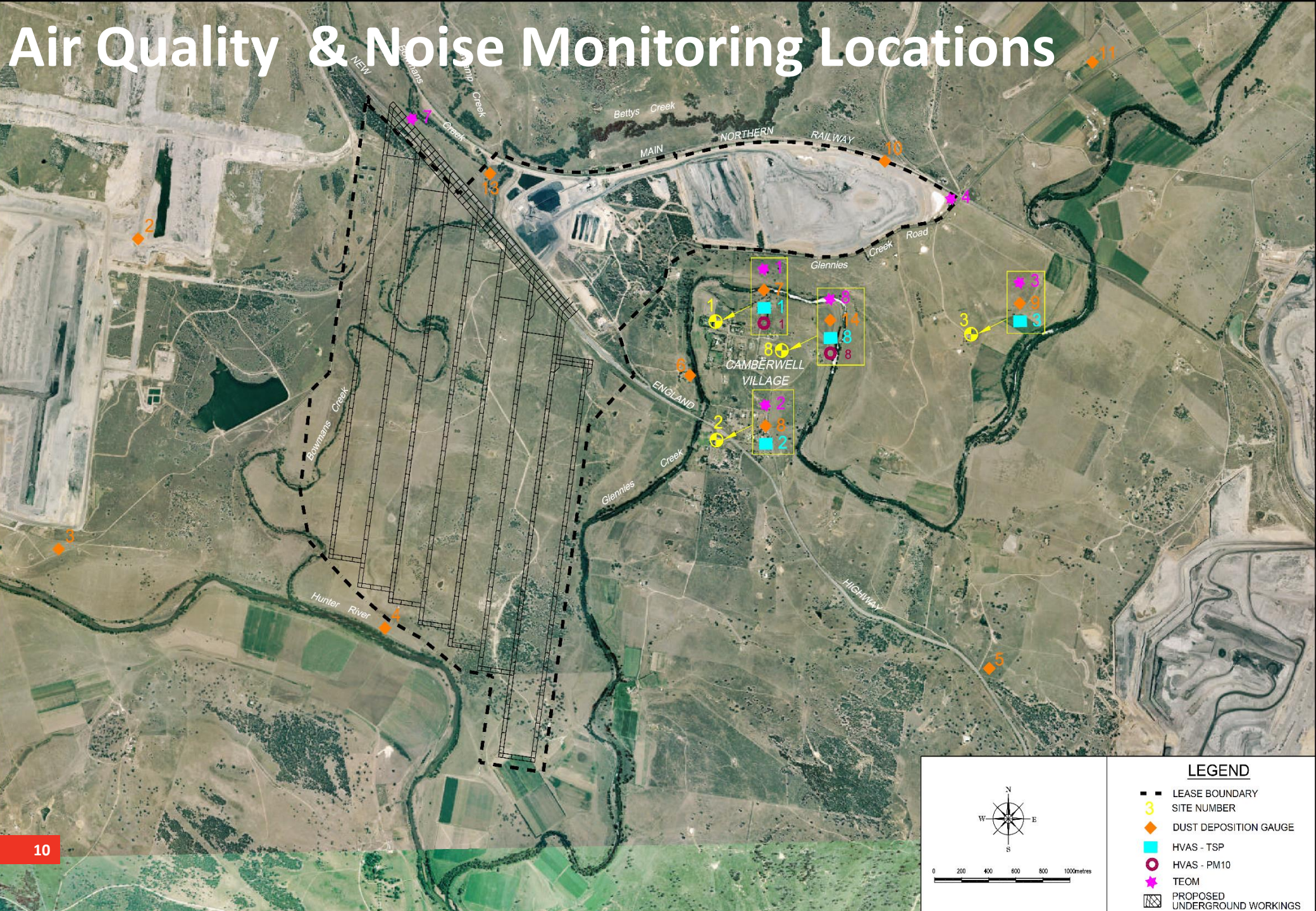
## Rainfall at Repeater



YTD Rainfall:  
228mm

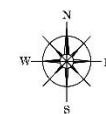


# Air Quality & Noise Monitoring Locations



## LEGEND

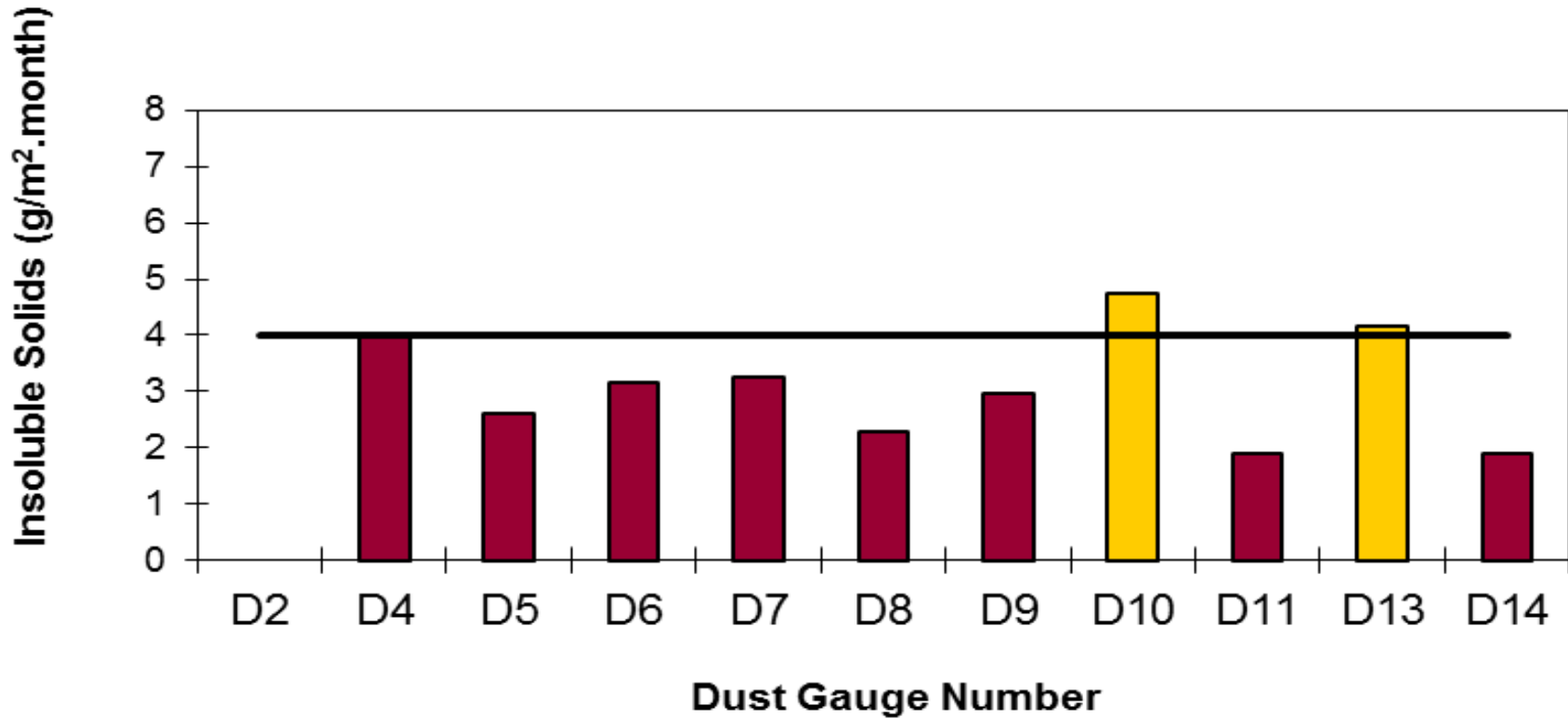
- LEASE BOUNDARY
- 3 SITE NUMBER
- ◆ DUST DEPOSITION GAUGE
- HVAS - TSP
- HVAS - PM10
- ★ TEOM
- ▨ PROPOSED UNDERGROUND WORKINGS





# Depositional Dust

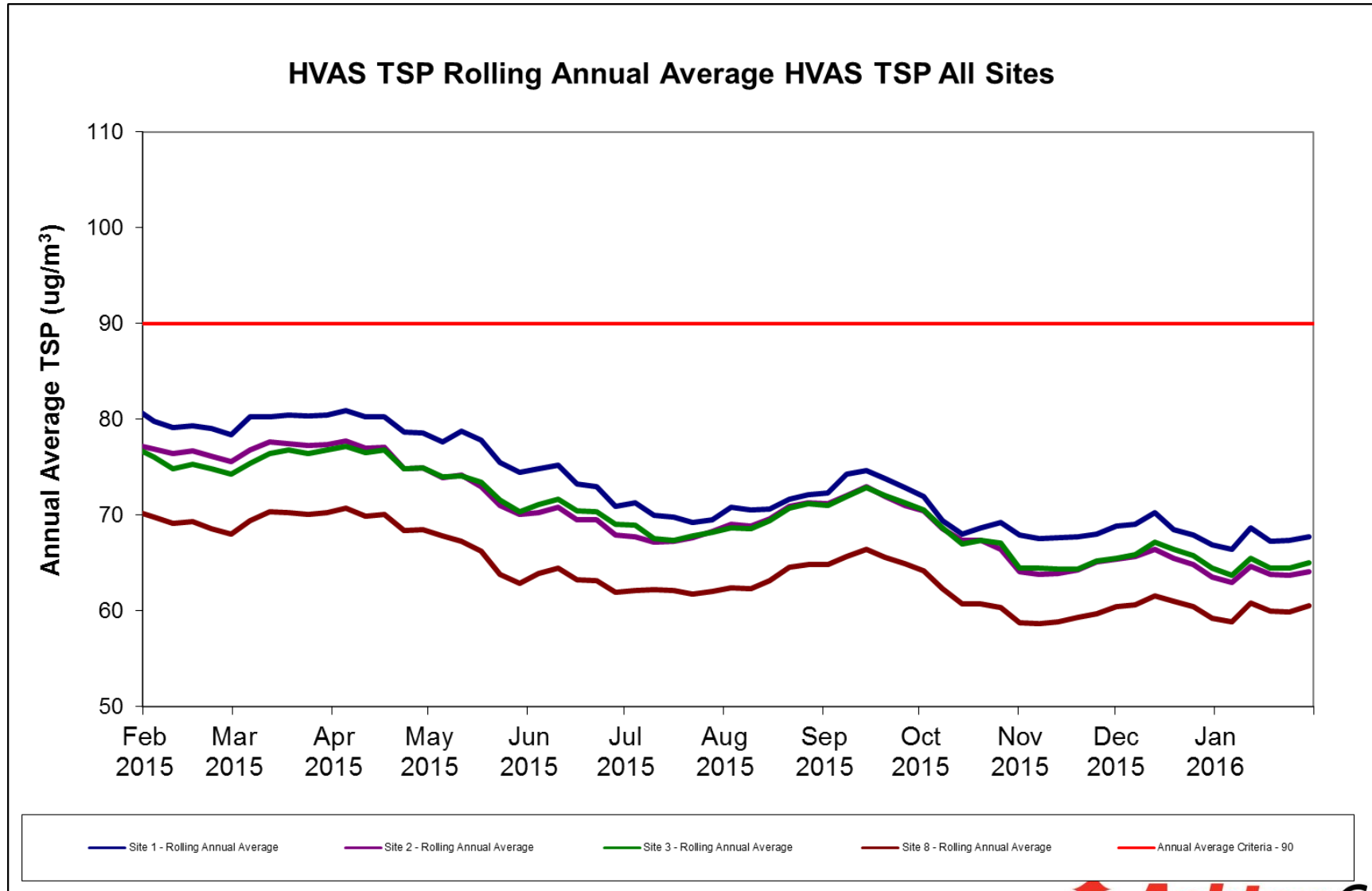
## Depositional Dust Gauge Rolling Annual Average



