



**3. Confirmation of Previous Minutes**

RD queried the acronym "COO", Brian Clifford's title with GRL, contained in Item 6 on page 4. COO means Chief Operating Officer.

RD complimented the minute's secretary on the presentation of the CCC minutes.

Previous Minutes accepted:

**Moved:** Ray Dawes                      **Seconded:** Bob Corbett

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**4. Business Arising**

No action items from the previous minutes.

The Chair asked if anyone on the committee had any business arising:

1. (RD) In response to Item 7.2 – Still waiting to hear from the Aboriginal community in regard to representation on the Committee.
2. (DG) Enquired Item 7.1 - response to Knitting Nannas letter.

The Chair advised a response has been prepared, however, as the group's original letter was tabled at the previous CCC they had been advised that the response would be tabled at today's meeting, with a formal response to follow by the end of the week.

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**5. Correspondence**

1. 26/4/16 - Letter of acknowledgement to the Knitting Nannas;
2. 03/5/16 - Letter to Minister of Industry seeking endorsement of stakeholder membership for Advance Gloucester and the Business Chamber;
3. 10/5/16 - Email from Chair to CCC members with a copy of the April 2016 minutes;
4. 11/5/16 - Email from Chair to CCC members with a copy of the Media Release from GRL, concerning the article in the Gloucester Advocate about the Rocky Hill Project;
5. 20/5/16 - Email from Chair to CCC members with the Meeting Notice and Agenda for this meeting;
6. 24/5/16 - Email from Chair to CCC members with the venue for this meeting;
7. 01/6/16 - Email from the Knitting Nannas, attaching correspondence raising concern with the appointment of the new Administrator of the Mid-Coast Council;
8. 01/6/16 – Emails to Gloucester Chamber of Commerce and Advance Gloucester inviting them to attend this meeting as observers;
9. 02/6/16 – Email and letter to Minister Roberts as a follow-up to the previous correspondence for stakeholder membership on the CCC;
10. 02/6/16 - Email correspondence from Denise Gilbert requesting membership on the CCC.

The Chair advised Items of correspondence Nos 1, 7 and 10 would be dealt with in General Business.

Moved correspondence be accepted:

**Moved:** Lisa Andrews                      **Seconded:** Ray Dawes

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## 6. Project Update

### GRL

RC provided an update as follows:

- Very little change from what was reported at the last meeting, .i.e still awaiting approval for three exploration licences, therefore, as a consequence, no exploration activity has taken place.
- From agricultural point of view, again no change from previous meeting. However, despite comments from Councillor Jim Henderson in relation to grounds of a GRL owned property, BC advised that in response to complaints received, the grounds around the property have now been slashed.
- In regard to the Rocky Hill Project, committee members received an email from the Chair informing them of a media statement, the content of which also appeared in the Gloucester Advocate, advising GRL was planning to lodge the EIS late June. All is on track for this lodgement as proposed.
- Ellen Davis-Meehan of Key Insights, who is updating the Social Impact Assessment (SIA), has spoken to members of the CCC individually. Individual comments will form part of her draft report. She has also contacted community groups and a number of individuals previously consulted to see if any new matters have arisen for consideration in the EIS. All things will be considered, however, there was little new material beyond what was previously reported.

RC advised when Ellen initially undertook the SIA back in 2013 she spoke to the CCC as a group, however, on this occasion, due to time constraints, CCC members agreed to speak to her individually as community representatives to hear their views as opposed to meeting in a forum like this CCC. She has also spoken to Groundswell Gloucester representatives and people in Forbesdale in terms of updates for the SIA.

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RD advised Ellen has been quite comprehensive, asking CCC individuals who she should be talking to. She has also spoken to residents of Forbesdale. RC advised he is aware she has spoken to residents of Forbesdale but is unaware as to what extent. GRL has purposely adopted a "hands off" approach in regard to interviews in relation to the SIA update.

**Q:** When will the next Environmental Impact Statement be available?

**A:** When the EIS is placed on exhibition, however timing is determined by Dept of Planning and Environment (DPE). On receipt of the EIS they will go through the document and if satisfied everything is covered make a decision on when to place the document on exhibition.

