

HUNTER VALLEY OPERATIONS

Community Consultative Committee Meeting – 23 March 2017 Agenda Items

1. Welcome: Housekeeping, Emergency Procedures
2. Apologies
3. Declaration of pecuniary interests/conflicts of interest
4. Correspondence
5. Confirmation of the previous meeting's minutes
6. Matters arising from previous meeting
7. Company reports – Update on Hunter Valley Operations
8. Community Representative Feedback
9. Presentations
 1. HVO Approvals Overview
 2. Coal and Allied Tender Process (Postponed)
10. General business
 1. Publication of meeting minutes
11. Next meeting

**COAL
&
ALLIED**

Managed by Rio Tinto Coal Australia

Housekeeping, Muster Area & Safety Share

Declaration of pecuniary interests/conflicts of interest

PECUNIARY AND OTHER INTERESTS

Members should declare any pecuniary or other interest which may be considered to prevent them undertaking their role impartially and in the best interests of the local and broader communities. Examples include holding a private contract with the company or holding voluntary acquisition rights. These guidelines establish no requirement in respect of personal interests other than declaration. However, the committee may determine that a personal interest is sufficient that a member should withdraw from discussion on a particular issue.

Business Arising from July and October CCC Minutes

Action	Action Proposed By	Action Proposed	Accountability	Response
1	C. Gellatly	HVO to present the results of the employee breakdown	Andrew Speechly	
2	T. Lukeman	TL to provide further information on C&A accounts payable	Tom Lukeman	

Action 1: Contractor employment statistics

HVO Contractor spend - top 15 Contractors by value - 2015		
Total analysed	Spend	\$63,220,417
	% of total Contractor spend	74%
LGA	Spend	% (of analysed spend)
Singleton	\$15,565,128	25%
Muswellbrook	\$5,792,897	9%
Upper Hunter	\$1,864,234	3%
Maitland	\$9,589,110	15%
Cessnock	\$12,504,458	20%

Majority of remainder in Newcastle, Port Stephens and Lake Macquarie

Sale of Coal and Allied

Rio Tinto has reached a binding agreement to sell Coal & Allied to Yancoal Australia Limited for up to US\$2.45 billion plus royalties.

This includes all interests, held through Coal & Allied, in Mount Thorley Warkworth (MTW), Hunter Valley Operations (HVO) and Port Waratah Coal Services (PWCS).

Yancoal is one of Australia's biggest coal miners - with nine owned or managed operations across New South Wales, Queensland and Western Australia. Coal & Allied will be a strong fit for Yancoal which will have different priorities to Rio Tinto for growth and capital allocation.

There are a number of conditions that need to be met before this sale is completed, which we expect will happen during the second half of 2017.

Between now and then Rio Tinto will continue to manage MTW and HVO and will work with Yancoal to plan a smooth, safe handover.

Business Arising from Nov CCC Minutes

Feral Pest Management Update

The following vertebrate pest management activities will be undertaken during the year.

- 3 x 4 week 1080 baiting program, targeting wild dogs and foxes based on historical and recent sighting locations (incl. ejector baiting trial) (summer, autumn, spring)

Summer results - 91% success rate, with 59 bait sites, 69 baits taken (20 sites baits taken on both instances)

- Winter Feral Pig Trapping
- Opportunistic pig shooting
- Kangaroo Culling
- Opportunistic Shooting (Other)

Vertebrate Pest	YTD
Deer	-
Feral Cat	-
Feral Pig	92
Fox	-
Hare	-
Kangaroo	-
Rabbit	-
Wild Dog	-
Feral Cattle	6

Ejector bait setup at Bait Site 57 with granulated beef liver lure, taken on 15/02/2017

Wild dog at Ejector Bait Site 57 after ejector bait 1080 capsule activated, taken on 25/02/2017.



Audits/inspections/Updates

Inter-Agency Audit program: Dam Safety

- Joint audit occurred between 3rd - 4th November
- Audit comprised NSW EPA, Resources Regulator and DPE
- Audit of HVO under the Dams at NSW Mines Audit Program
- Audit report from the NSW EPA will be available to the public via the NSW EPA Website
- Yet to receive reports from DPE and Resources Regulator

EPA Site Visit – 27th February 2017

The Environmental Protection Authority has had a restructure and as a result the EPA officer responsible for our site has changed. Natasha Ryan will now cover HVO and will be our primary point of contact. Natasha attended HVO on Monday 27th February for a site tour/familiarisation and an inspection of the Parnells discharge infrastructure.

Penalty Notice – Parnells Dam Pump Leak and Saline Discharge

HVO has been fined \$15,000 for contravening EPL640 licence condition E1 – discharge of saline waters.

Audits/inspections/Updates

HVO Independent Compliance Audit

The report has been reviewed and accepted by DoPE and will be available on the website shortly.