On-site Dust Gauges



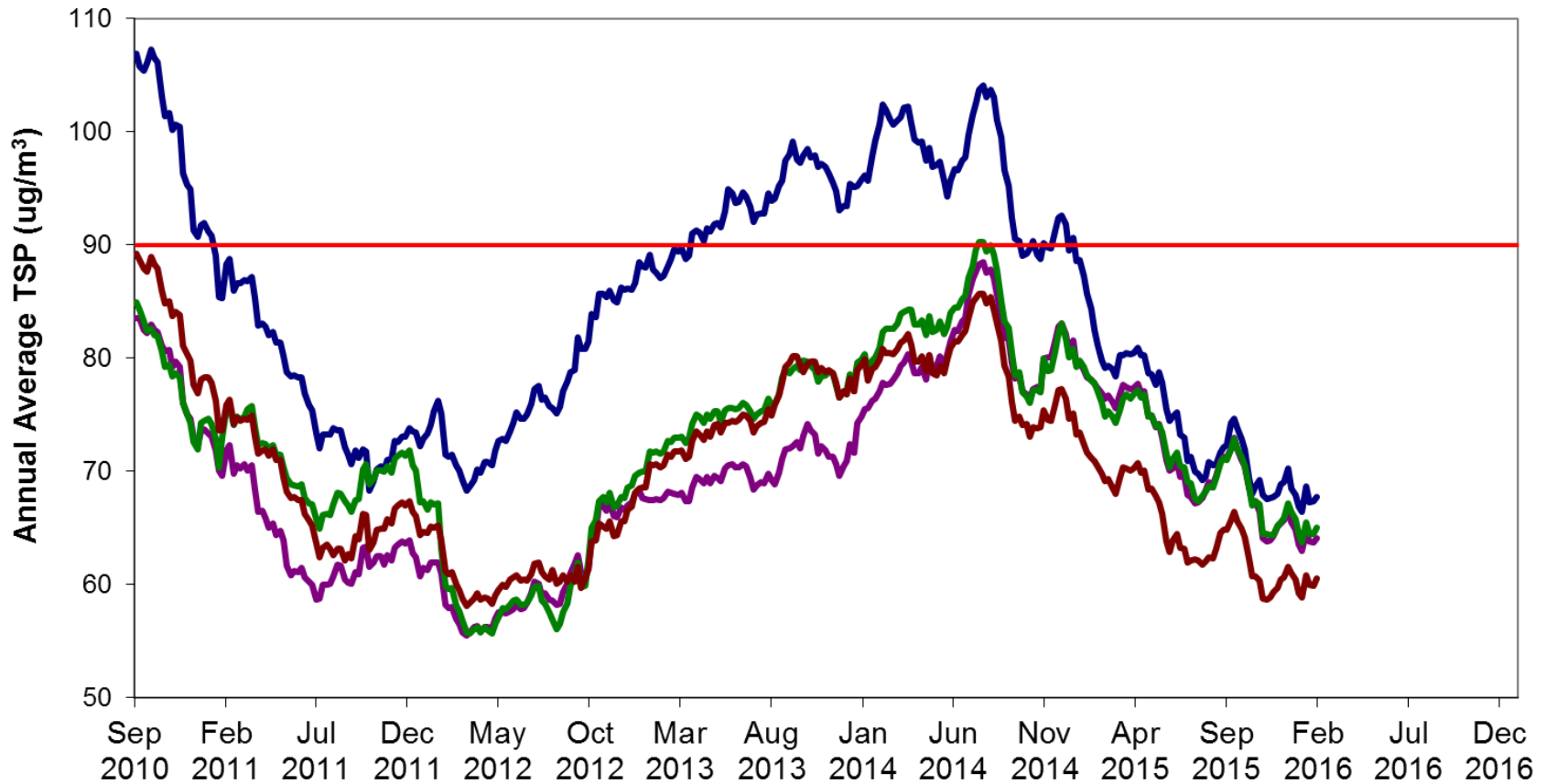
# Total Suspended Dust





# Total Suspended Dust

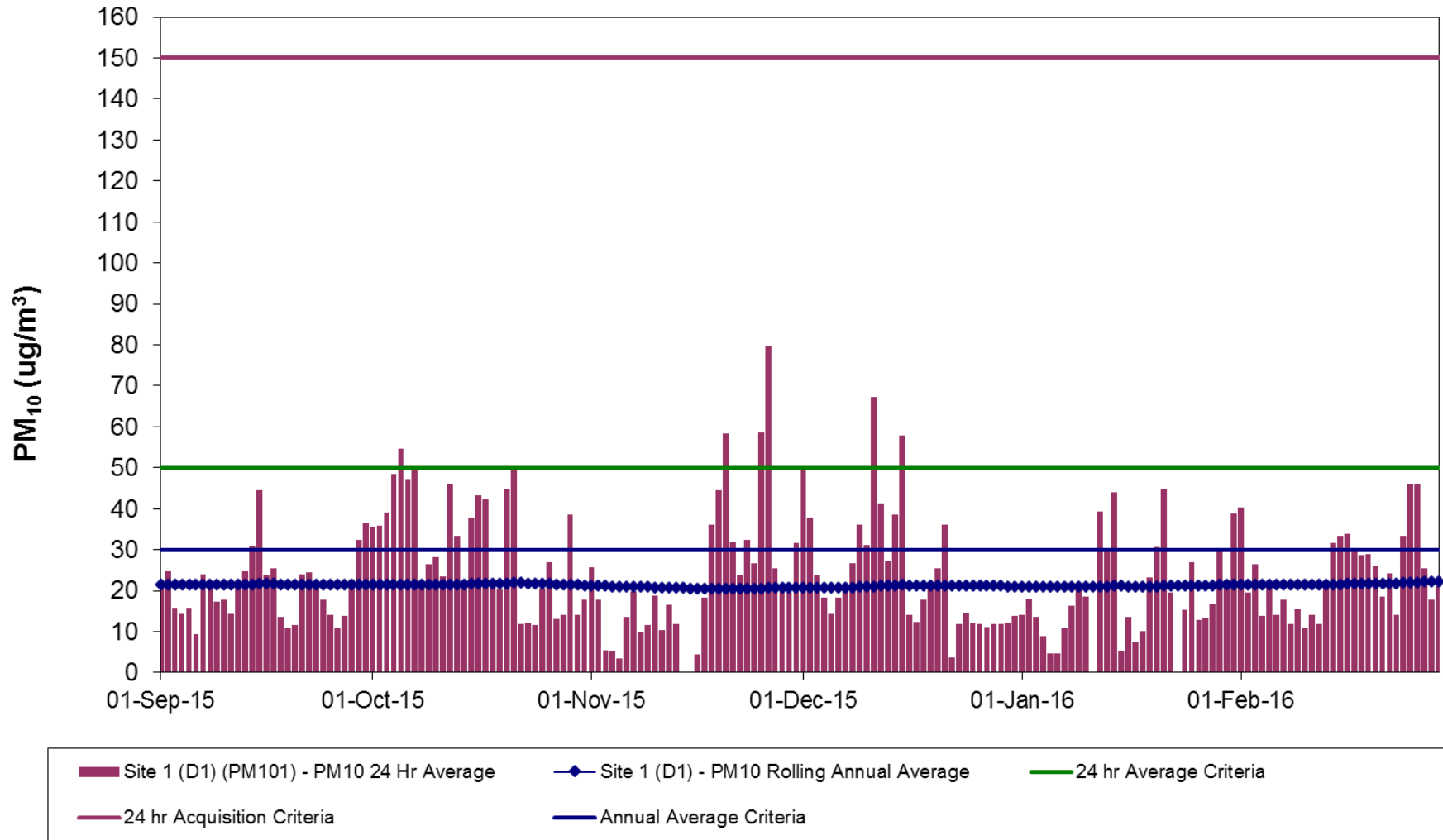
## HVAS TSP Rolling Annual Average HVAS TSP All Sites



Site 1 - Rolling Annual Average    Site 2 - Rolling Annual Average    Site 3 - Rolling Annual Average    Site 8 - Rolling Annual Average    Annual Average Criteria - 90