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**Q:** Will there be a presentation to this CCC from Key Insights in relation to the SIA as was previously done?

**A:** The Key Insights previous presentation to this CCC was delivered to gain members' impressions and/or issues to be addressed in the SIA.

Their role is to look at issues from a social viewpoint, not technical. If they were to present to the CCC and a technical issue arose they would need a GRL representative at the presentation to provide the technical answer which would then take away the "hands off" approach that the company has adopted.

After some discussion RC advised:

- The Key Insights independent report will form part of the EIS submission to be placed on exhibition;
  - The report will contain records of all consultation as appendices, which is a detailed record of conversations, etc;
  - Key Insights is an independent consultant engaged by RW Corkery & Co on behalf of GRL. Their report will be viewed by GRL for technical error, however, will not and cannot be modified by GRL. GRL does not have control of what is reported by Key Insights;
  - During exhibition of the EIS; if the CCC members feel there are anomalies in the report they can comment at that point in time.
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- SR advised he has been unsuccessful in attempting to access the haul road route on the website.

RC advised that the route was on the Rocky Hill web site. A Yancoal map of the area was provided and RC pointed out the route the haul road is proposed to take. In conclusion RC advised the road lies close to the Woodford /Ferris property boundary over the full at full length.

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***ACTION: Chair***

Distribute link to web site (haul road) to members with draft minutes

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**Q:** There will be massive engineering work?

**A:** Not really as there is a ridge which will be dug out. Fairbairns Road runs over the ridge top. It is intended to cut through underneath with the aim to erect a bridge over the top which will more than carry any other load or potential load travelling down that road.

**Q:** The haul road doesn't go through any private property?

**A:** Correct

- Discussion also took place on contours and road elevation levels. Positioning of the road within the corridor (as shown on the web site) was also subject to numerous studies and consideration by GRL to determine its position in order to minimize ecological, visual and agricultural impact.

**Q:** What is the status in relation to water management?

**A:** Awaiting final report which is very close. Can't see the need to pull any water out of the rivers at this point, however, still awaiting for a lot of reports to be finalised.

- Further discussion on EIS placement on exhibition was undertaken in relation to timing of placement. RC reiterated that the Company will lodge the EIS with DPE by end June 2016 but that post lodgement GRL has no control over timing of the EIS being placed on exhibition.
- DPE is aware of GRL's impending lodging of the EIS and all indications from them are that they will be wanting to get on exhibition sooner, rather than later as the Project has been going for an extended time.
- In conclusion, once it leaves GRL hands it is in the control of DPE, however, from a Company and community point of view GRL is keen for this project to be assessed and determined as soon as possible.

***RD apologised and left meeting at 10:40am.***

**Q:** Railing of coal?

**A:** Railing is being handled by Stratford. They have approval for around 5.6Mt out of Stratford and Duralie with Duralie due to close. This was one of the positives on reaching an agreement Yancoal; where a coal preparation plant was available with excess capacity, ideally suited for processing of GRL coal and with approvals in place. Stratford will be processing and railing GRL coal under a commercial arrangement. Any more detail required in this regard would need to be obtained from Yancoal.

**Q:** Will there be two separate stockpiles?

**A:** Don't know, however, whether or not there are two separate stockpiles GRL product will remain separate.

**Q:** Are coal types the same?

**A:** Similar, but different in terms of quality. However, similarity in geology between the two sites allows the coal preparation plant to process both coal types.

- Web site contacts are regularly updated on the GRL websites. The Chair agreed contact details for both Karen Hutchinson and Jim Henderson can now be removed from the web site.

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**ACTION: RC**

Remove contact details for both KH and JH from web site

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- DG advised he is leaving the Mid-Coast Council and relocating to Forbes. He will advise the Chair of a date when a new representative is known. A council representative (Councillor) on the CCC won't be appointed until after September 2017 Local Government elections. However, he believes a staff person is being considered for the interim period.

