

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 overburden 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. The original proposal was that the coal would be trucked 40km to Dartbrook Coal Preparation Plant for railing to Newcastle. *(This window of opportunity to use the Dartbrook washery has now closed, and it may be necessary to truck the coal to Rix's Creek near Singleton.)*

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, over the past five months, 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.
- Baseline studies of both flora and fauna and archaeology for the whole of the proposed mine site.

- 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).
- Dust modelling report.
- 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.
- Reconfirmation 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.
- 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.
- The full flora and fauna study of the whole future mine area found the existence of three threatened fauna species...two types of bat and a wallaby. An eight-part test confirms however that they will not be affected by the bulk sample operation.
- Geological studies show structures are simpler than previously modeled. Any faults, if present, exist only as minor localised structures.
- Detailed dust modelling has shown “the effects of the project’s emissions can be considered negligible”

- The blasting report confirms that the maximum potential for minor cracking of the rock in the highwall is 10-15m.

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.

Proposed Timetable for new REF

- The new water report has been presented to the Department of Land and Water Conservation for approval.
- 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 new REF will be completed by the end of June.
- A public meeting and shop fronts to discuss the new REF will commence in July.
- Consideration of the REF by the Minister is anticipated by the end of August.

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