# PM<sub>10</sub> Dust – Site 1

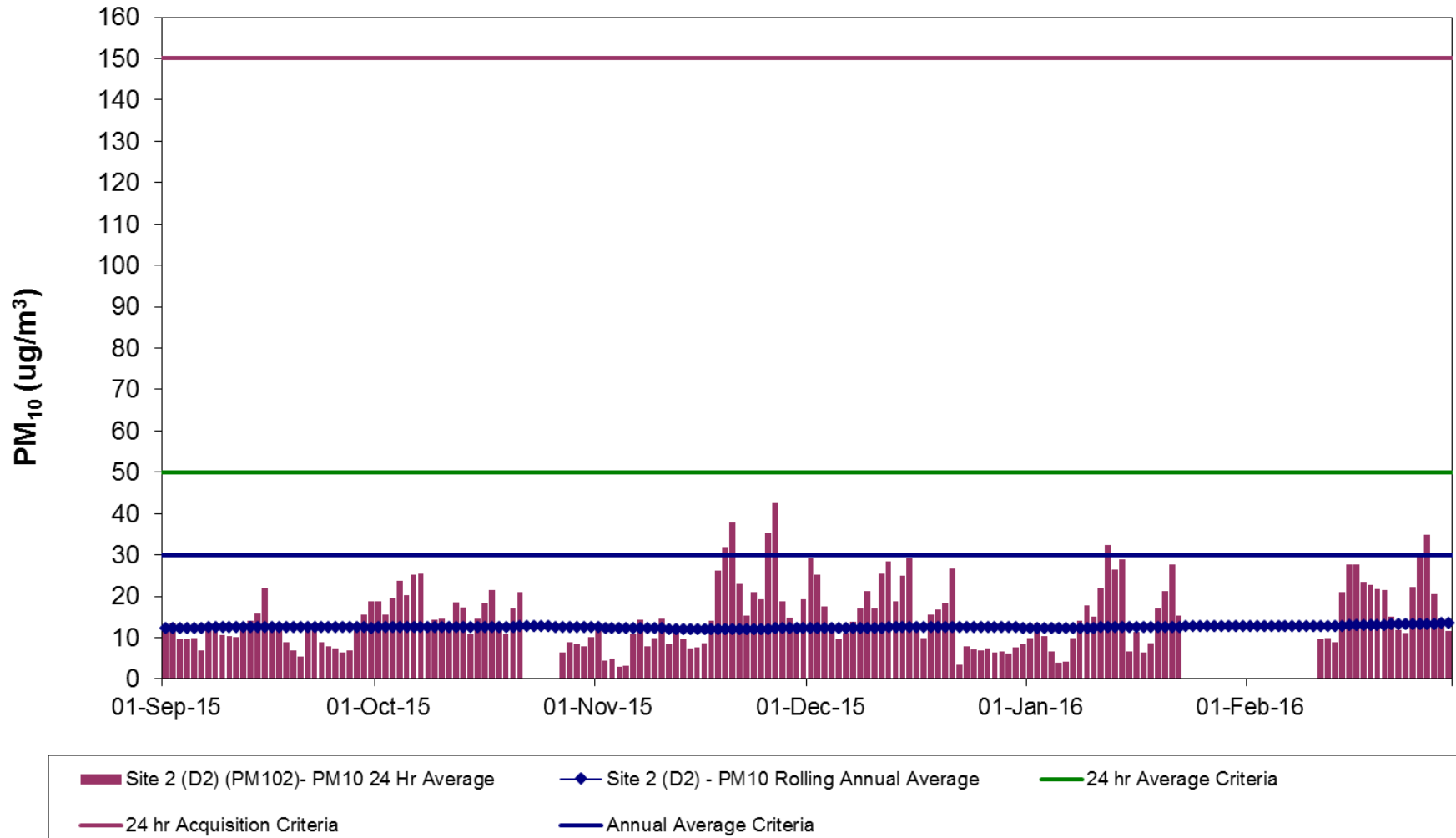
## Site 1 TEOM PM<sub>10</sub> Results





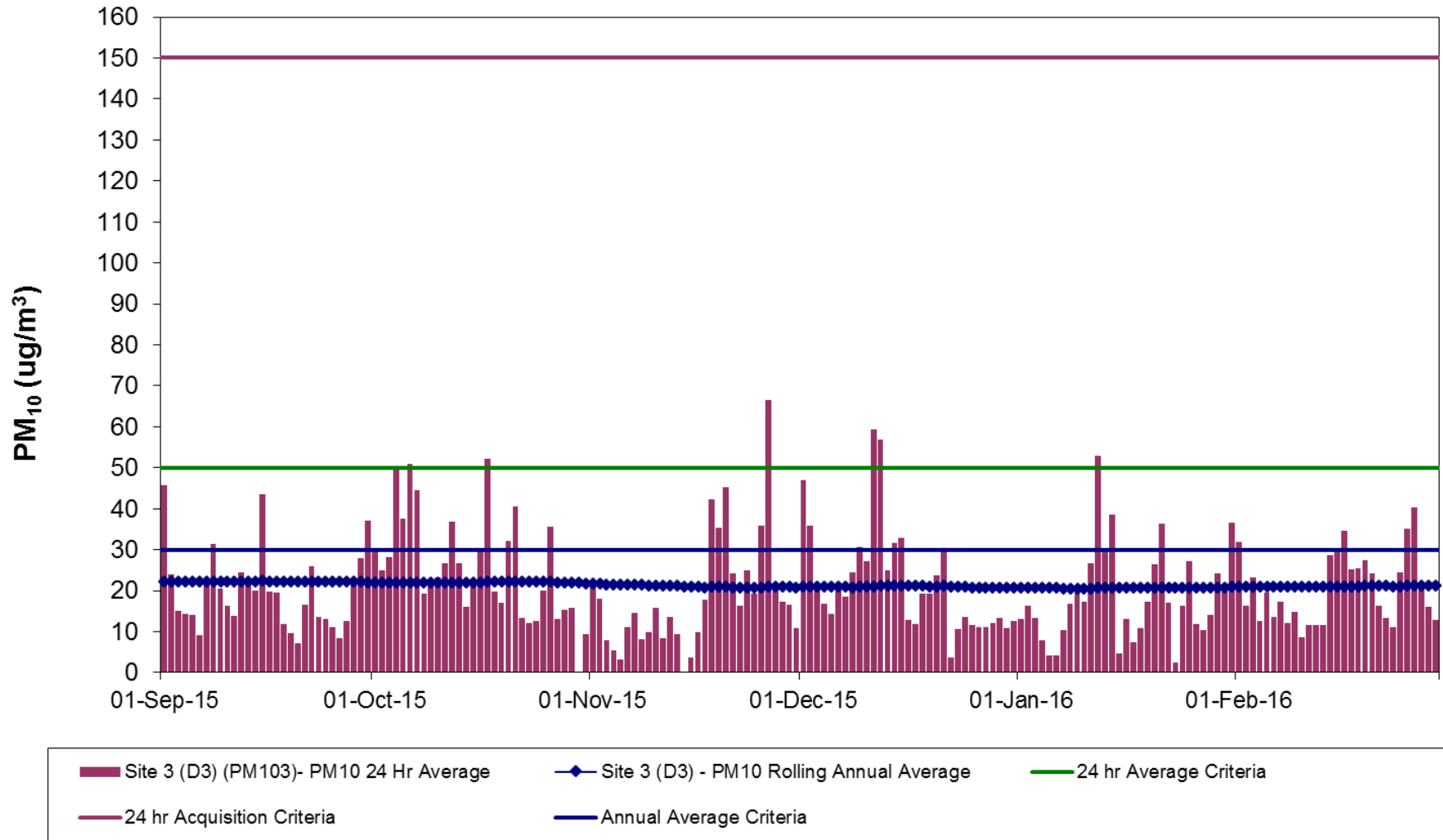
# PM<sub>10</sub> Dust – Site 2

## Site 2 TEOM PM<sub>10</sub> Results



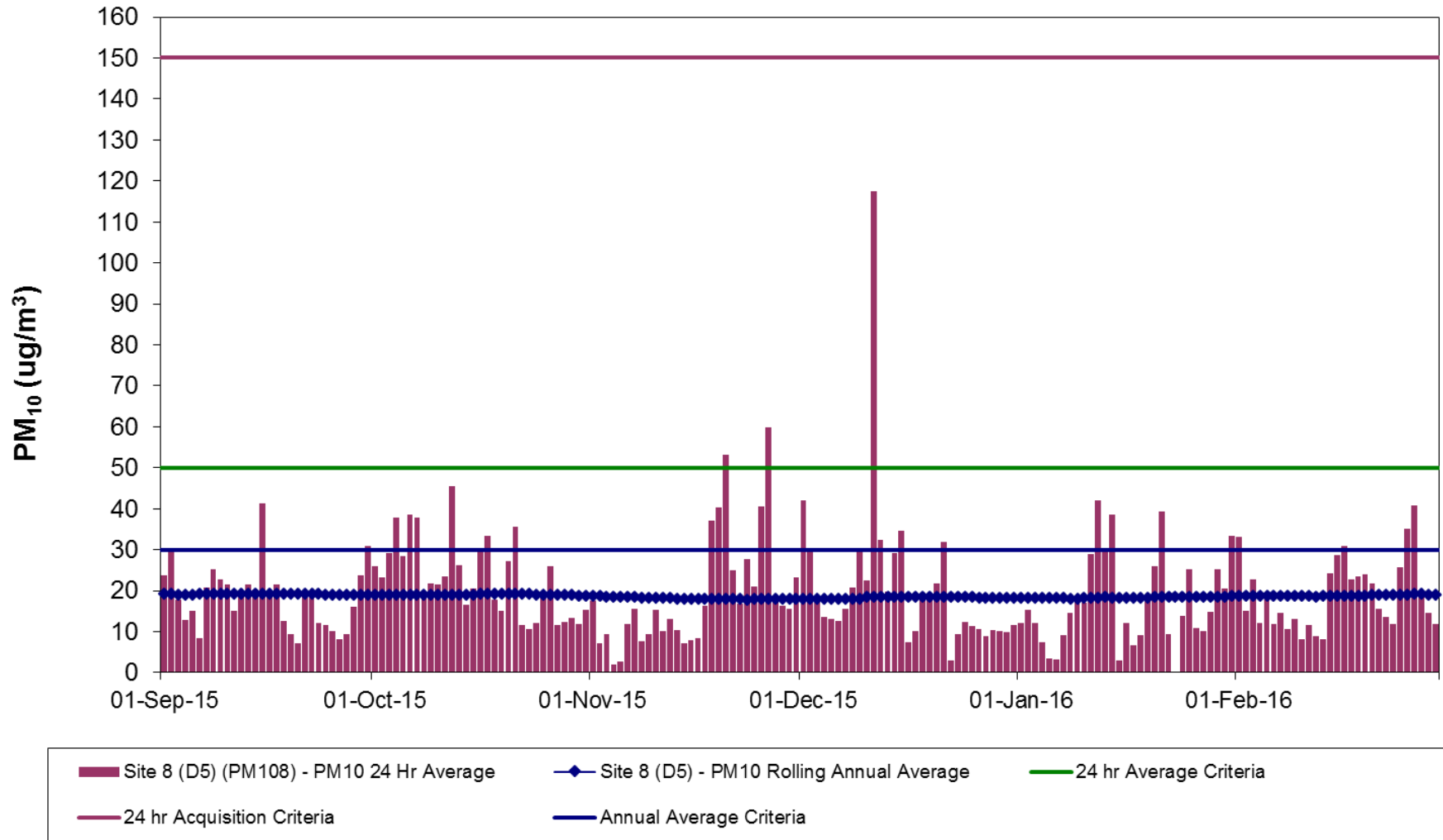
# PM<sub>10</sub> Dust – Site 3

## Site 3 TEOM PM<sub>10</sub> Results



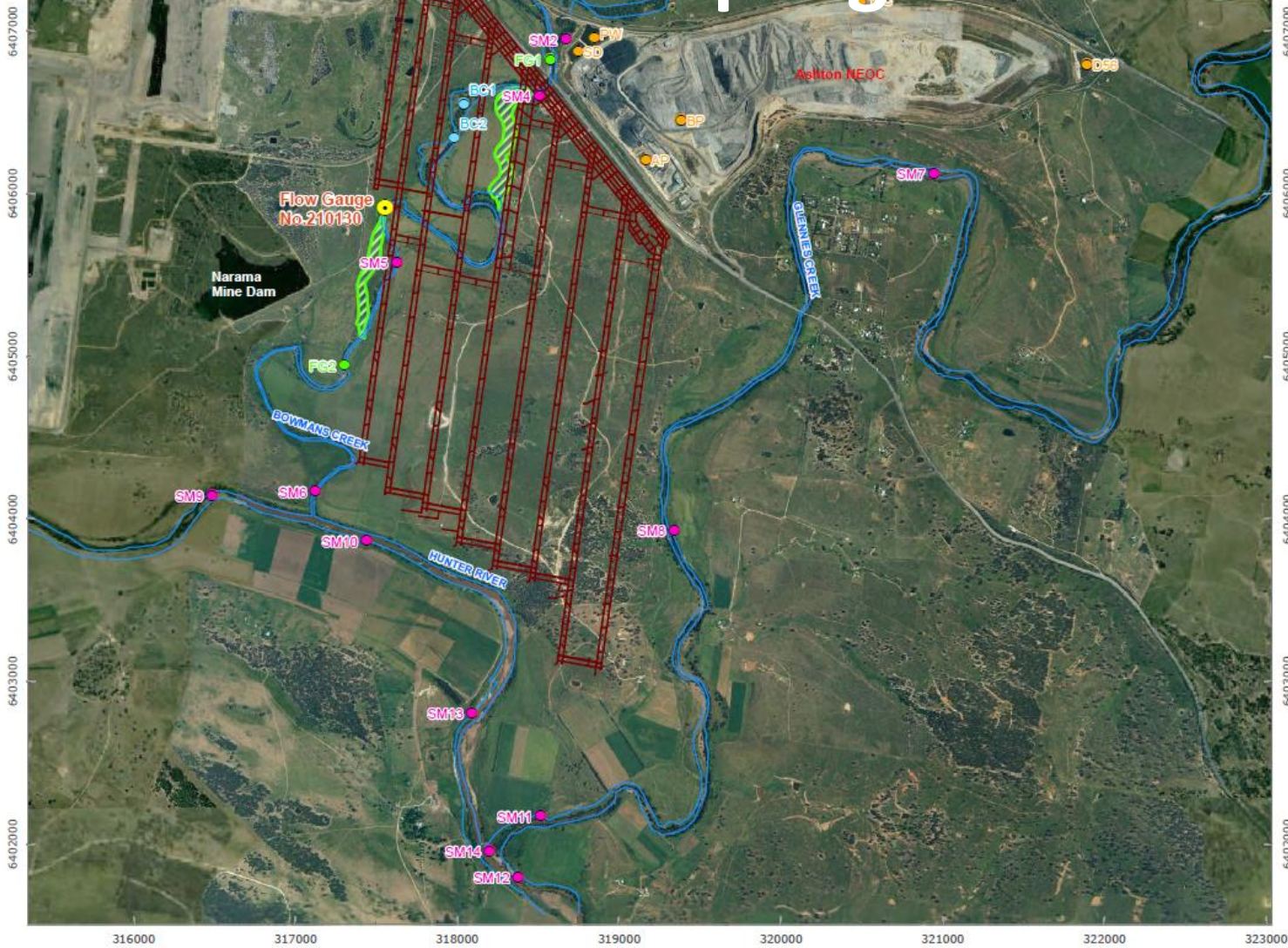
# PM<sub>10</sub> Dust – Site 8

## Site 8 TEOM PM<sub>10</sub> Results

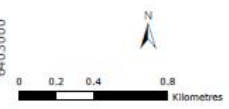