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**ACTION: RC**

Retain contact details for DG as Mid Coast Council representative on web site until end June 2016

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- The Chair advised she will send out draft minutes to CCC members shortly after the meeting. Members will have one week to respond to any issues raised, then RC will be advised to load draft minutes to the web site.

**Q:** If approval is obtained for the project say September / October 2016 when would mining operations commence?

**A:** Estimate would be 18 months from approval and this would be optimistic. There are obviously other approvals required which would take around six months followed by the construction phase at an estimated 12 months.

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## 7. General Business

Items from correspondence:

- Item 1

Response to questions prepared for reply to letter from Knitting Nannas letter of 21 April 2016. The response will be attached to the draft minutes as an Appendix.

The Chair thanked RC for his time in preparing response.

- Item 7

Letter from Knitting Nannas dated 1/6/16 received via email and handed to the Chair on arrival at today's meeting. The Chair read the letter. Basically three questions have been posed in the letter, namely:

**Q1** – who will be replacing council representative CCC?

The chair advised she will be writing to MidCoast Council asking them to nominate a delegation for representation on the CCC. Hopefully by next meeting someone will be appointed.

**ACTION: LA**

To write to MidCoast Council  
seeking the nomination and attendance  
of a delegate on the CCC

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**Q2** – The issue of John Turner’s appointment as Administrator for the newly formed Mid-Coast Council is not a matter for this CCC.

**Q3** – Knitting Nannas nomination for member representation.

The Chair expressed that the CCC operates under a Charter and currently the composition of the committee meets the requirements that is a broad cross section of community and stakeholders.

- Item 10  
Email correspondence of 2/6/16 from Denise Gilbert nominating herself as a representative on the CCC.

The Chair advised that Forbesdale is one of the suburbs in the Gloucester area. If additional representatives were required then an Expression of Interest would be advertised within the community. The Chair will write to both Knitting Nannas and Denise Gilbert thanking them for their correspondence and interest in the project, but does not propose any further changes at this stage.

SR stated that people who are most heavily impacted upon should be on the CCC.

Lengthy discussion took place in regard to representation and make-up of the CCC and the impact being felt now and in the future by residents in some areas. In conclusion:

- The Chair noted the CCC provides comprehensive information via the minutes, which are up uploaded onto the website. Correspondence is also tabled from external parties and there is always the opportunity for anyone to go through the CCC for information and GRL will take questions and respond appropriately.
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The Chair introduced Evelina Hendry to the CCC and asked Evelina to explain her role with the Department.

Evelina explained her role as Community Liaison Officer with the Department of Industry, Division of Resources and Energy, covers both the Hunter and Upper Hunter area and Gloucester falls within this area. Her role is to bring information back from the community to the department around issues of resources and energy. She speaks to stakeholders to get an idea of issues on whatever activity is happening and then speaks to companies, proponents and the department and acts as a conduit to open communication. She also advises companies and the community about change in legislation. It is her responsibility to ensure that everyone understands their responsibility under the new regulatory framework. Any issues, she steps in to help facilitate a resolution to any of those issues where possible. This role has not been carried out before and feedback, and not just from councils, but also local community and interest groups, is that it is a really valuable resource.

DG advised he was very impressed with Evelina's performance when she worked with Council in relation to AGL.

***ACTION: Chair***

Distribute contact details for Evelina to CCC members

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There being no further business the meeting closed at 11:19am. NEXT MEETING: 5 August 2016

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LA advised she will be on annual leave during June/July for six weeks. She will be checking emails infrequently, however, for any urgent matter contact should be made with JM.

***Attachment: Appendix – Response to correspondence from Knitting Nannas dated 26/4/16***

**1. What quantities of coal will be extracted per annum?**

- a) Thermal?
- b) Coking?

Scheduled annual production will increase from approximately 0.2Mt in the initial year of mining to about 1.8Mt annually, with the volume varying from year to year.

In excess of 95% of the product coal will be coking coal, with the remaining coal being a thermal product.

**2. Where (country) will the coal be sent?**

All product coal will be exported, with the predominant markets likely to be Asian steel mills.