Audit Scope:

- 2014 to 2016
- Conditions of Consent (North and South)
- Environmental Protection Licence (L640)
- Mining Leases
- Water Access Licences
- Management Plans

Number of Conditions	Non conformances	Administrative Non - conformances	Observations
<i>Statutory Instruments</i>			
363	14	9	22
	High (2), Medium (7), Low (5)		
<i>Implementation of Plans</i>			
16	2	1	3

“High” findings:

- Reported noise non-compliances (2014-2015)
- No evidence of procedure for River Red Gum Seed collection

Parnells Dam Pump Leak and Saline Discharge



On 4 November 2016 a pump flange adjacent to the Parnells Dam discharge point was observed to have a small pinhole leak. The water accumulated in the discharge point dissipater dam then overtopped the discharge point weir into Parnells Creek.

The volume of discharge was minor and duration was less than 51 hours. This is known based on the timing of the last inspection at the site, which was undertaken at ~11:40 on 2 November 2016.

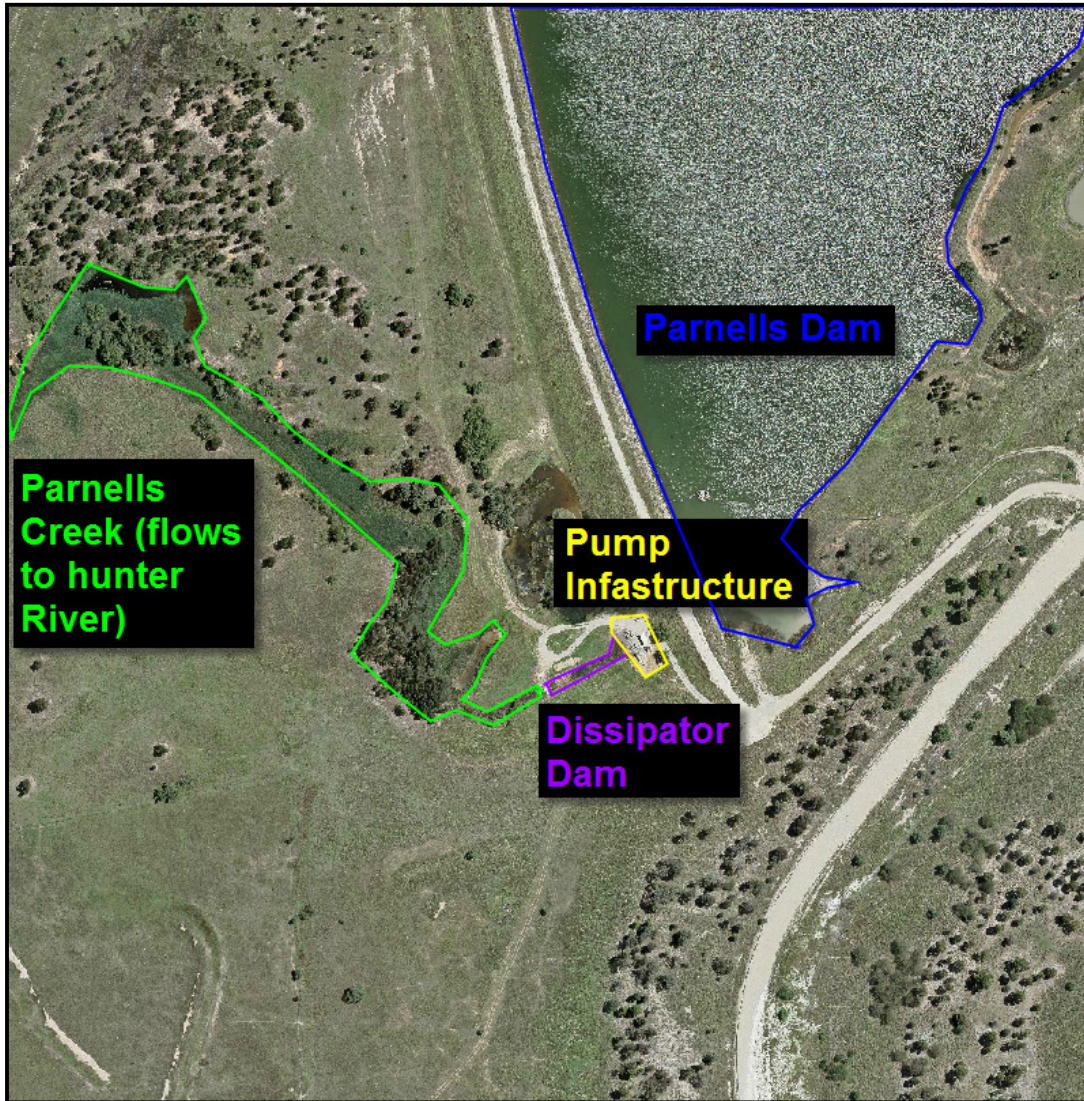
Water quality results indicated no impact occurred as a result of the overflowing water.