# Surface Water Sampling Locations



- LEGEND**
- Surface Water Monitoring Location
  - Onsite Water Management Monitoring Location
  - Bowmans Creek Monitoring Location
  - ACOL Flow Gauge
  - NSW Office of Water Gauge
  - Upper Liddell Mine Plan
  - Creeks or River
  - ▨ Diversion Footprint

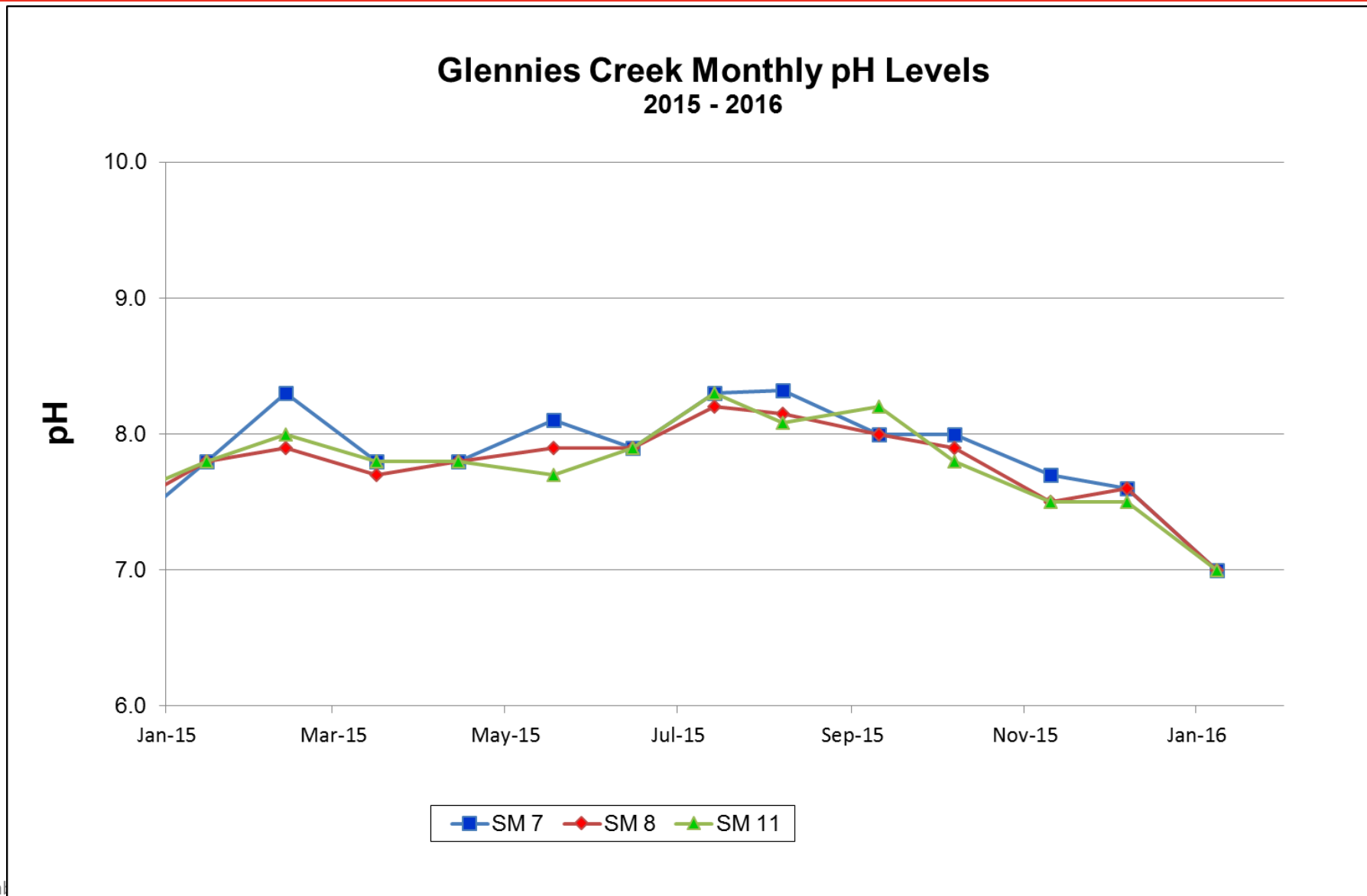


**RPS Aquaterra**

**FIGURE 11**  
**Surface Water Monitoring Network**

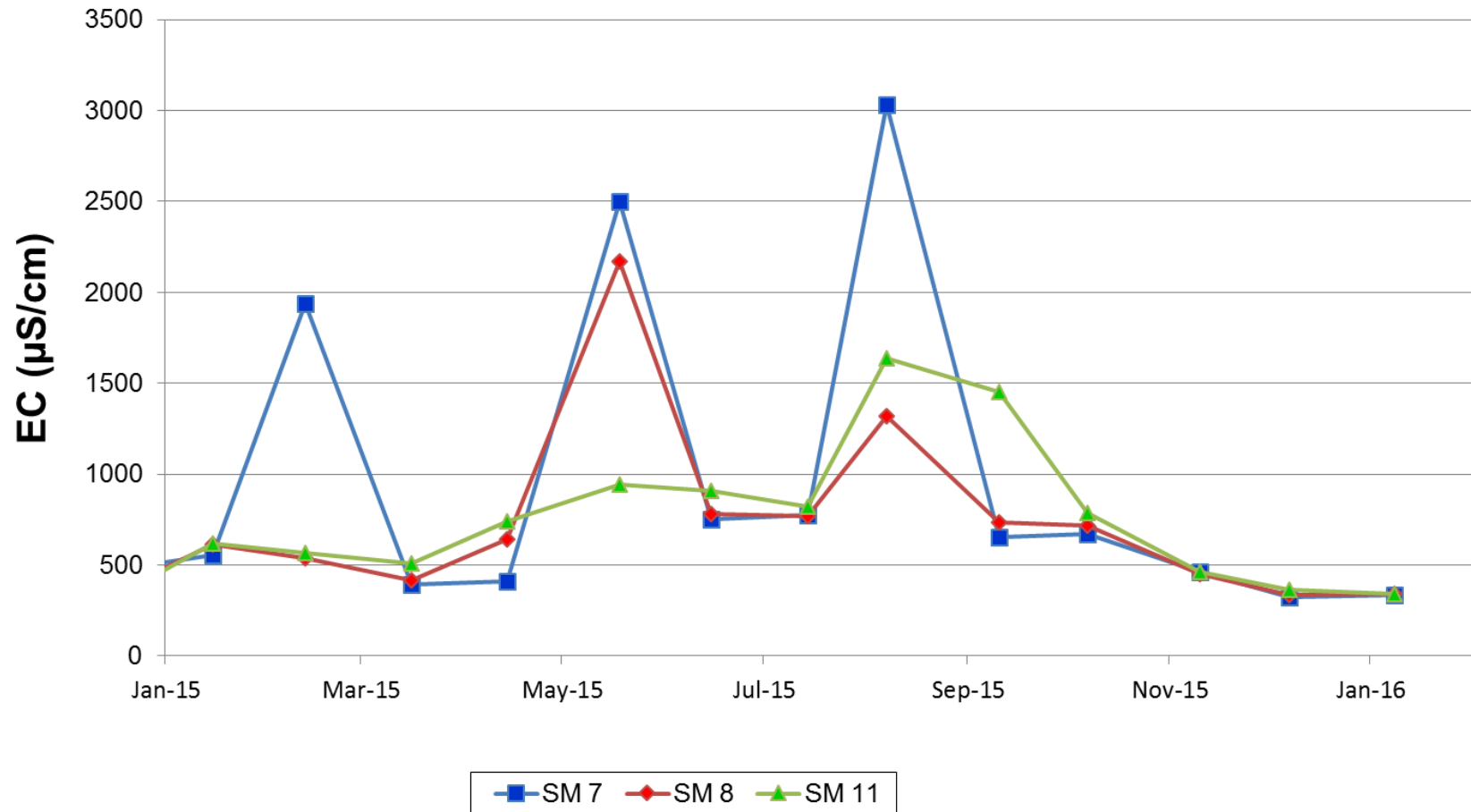
AUTHOR	HZ	PROJECT NO	SSRE
CHECKED BY	JVDA	REVISION	A
DATE	19/07/2011	DRAWING NO	029e

