

BICKHAM COAL COMPANY

Bulk Sample Application Update

Background

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 Application

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.

The application seeks approval only for removing 331,000 bcm of over burden and 25,000 tonnes of coal. *(This application, 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.)* The overburden will be used to rehabilitate an existing flint clay void.

The bulk sample will use existing road systems established for the flint clay mining operation.

Community Consultation and Issues

A comprehensive Review of Environmental Factors (REF) was placed on exhibition for comment last year following an extensive consultation process, both with the community and relevant Government departments.

A number of concerns were raised during the community consultation process, mainly related to extraction of ground water and its use. After the exhibition period the then Minister for Mineral Resources requested that the company undertake further studies, which were carried out early this year.

Concerns were also 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.

Further Studies

Following the direction of the previous Minister for Mineral Resources the following additional investigations have been undertaken at South Bickham.

- The construction of a 200mm dewatering bore adjacent to the proposed bulk sample site as well as a further four piezometers adjacent to the Pages River on the eastern side of the proposed bulk sample site. An extensive hydraulic testing program was then undertaken involving tests of up to 34 hours duration.
- Detailed investigation of the geology in the vicinity of the Pages River north and east of the proposed open cut.
- Full hydrological study of the Pages River for its entire length where it flows through the property South Bickham (3km).
- Detailed investigation into potential adverse effects of blasting.
- Preparation of responses to other issues raised by respondents to the previous Review of Environmental Factors (REF).

Findings

The ground water to be removed during the bulk sample excavation is far less than originally predicted – less than 16 megalitres over the six-month duration of the excavation.

Why is this estimate so much lower than originally predicted? In the initial REF published last year the estimates of the amount of water to be extracted during the project were based on worst-case assumptions. This ground water model resulted in a theoretical dewatering volume of up to 235 ML over six months.

Following the direction of the previous Minister for Mineral Resources additional investigations were undertaken. These included the construction of a 200mm dewatering bore adjacent to the proposed bulk sample site as well as a further four piezometers adjacent to the Pages River on the eastern side of the proposed bulk sample site.

An extensive hydraulic testing program was then undertaken involving tests of up to 34 hours duration. Members of the local community were invited to observe the testing program.

Using the results of these additional empirical trials (rather than worst-case assumptions) the water extraction estimates were updated for the revised REF to 15.5 ML over six months. The revised estimates are based on empirical data - quantifiable and provable - collected by respected experts.

These studies reconfirmed that ground water is from a hard rock aquifer only and water is planned to be extracted under an industrial licence for safety and environmental dust suppression. An industrial licence will be sought from the Department of Infrastructure, Planning and Natural Resources (DIPNR) if the bulk sample is approved.)

There is evidence of some hydrological connection between the ground water in the bulk sample area and the Pages River with minor amounts of water flowing into the river. The net reduction of ground water flow into the Pages River during the bulk sample excavation will be less than one megalitre.

Other Issues

Dartbrook Mine are now unable to wash or load the 25,000 tonnes of coal and therefore, it will have to be trucked to Rix's Creek Mine just north of Singleton.

Timetable

The reports of the water and associated geology studies were presented to the Bickham Coal Company Community Consultative Committee (BCCCCC) meeting on 11 June.

The revised Review of Environmental Factors was presented at a meeting of the Bickham Coal Community Consultative Committee on Wednesday 20 August.

The report was placed on public exhibition for comment from Thursday 21 August 'til Thursday 18 September.

The DMR has since considered the REF and submissions and a report has been prepared for the Minister, Kerry Hickey. Approval is expected in the second week of the new year.

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