

BICKHAM COAL COMPANY
BULK SAMPLE APPLICATION UPDATE

Bickham Coal Company is jointly owned by the Cant and Foster families who have a long history in the Hunter Valley mining industry. Bickham Coal Company holds exploration licences approximately 12km south-east of Murrurundi where a reserve of 25-30 million tonnes of thermal coal has been identified.

The Company has already purchased the land, which contains this reserve. An application to extract a 25,000 tonne bulk sample has been lodged with the Department of Mineral Resources (DMR) to allow potential South East Asia customers to conduct trial combustion burns of coal. These trials are essential as the major part of the reserve has, compared to other Hunter Valley coals, higher levels of iron in the ash. This may result in boiler fouling and ash disposal issues.

A comprehensive Review of Environmental Factors (REF) has been prepared and lodged with the DMR. It seeks approval only for removing 331,000 bcm of overburden and 25,000 tonnes of coal. The overburden will be used to rehabilitate an existing flint clay void and the coal will be trucked 40km to Dartbrook Coal Preparation Plant for railing to Newcastle. The bulk sample will use existing road systems established for the flint clay mining operation.

This REF, if approved, is for the bulk sample only. Any proposal for the open cut mine would be required to undertake the full EIS process through Planning NSW.

Bickham Coal Company has undertaken an extensive consultation process, both with the community and relevant Government departments. A number of concerns have been raised during the community consultation process. The main concern has related to extraction of ground water and its use.

To address this issue Bickham Coal Company has modified its proposal and:

- will inject all ground water pumped from the bulk sample area (120-230MI) back into the same aquifer system from which it was extracted, thereby ensuring the aquifer system will recharge within three to six months;
- reconfirmed the very low probability of any direct hydraulic connection between the Pages River and the underlining aquifers;
- further detailed monitoring and assessment programs would identify any such connection and corrective action will be undertaken in accordance with any approval conditions;
- confirmed that no water will be discharged into Pages River; and
- has shown the company has sufficient water on site to undertake its bulk sample without any effect on the natural surface or ground water systems.

Concerns have also been raised about Burning Mountain. Repeated assurance had been provided that there will be no adverse effect on Burning Mountain which is located over 6 km south of the proposed bulk sample extraction.

Flint clay mining, which has taken place for over 20 years, has been carried out within 1.5 km of Burning Mountain and we have been advised this mining used extensive blasting. At least six voids remain, all of which are of a larger scale operation than the proposed bulk sample.

No adverse effects have been detected at Burning Mountain during this entire period.

Bickham Coal Company believes the REF shows there will be no detrimental long-term environmental effects from the bulk sample being undertaken.