# Surface Water Quality – pH



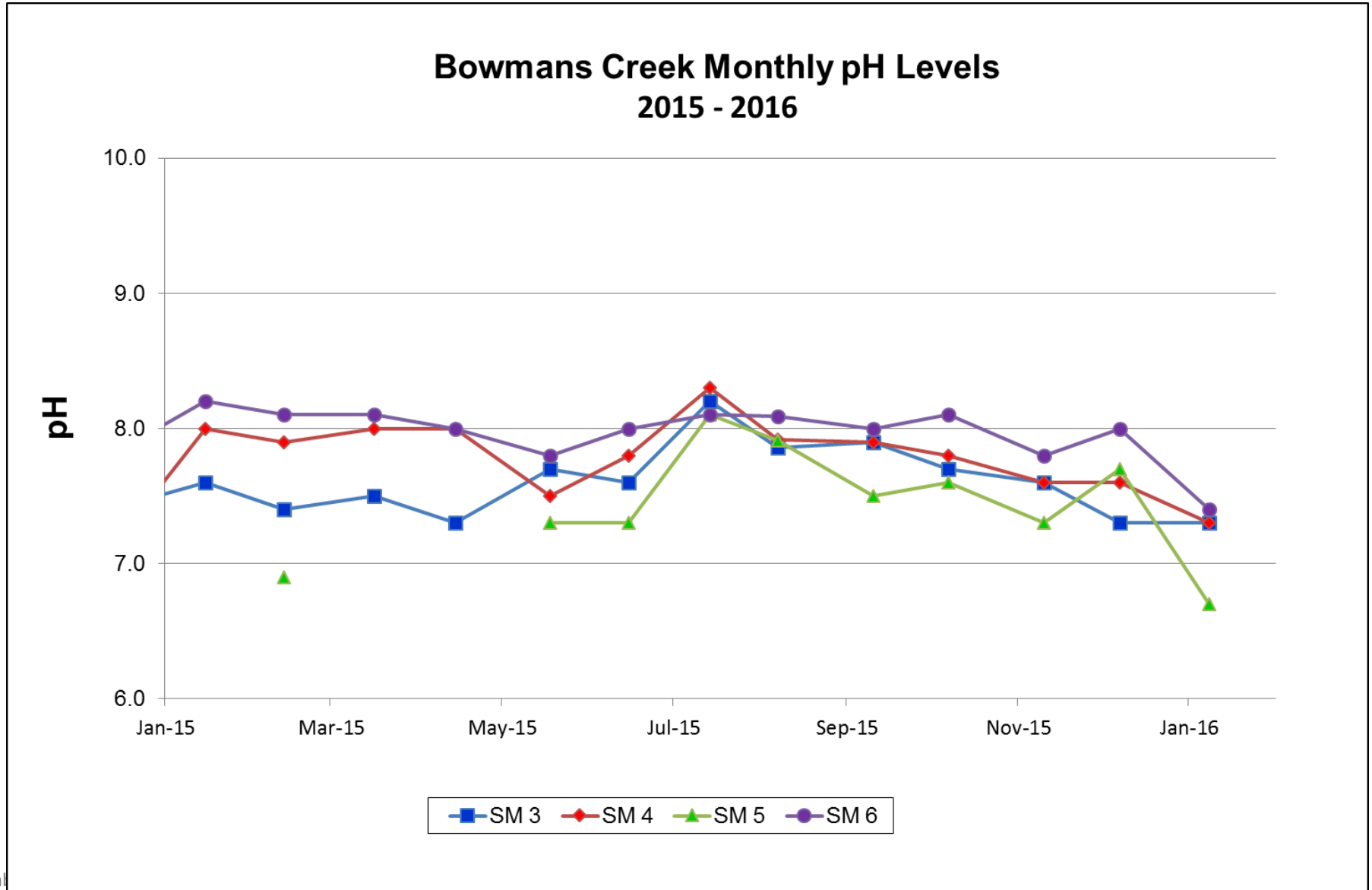
# Surface Water Quality – EC

## Glennies Creek Monthly Electrical Conductivity Levels 2015 - 2016



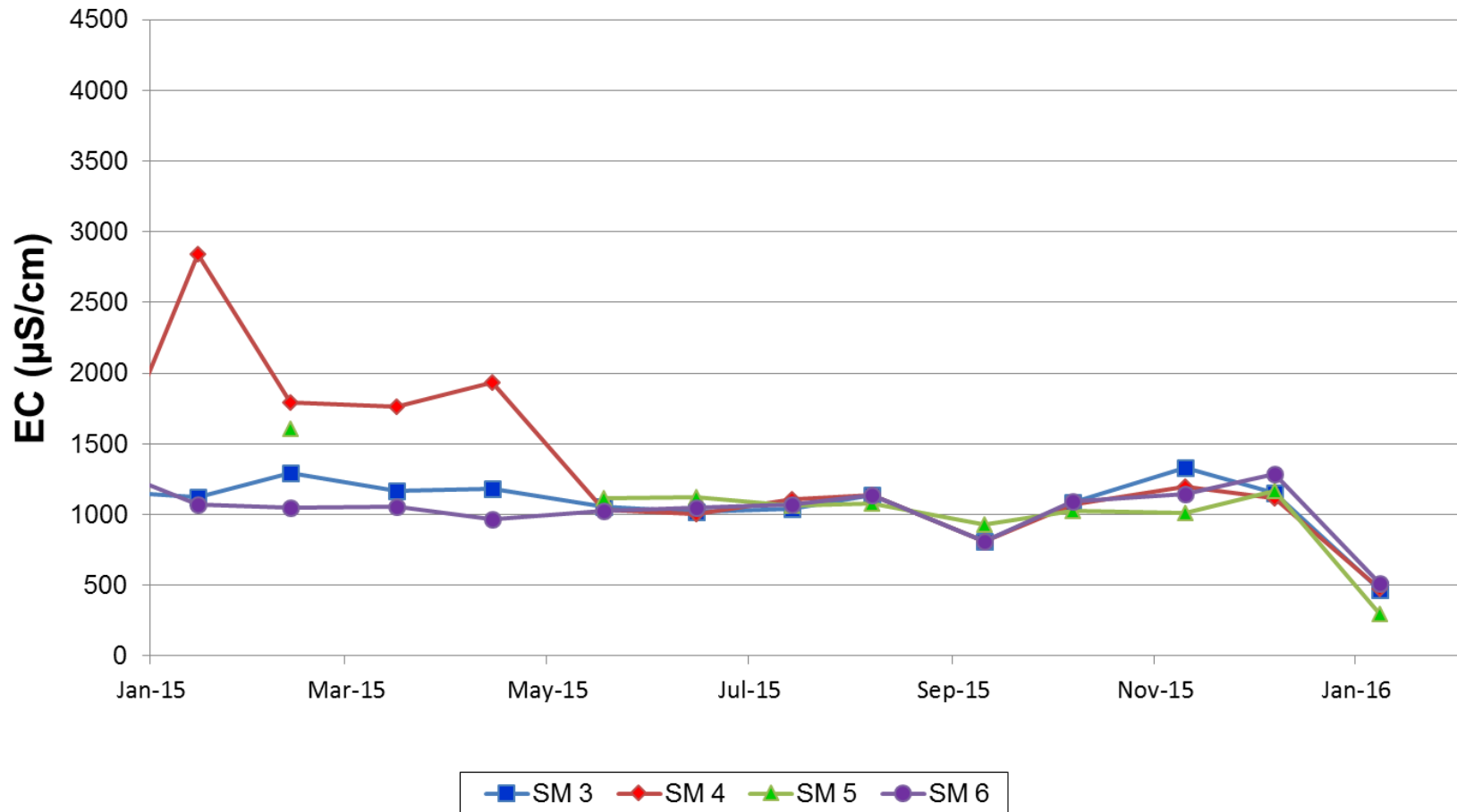


# Surface Water Quality – pH

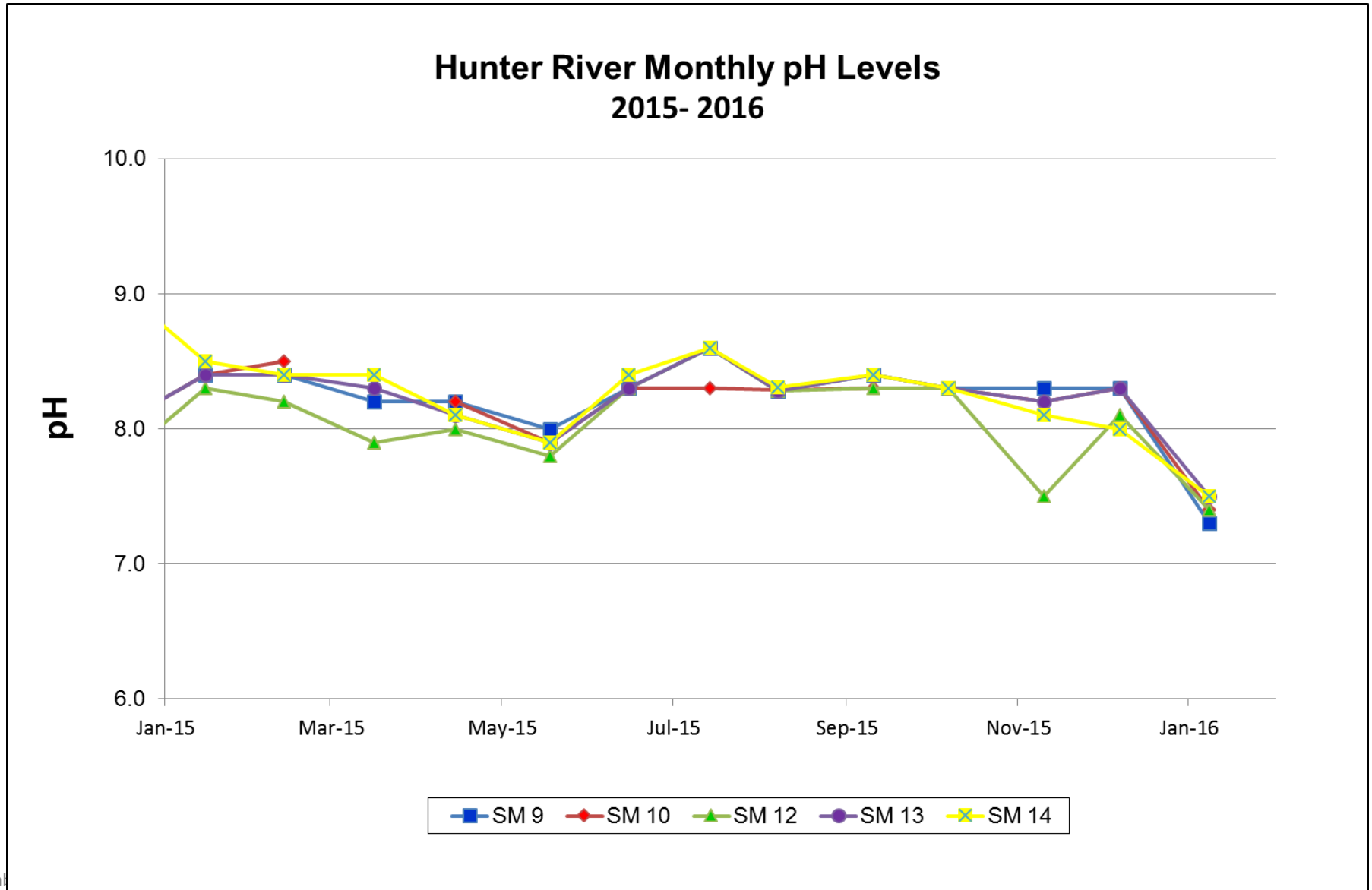


# Surface Water Quality – EC

## Bowmans Creek Monthly Electrical Conductivity Levels 2015 - 2016



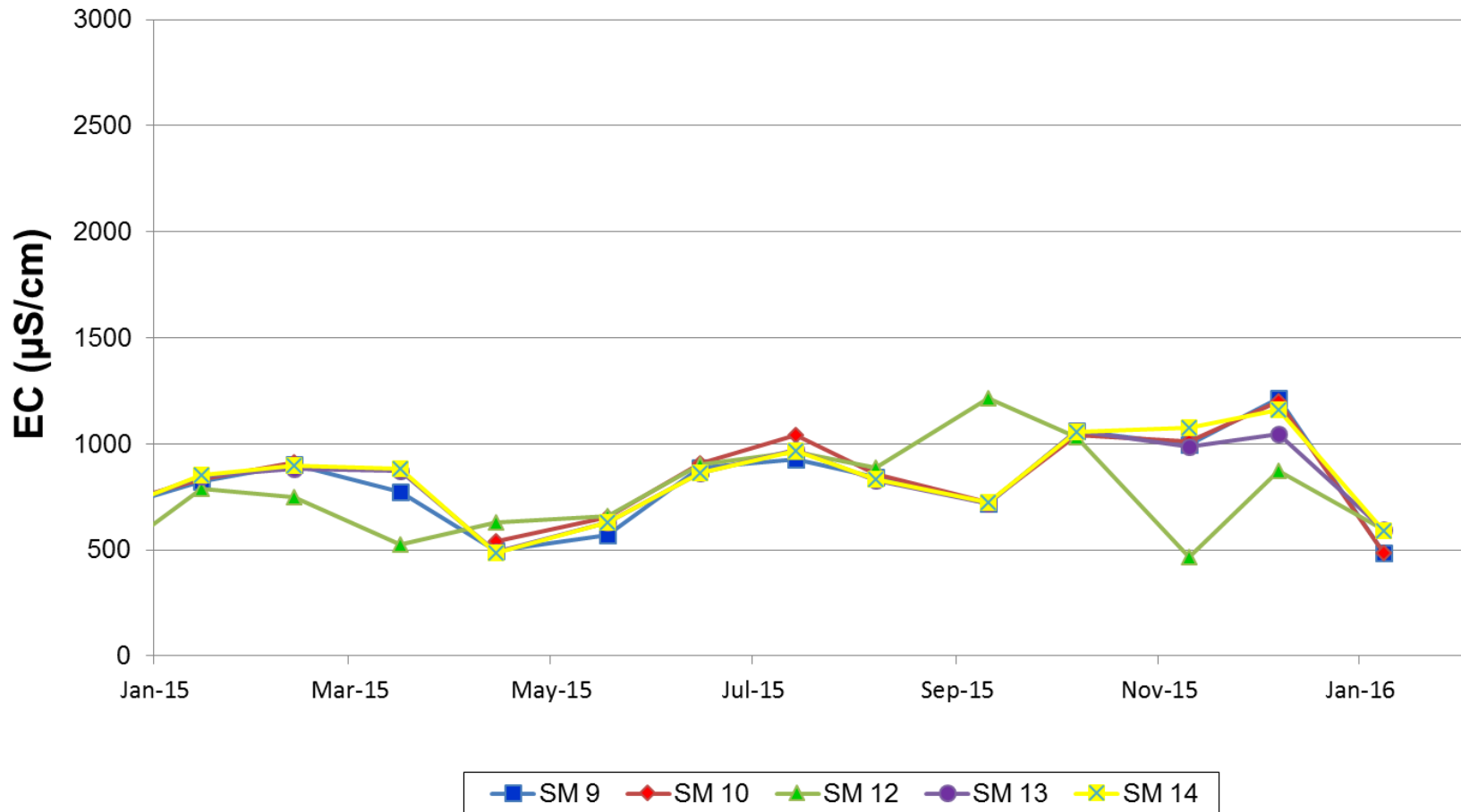