**3. Who owns Gloucester Resources Limited? What percentage is foreign owned?**

The owners of GRL are identified on the Rocky Hill website ([www.rockyhillproject.com.au](http://www.rockyhillproject.com.au)). Foreign ownership is reported to ASIC and can be found through an ASIC search.

**4. What are your sources of information on coal deposits? Did AGL provide you with their geological and other surveys and where and when are these available for public and investor scrutiny? What other sources of information have you based your projections on?**

Information on the coal deposits has been sourced through a range of sources including:

- Regional geological mapping;
- Publically available information;
- Extensive open and core drilling undertaken by GRL since 2009 and by previous exploration companies since the 1980s;
- Seismic and ground magnetic surveys;
- Laboratory testing for coal quality parameters; and geological modelling.

Some information was also obtained from AGL.

The geological information obtained by GRL in its exploration activities is provided to DRE

but is considered to be commercially sensitive information and as such will not be provided.

Unlike public companies which are required to provide certain information to the stock exchange, GRL is a private company.

**5. What is the maximum depth to which you can extract the coal deposits?**

The depth of coal extraction at any open cut mine is determined by a number of factors including seam thickness, seam dip, mining difficulty, ash content, chemical and other parameters, the degree of processing required to satisfy market requirements, and yield, all of which determine the economic stripping ratio, i.e. how much overburden can be economically removed to produce each tonne of product coal.

Planned open cut depths will be presented in the EIS.

**6. How much of the coal deposits will be extracted using automated technology? What machinery will be used? Please provide a comprehensive list of equipment for extraction, transport, processing, loading.**

No automated equipment is proposed to be used. A detailed list of equipment and numbers will be provided in the EIS.

**7. What is the life span of the mine?**

With the recently announced reduction in planned hours of operations, coal production is projected to occur for approximately 16 years following a one year site establishment and construction stage, with a period of some 3 years following the completion of coal extraction to enable backfilling of the remaining open cut void and completion of the outstanding rehabilitation activities. The duration of coal extraction activities will, however, be dependent on the demand for the coal, economic conditions and in-field operational experience.

**8. How many employees are guaranteed full time employment; part time employment; casual employment? How many of these positions do you anticipate will be available for existing local residents?**

It is expected (not guaranteed) that approximately 110 full-time equivalent persons will be employed when the mine is at full production. Whether or not any persons will be employed on a part-time basis or casual basis is still being considered and will be determined closer to when mining operations commence.

GRL has previously publically identified, and remains committed to a target of 50% local employment by the end of Year 2 and 75% by the end of year 3 where local employment means people already residing in the area or who move into the area and become residents. How many of these people will be existing local residents would depend on a number of factors. However, responses to the Expressions of Interest sought previously have identified a diverse skills base is already available in the local area.

**9. What contractors will be involved on the site? off site?**

This level of detail is not available at this stage of project planning.

**10. What are the projected costs of transporting coal from:**

- a) the coal face to the loader?
- b) the loader to trains?
- c) trains to port?

Information on projected costs is commercially sensitive.

**11. What costs will be incurred for investors and tax payers for covering coal transporters?**

It is unclear what this question is asking.

**12. How much is being put aside for rehabilitation of the site?**

Until such time as a development consent is received, the full and final extent of rehabilitation obligations will be unknown. Projected rehabilitation costs are, however, built into the financial model for the Project and taken into account in the financial assessment by the owners.

Should development consent be granted, the conditions of the granted mining lease(s) will require that a security be provided to government to cover any rehabilitation liabilities in the event of a failure of the company to undertake any rehabilitation activities or achieve the agreed outcomes and completion criteria. The security is based on third party unit rates and is not released until the rehabilitation has been deemed successful by the regulators.

**13. What subsidies will the company receive from government sources? ( e.g. diesel rebates)**

The company will NOT receive any subsidies from government sources. The diesel rebate (or fuel tax credit) is not a subsidy but a rebate of an embedded road user charge in the cost of diesel.

**14. Which councils are involved in negotiations?**

It is unclear as to what this is referring to.