The incident was formally reported to the NSW EPA and Department of Planning. EPA have subsequently issued HVO with a \$15000 fine.

Parnells Dam Pump Leak and Saline Discharge



Parnells Dam Pump Leak and Saline Discharge



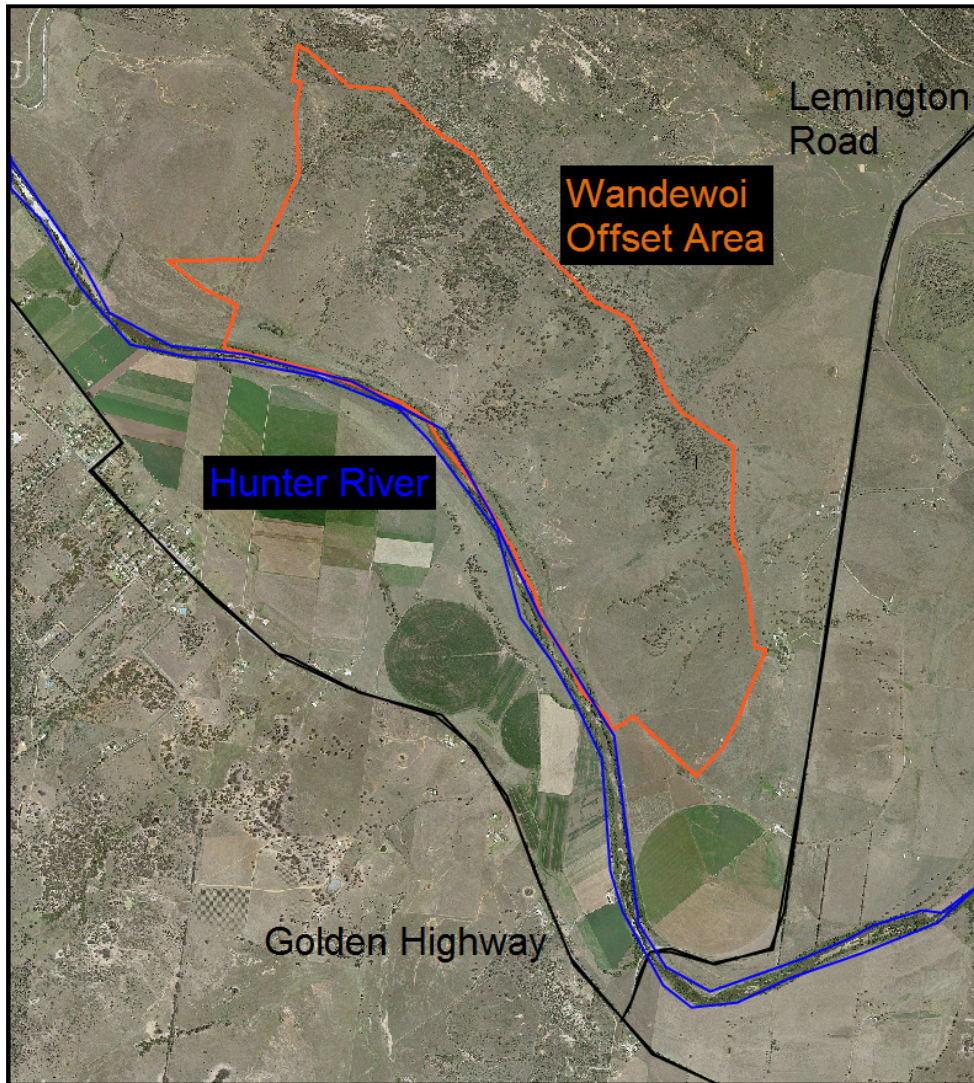
Remedial Actions:

A small sump was dug and a pump fitted to recover the accumulated water and pump back to Parnells Dam.

An electric pump has been installed in the sump as a longer term control method

Additional mitigation works are being developed including increasing the size of the dissipator dam and altering the pump back arrangements.

Wandewoi Offset Re-establishment



Re-establishment of Central Hunter Ironbark Woodland over 220 hectares at Wandewoi Offset.

75% of the area will be revegetated using tubestock planting and 25% using direct seeding.

Activities to be undertaken prior to planting:

Soil testing – to determine if soil amelioration is required prior to planting

Cultivation – light soil scarification or ripping/mounding;

Pre-plant weed control – Chemical control of weeds within the offset area;

Tube stock planting to occur Autumn 2017.

Other activities including erosion control works, weed management and internal fence removal.

Post-planting monitoring – Infill planting where necessary.