# Surface Water Quality – pH



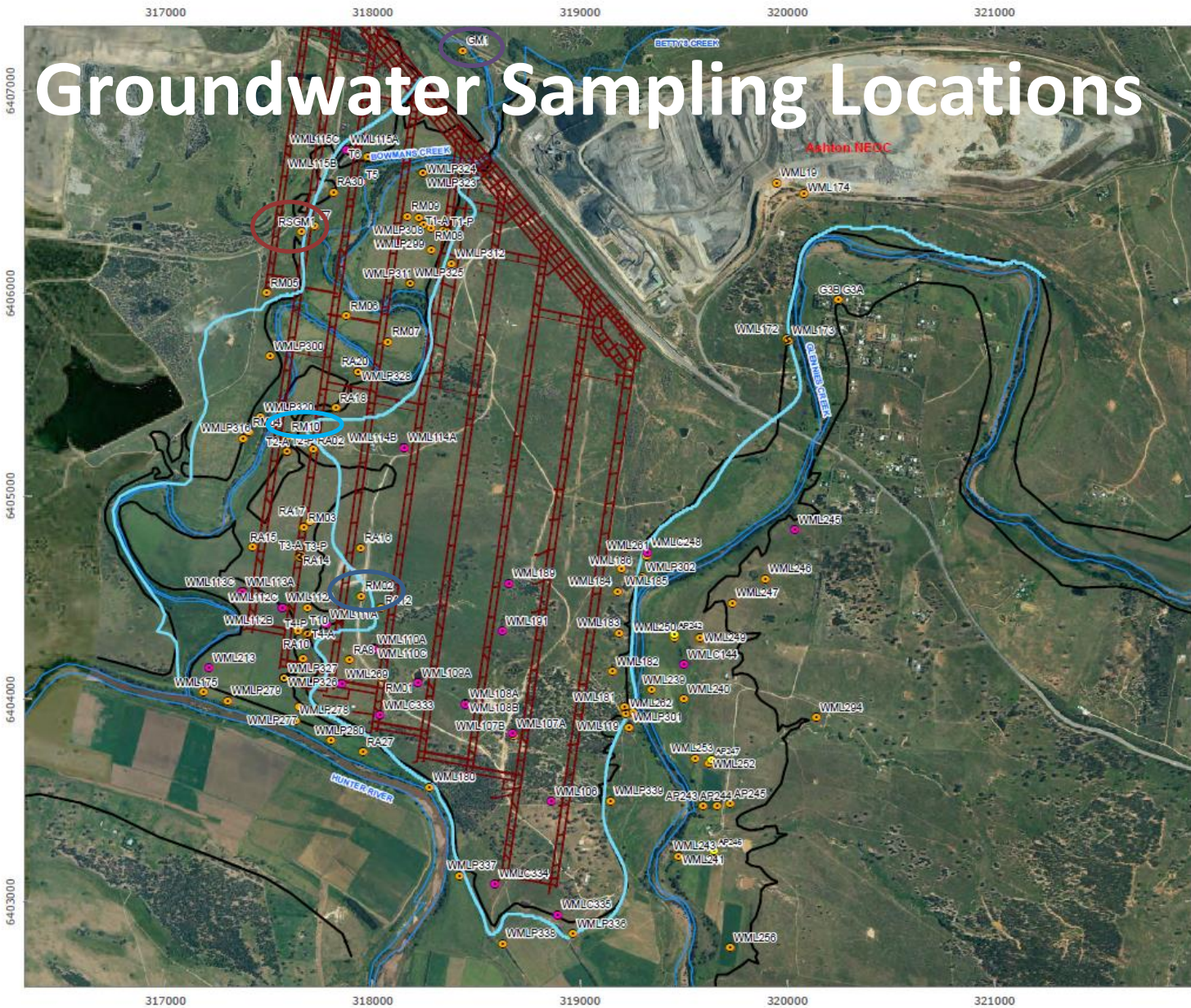


# Surface Water Quality – EC

## Hunter River Monthly Electrical Conductivity Levels 2015 - 2016



# Groundwater Sampling Locations



- LEGEND**
- Standpipe Piezometers
  - Test Bores
  - Vibrating Wire Piezometers
  - Alluvium Boundary
  - Upper Liddell Mine Plan
  - 1:100 Years Flood Line
  - Creeks and River