**15. How much will investors be required to pay to subsidise proposed insurance schemes to cover future related health issues to those living in close proximity?**

GRL is not aware of any proposed insurance schemes of this sort. Once there is more definitive information on this matter, GRL will be in a position to more accurately determine any obligations in this area.

**16. What provisions are being established to insure investors against future climate change- related litigation against fossil fuel industries?**

Only once there is more definitive legislation on climate change obligations, will GRL be able to assess its obligations in this area.

**17. Would you please provide us with hard copies of the geology of the proposed mining site(s) showing water aquifers, fractures, tilting and coal seams (including depth and angles of coal).**

Relevant information will be presented in the EIS.

**18. Can you provide us with a list of your investors and/or shareholders?**

A list of GRL's owners can be found on the Rocky Hill website.

**19. Where and how many monitors, both noise and dust, will be placed around Gloucester and surrounding affected areas? Who will cover the cost of these stations?**

The type, number and locations of noise and dust monitors to be placed around the Rocky Hill site has yet to be determined but will be based on the outcomes of the investigations as to the potential impact of the Project and recommendations from specialists in those fields in order to:

- monitor compliance with limits identified in the development consent, Environment Protection Licence or other approvals; and
- provide real-time information which will be used to if refinements to operations are likely to be required to maintain compliance.

As with the existing background air quality monitoring network of deposited dust gauges, PM10 high volume samplers and PM10/PM2.5 TEOMs, the cost of the above monitoring will be borne by GRL.

**20. What is your estimate of the total coal deposits available for extraction and on current market value what returns will investors expect?**

The Rocky Hill Coal Project is projected to produce approximately 21Mt run-of-mine coal, yielding approximately 13Mt product comprising at least 95% high fluidity coking coal and less than 5% thermal coal.

The market value of the coal depends on its end use and qualities. High quality coking coal as would be produced from the RHCP is in relatively short supply with forecasts predicting the scarcity will increase and its market value increase accordingly.

Owner expectation in terms of a return on investment are a matter for each owner.

**21. Could you please send an electronic or hard copy of the original geological maps used to determine quantities, depth of coal deposits that you plan to extract.**

No. The majority of this information is commercially sensitive or proprietary in nature.

**22. What is the distance planned to mine near the town?**

The EIS will identify the distance between various features or activities on the Site and representative residences and facilities within the town.

**23. When and where will the first stage commence?**

Commencement of the Project, i.e. site establishment and construction activities, will occur once development consent and all necessary licences, leases and approvals have been received and all management plans etc. required in advance of commencement have been approved.

Given that the majority of these aspects are wholly or at least partly under the control of the regulators, advice as to the timing of commencement is not possible.

Following the site establishment and construction stage, mining would commence, starting in the south and progressing northwards.

**24. What is the proximity to our town for ALL stages of your project?**

There are only two stages to the Project: site establishment and construction and mining. The EIS will present plans showing the planned development of the mine over time and enable any party to determine distances to a particular point of interest. Also see answer to Q22.

**25. We have been informed from a reliable source and have sighted information that indicates that there are insufficient accessible coal deposits to warrant a profitable return to investors. Can you please provide us with hard evidence to contradict this information?**

Based on the outcomes of the geological and coal quality investigations, GRL's owners have determined that the RHCP is a worthwhile venture. With respect to the matter of returns, see Q.20.

**26. Dealings in the past have been with Mr Grant Pollworth. Could you please advise his whereabouts?**

Grant Polwarth, former CEO, resigned from that position with GRL in the second half of 2015 due to other work and family commitments and is no longer involved with the Project.

**27. Do you intend to have a shopfront?**

It is our intention to have an information centre open at nominated periods during the exhibition of the EIS, i.e. as was the case when the prior EIS was exhibited. The location, opening dates and times will be advertised at the appropriate time.

Should development consent be granted, access to company personnel and relevant information will be available. However, whether or not this would involve a "shopfront" and if so, where and when it is open etc. is a matter that would be determined in the future.