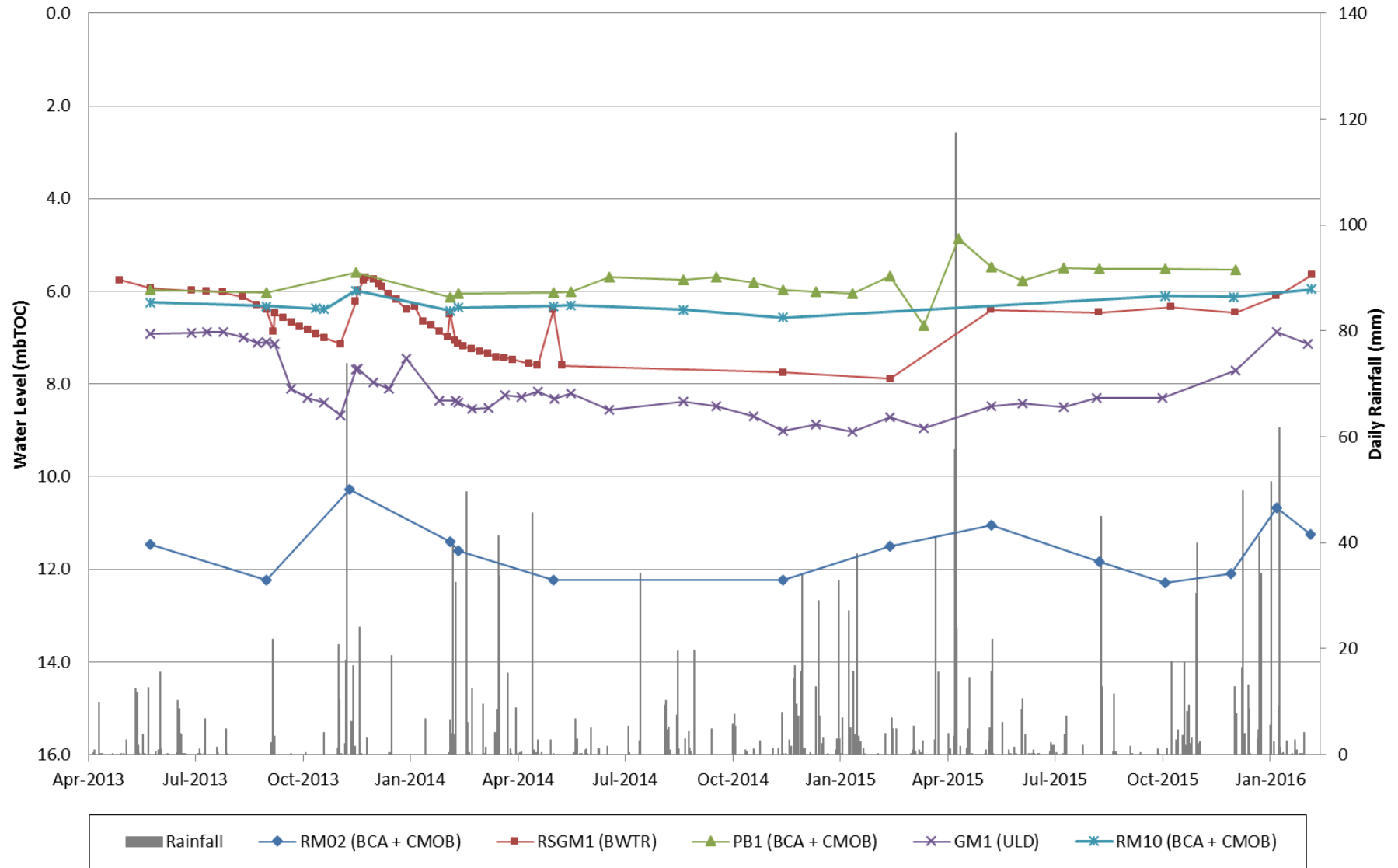


**RPS Aquaterra**  
**FIGURE 12**  
**Groundwater Monitoring Network**

Floodlines Compiled from Hyer 2009 and Worley Parsons 2009

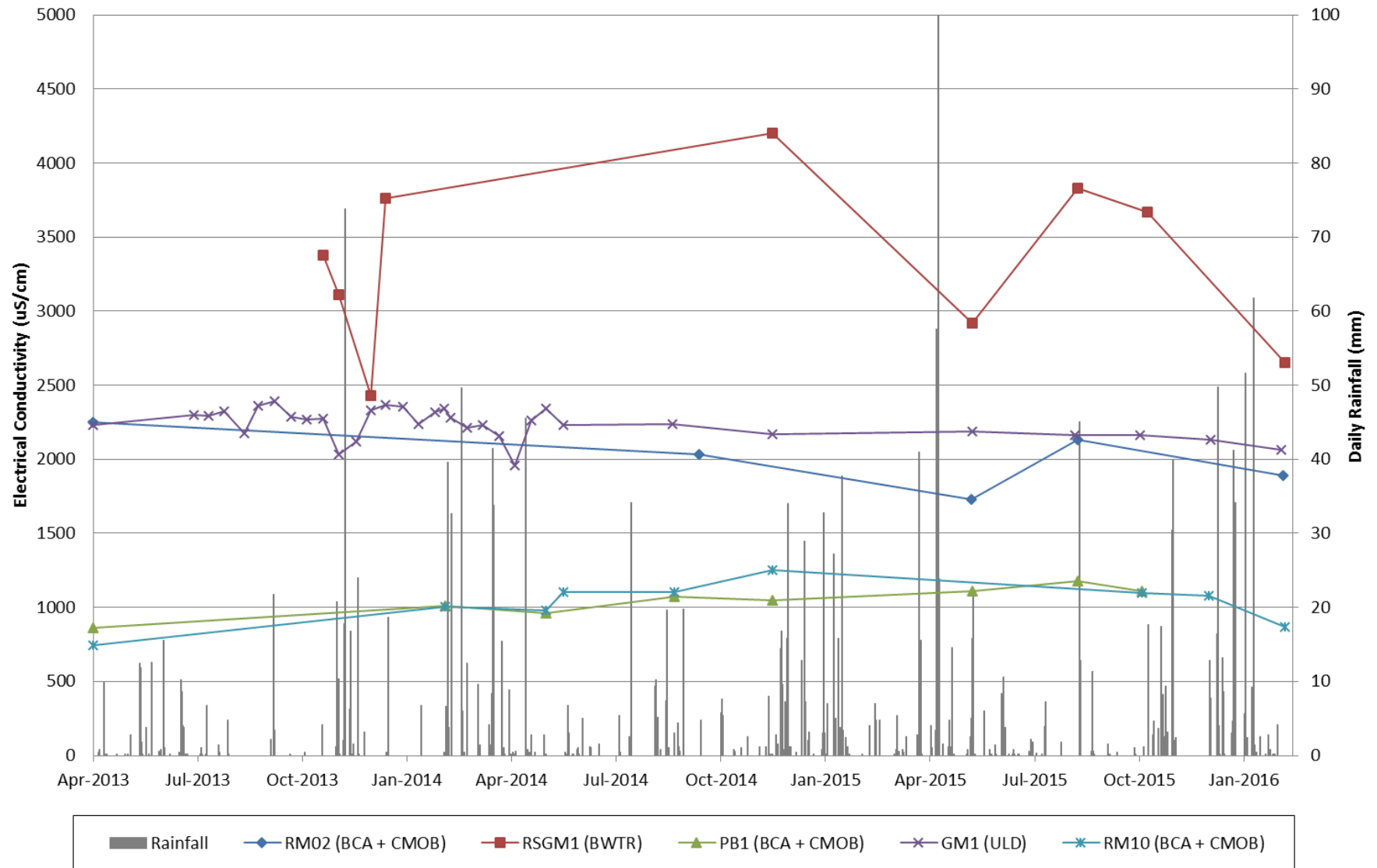
AUTHOR	TL	PROJECT NO	5386
CHECKED BY	JVA	REVISION	B
DATE	19/07/2012	DRAWING NO	0306

# Groundwater – Standing Depth





# Groundwater – EC



# Noise Monitoring

Attended noise monitoring is conducted Monthly.

There were no exceedances during the reporting period

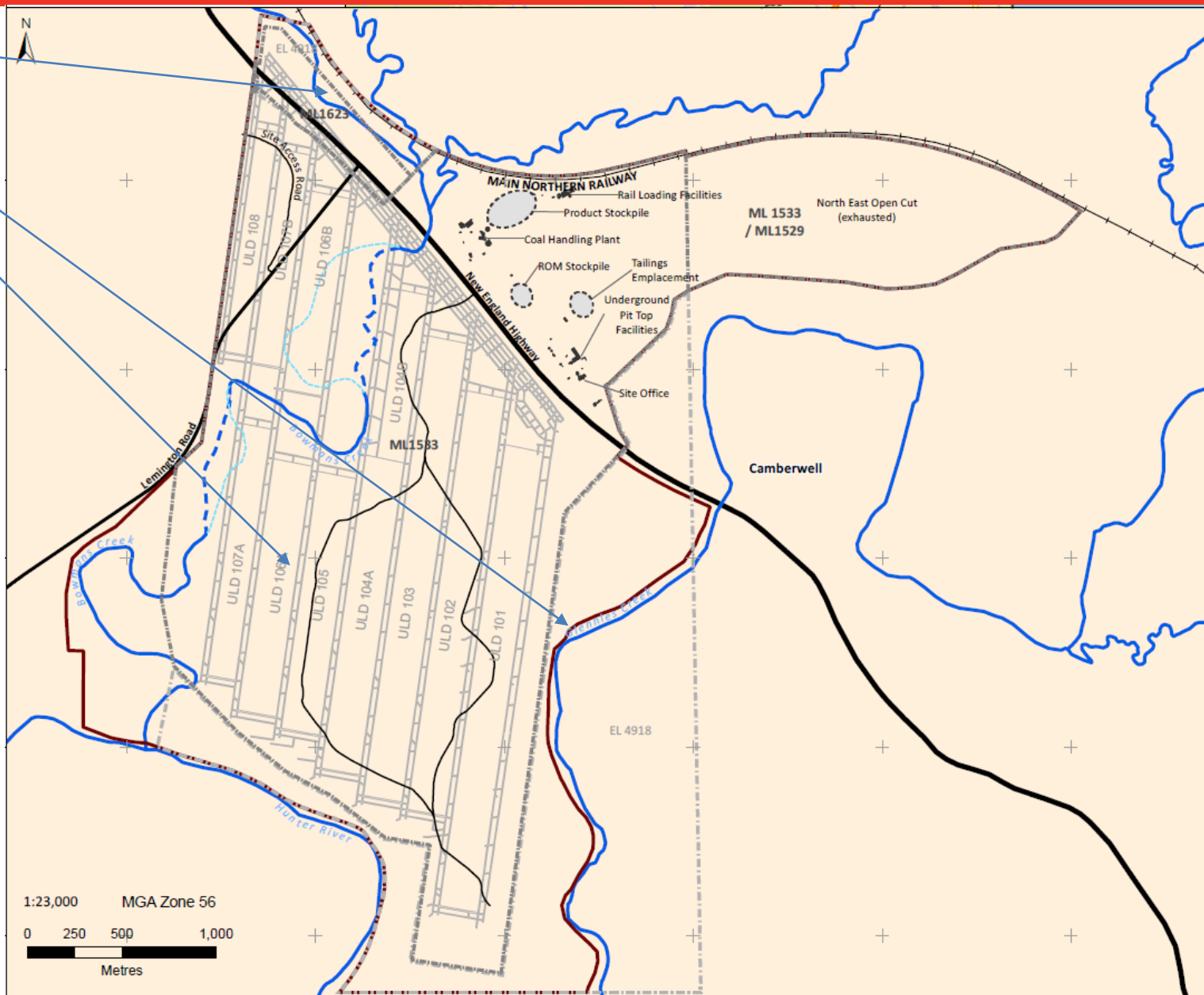
Table 1

ACP Noise Monitoring Results – 27/28 January 2016 – Night

Location	Time	dB(A) Leq	Comments	WS (m/s)/ Direction	Inversion °C/ 100m	ACP Noise Sources
N2	11:42 pm	45	Frogs & insects (42), traffic (42), other mine (27), <b>ACP inaudible</b>	1.7/135	>+3	n/a
N3	11:27 pm	48	Frogs & insects (47), traffic (39), other mine (29), <b>ACP inaudible</b>	1.2/125	>+3	n/a
N4	12:27 am	42	Frogs & insects (40), traffic (37), other mines (30), <b>ACP inaudible</b>	1.4/131	>+3	n/a

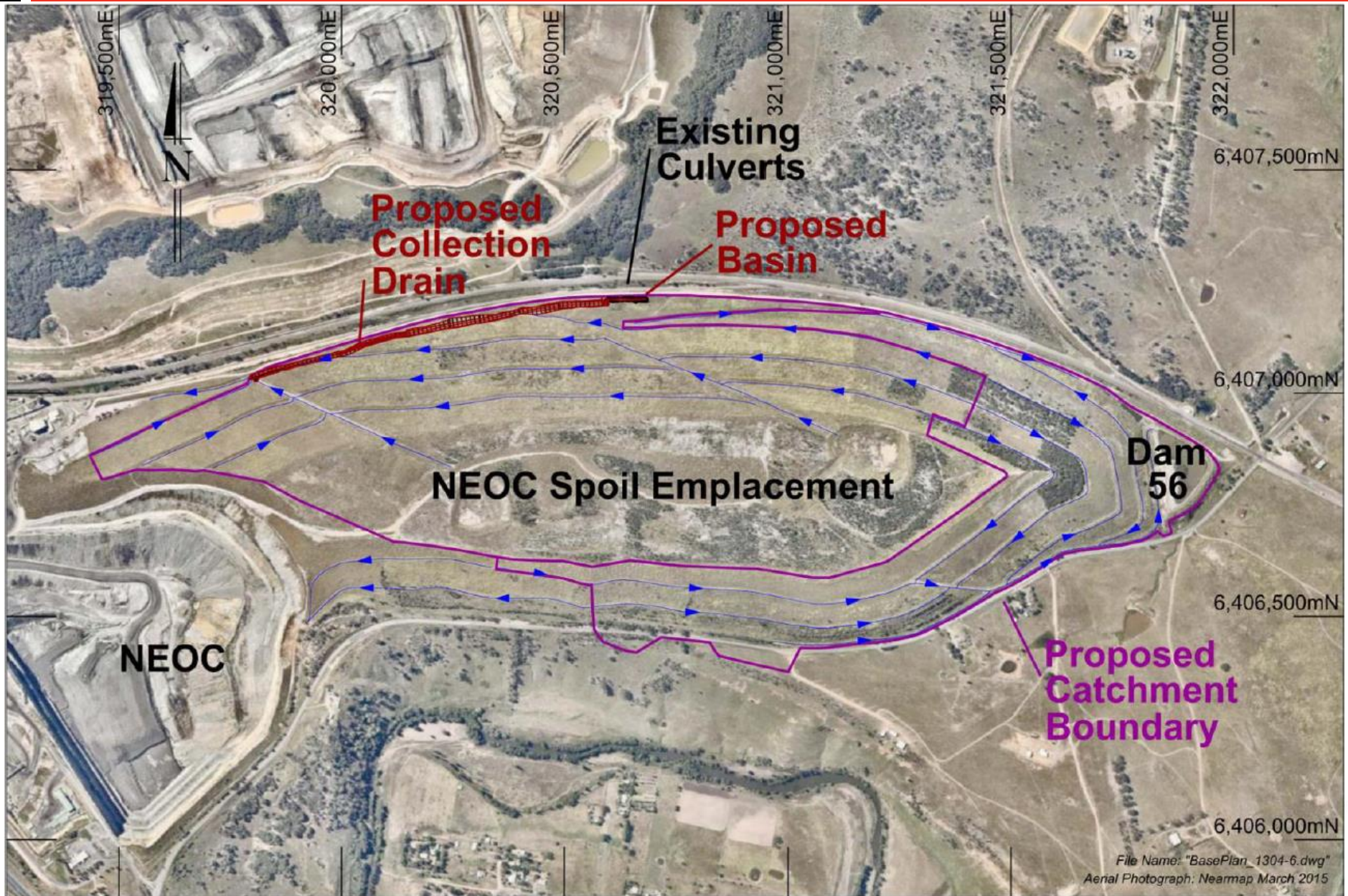
# What else is going on?

- Groundwater Bore Installation
- Weed Spraying
- Gas Well Drilling
- Archaeological salvaging works
- Clean water diversion from the NEOC





# Clean water diversion from the NEOC





# Community Support Program

- Application forms available on Ashton website – next round **31 March 2016**
- Community projects supported by Ashton Coal in the Upper Hunter are during Q4 2015 include:

Whitmore Enterprises Inc.	Equipment for gardening services business
Singleton Strikers Football Club	Shade infrastructure at Alroy Park
Singleton Archery Society	New equipment for training junior members
Singleton Heights Public School	Sensory Garden
Singleton Beef and Land Management Ass. Inc.	New public address system for field days
Beyond Blue	Donation to employee undertaking Kokoda trek as a fundraising initiative with BeyondBlue



# New debt financing arrangement

## ASX Release:

### New Debt Financing To Support Continued Business Growth

#### Highlights

- Yancoal Australia Ltd (**Yancoal**) will raise US\$950 million<sup>1</sup> in new debt funding through an issue of nine-year secured debt bonds to a consortium of financiers comprising Industrial Bank Co. Ltd, BOCI Financial Products Limited (**BOCI**) and United NSW Energy Limited (**UNE**).
- The bonds will be issued by a newly established wholly owned subsidiary (**Issuer**) of Yancoal. Yancoal's interest in the New South Wales mining assets of Ashton, Austar and Donaldson (**Assets**) will be transferred to and held by the Issuer.
- Bonds to be issued in two tranches of \$US760 million (**tranche 1**) and US\$190 million (**tranche 2**).<sup>2</sup>
- Issuer to pay interest on the tranche 1 bonds at an average interest rate of approximately 8.55% - per annum<sup>3</sup>. The interest rate payable on the tranche 2 bonds will vary between 0% and 15% per annum, depending on the EBITDA performance of the Issuer and its subsidiaries.
- On and from financial close of the transaction, Yancoal will cease to control the Issuer<sup>4</sup>. UNE will hold a right to nominate a majority of the Issuer's directors.
- Yancoal to be appointed as the exclusive provider of mine management, marketing and infrastructure, and other corporate services for the Issuer under 10 year<sup>5</sup> contracts.
- Yankuang Group Co. Ltd (**Yankuang**) will support the transaction through the grant of a put option to the financiers. The put option will allow the financiers to transfer their bonds to Yankuang<sup>6</sup> at face value during option exercise windows occurring after approximately years three, five, seven and nine, and in certain other circumstances. Yankuang will also guarantee to Yancoal performance of the Issuer's obligations under a loan given by Yancoal to fund the Issuer's acquisition of the Assets.

# Donaldson into care and maintenance

## Media Release:

### Donaldson mine to go on care and maintenance

Yancoal Australia's ("Yancoal") Donaldson operation will move to care and maintenance in June 2016, following a reduction in mining activities and commencement of new feasibility studies.

The move to care and maintenance is in response to ongoing global market challenges as the operation considers the future development of new underground working areas.

From 14 March, the Donaldson operation will reduce its current mining activities from the running of three mining units to two at its Abel underground mine, directly affecting 10 existing roles.

Yancoal will work to redeploy immediately-affected employees to its neighbouring Ashton underground mine.

Yancoal will also commence offering voluntary redundancies across its Abel, Ashton and Austar underground operations prior to the move to care and maintenance, and is seeking expressions of interest from Donaldson employees willing to move to Austar and Ashton if new opportunities become available.

Donaldson currently operates with 103 employees, including staff. It is anticipated 11 fulltime roles will be required to support the operation as it moves to care and maintenance and continues feasibility studies in June.

Yancoal is committed to redeploying affected Donaldson employees across its Hunter Valley underground operations where possible.

Care and maintenance includes the ongoing rehabilitation of the Donaldson site in accordance with existing approvals, as well as the management of the site both above and below ground as Yancoal works to consider all options for the potential further mining of the Abel underground.

Yancoal will continue to engage with its employees throughout the change in operations to ensure they understand their options and have access to redeployment, external employment, redundancy and counselling assistance services as required.

Located in the Hunter Valley, Donaldson's underground Abel mine produces thermal and semi-soft coking coal for blending, exporting via the Port of Newcastle. Donaldson's Abel underground mine produced 1.81 million tonnes of ROM coal and 1.34 million tonnes of saleable coal in 2015.





# Other matters

- 32 Lethbridge St, Camberwell
- 2016 Annual Environmental Management Report

# Any Questions?