**28. What considerations/provisions will be in place for the haulage road situated on the floodplain?**

The haul will be constructed so that it has minimal impact on flooding behaviour. During periods of flooding, no coal haulage will be undertaken.

**29. What strategies does the company have in mind for adapting to the changing attitudes towards coal extraction and use and a preference investment in renewable energy industries?**

**Some concerns have come to us via dairy and cattle producers in our region. Coal dust is incompatible with animal health. Thoroughbred breeders in the Hunter have insisted on larger buffer zones. Diesel fumes are also a concern.**

The product coal from the RHCP will be predominantly used for coke production at steel mills, i.e. is a metallurgical or coking coal. Less than 5% product will be thermal coal. It is thermal coal that is used for power generation and has some potential for replacement by renewable sources. There is NO alternative to metallurgical coal in the manufacture of steel.

The issue of coal dust, dust in general and diesel fumes, including on animal health and fodder, will be addressed in the EIS. Similarly, quantification of particulate matter generation as a consequence of the Project and an assessment of PM increases on community health is being assessed.

**30. How do you propose to protect dairy/beef herds and community from the health impacts of coal dust and diesel fumes?**

Particulate matter (PM) generation will be minimised through design and operational safeguards so that compliance with the specified criteria are achieved.

**31. How do you plan to keep coal dust out of milk vats given the close proximity to a number of large dairies?**

Dust generation as a consequence of the RHCP is being quantified by a specialist air quality consultancy and assessed against the regulator's criteria. The results will be presented in the EIS.

Based on the volume of materials to be mined, coal dust will likely represent about 10% of total dust.

Dust particles of all sizes are a natural occurrence in all areas with the levels, particularly in agricultural areas, depending on the season and nature of activities being undertaken. Given this to be the case and an assumption that dust is an unacceptable contaminant in milk storages, it would be reasonable to assume that controls or procedures would be in place to exclude it, even if there was no mining in an area. Any procedures/controls to exclude dust from these sources would therefore exclude any dust from mining operations.

To our knowledge, there are four large dairies in the vicinity of the Project west of the Mograni Range, each of which uses tanks with a direct transferral of milk from the milking machines to the tanks without opportunity for contamination by dust in the air, independent of its source.

**32. The mine is planned to extend to within 40 metres of the Avon River. What levees are planned to protect the mine pit from river flooding?**

Mining is NOT planned to extend to "within 40 metres of the Avon River". Nearest mining to the Avon is approximately 680m. GRL plans to construct an amenity barrier to the west and north of its open cuts to provide acoustic and visual shielding of the planned operation. In the southwest, this barrier will prevent Waukivory Creek floodwaters which would otherwise encroach into the adjacent pit from doing so.

**33. Will these levees exacerbate flooding further downstream?**

The impact of the barrier on flood behaviour is being assessed as part of the EIS. However, based on the prior assessment, any effects in terms of flood levels or velocities would be limited and confined to the immediate area and in no way exacerbate flooding further downstream.

**34. Dairying is the most water intensive agricultural production system. How will a deep mine in close proximity to the Avon River protect essential water resources for our dairy producers?**

It is recognised that the 'make good' water agreements in Queensland are a complete failure. As the \$ return for fossil fuels decreases companies are not compensating for lost water in a timely manner. If a farmer loses all their water, they do not have years to wait for water.

The impact of the RHCP on water resources, whether used by dairy farmers or others, will be one of the outcomes from the investigations being undertaken to inform the EIS. However, based on prior modelling undertaken, any losses from this source will be more than covered by licences already held by GRL, water which GRL could have been extracting to date.

GRL is not in a position to make comment on the purported "complete failure" of the "make good" agreements in a different jurisdiction.

**35. What binding assurances can you give our community about depleted water and a 'make good' strategy if one is contemplated?**

GRL will operate the RHCP in a manner which complies with the conditions of its development consent and other approvals, licences and leases, including any make good requirements.

**36. We would like to nominate someone from the community to hold a position on the Community Consultative Committee. Is this possible?**

The issue of Knitting Nanna representation on the Gloucester EXPLORATION Project CCC is not a matter for GRL.