Wandewoi Offset



Target species

Scientific Name	Common Name	Present at Wandewoi BA
Canopy		
<i>Eucalyptus moluccana</i>	Grey Box	Yes
<i>Eucalyptus crebra</i>	Narrow-leaved Ironbark	
<i>Eucalyptus dawsonii</i>	Slaty gum	
<i>Corymbia maculata</i> (syn. <i>E. maculata</i>)	Spotted gum	
Mid storey		
<i>Acacia salicina</i>	Cooba	Yes
<i>Allocasuarina luehmannii</i>	Buloke	Yes
<i>Myoporum montanum</i>	Western Boobiella	Yes
<i>Notelaea microcarpa</i> var. <i>microcarpa</i>	Mock Olive	Yes
<i>Breynia oblongifolia</i>	Coffee Bush	
<i>Bursaria spinosa</i> subsp. <i>spinosa</i>	Blackthorn	
<i>Cassinia quinquefaria</i>	Cough Bush	
<i>Dodonaea viscosa</i>	Hop Bush	
<i>Solanum cinereum</i>	Narrawa Burr	

Target quantities of tube stock for each planting area are detailed in the table below. The target number of tube stock is based on a stocking rate of 100 stems per ha.

BA	Representation	Species diversity	Number of tube stock
Canopy	70%	At least 3 different species	7,700
Mid storey	30%	At least 5 different species	3,300

Scientific Name	Common Name	Present at Wandewoi BA
Groundcover		
<i>Aristida ramosa</i>	Purple Wiregrass	
<i>Austrostipa scabra</i>	Corkscrew Grass	
<i>Bothriochloa decipiens</i>	Red Grass	
<i>Brunoniella australis</i>	Blue Trumpet	
<i>Calotis cuneifolia</i>	Purple Burr-daisy	
<i>Cheilanthes distans</i>	Bristly Cloak Fern	
<i>Cheilanthes sieberi</i>	Poison Rock Fern	Yes
<i>Chloris ventricosa</i>	Tall Chloris	Yes
<i>Chrysocephalum apiculatum</i>	Common Everlasting	Yes
<i>Cymbopogon refractus</i>	Barbed Wire Grass	
<i>Desmodium brachypodium</i>	Large Tick-trefoil	Yes
<i>Desmodium varians</i>	Slender Tick-trefoil	
<i>Dichondra repens</i>	Kidney Weed	Yes
<i>Echinopogon caespitosus</i>	Bushy Hedgehog-grass	
<i>Einadia nutans</i>	Climbing Saltbush	
<i>Eragrostis leptostachya</i>	Paddock Lovegrass	
<i>Eremophila debilis</i>	Winter Apple	
<i>Glycine clandestina</i>	Twining glycine	Yes
<i>Lomandra multiflora</i>	Many-flowered Mat-rush	
<i>Melichrus urceolatus</i>	Urn-heath	
<i>Microlaena stipoides</i>	Weeping Grass	
<i>Paspalidium distans</i>		Yes
<i>Pomax umbellata</i>	-	
<i>Sida corrugata</i>	-	Yes
<i>Solanum prinophyllum</i>	Forest Nightshade	
<i>Sporobolus creber</i>	Slender Rat's Tail Grass	
<i>Vittadinia cuneata</i>	Fuzzweed	Yes
<i>Wahlenbergia communis</i>	tufted bluebell	Yes

Update on Hunter Valley Operations

Update on Hunter Valley Operations

Mark Townson
Mining Manager

2017 Mine Operations

Truck sound reduction

- Up to 30 trucks to be attenuated in 2017
- 4 trucks are currently being fitted

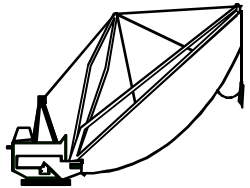


**COAL
&
ALLIED**

Managed by Rio Tinto Coal Australia



West Pit



**COAL
&
ALLIED**

Managed by Rio Tinto Coal Australia



Carrington Pit



**COAL
&
ALLIED**

Managed by Rio Tinto Coal Australia



Cheshunt Pit

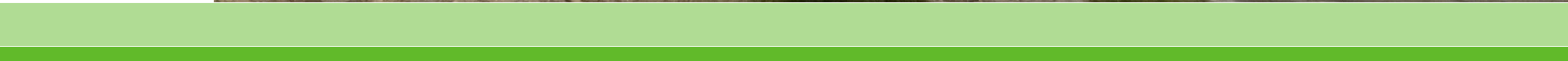
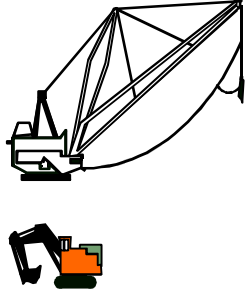


**COAL
&
ALLIED**

Managed by Rio Tinto Coal Australia



Riverview Pit

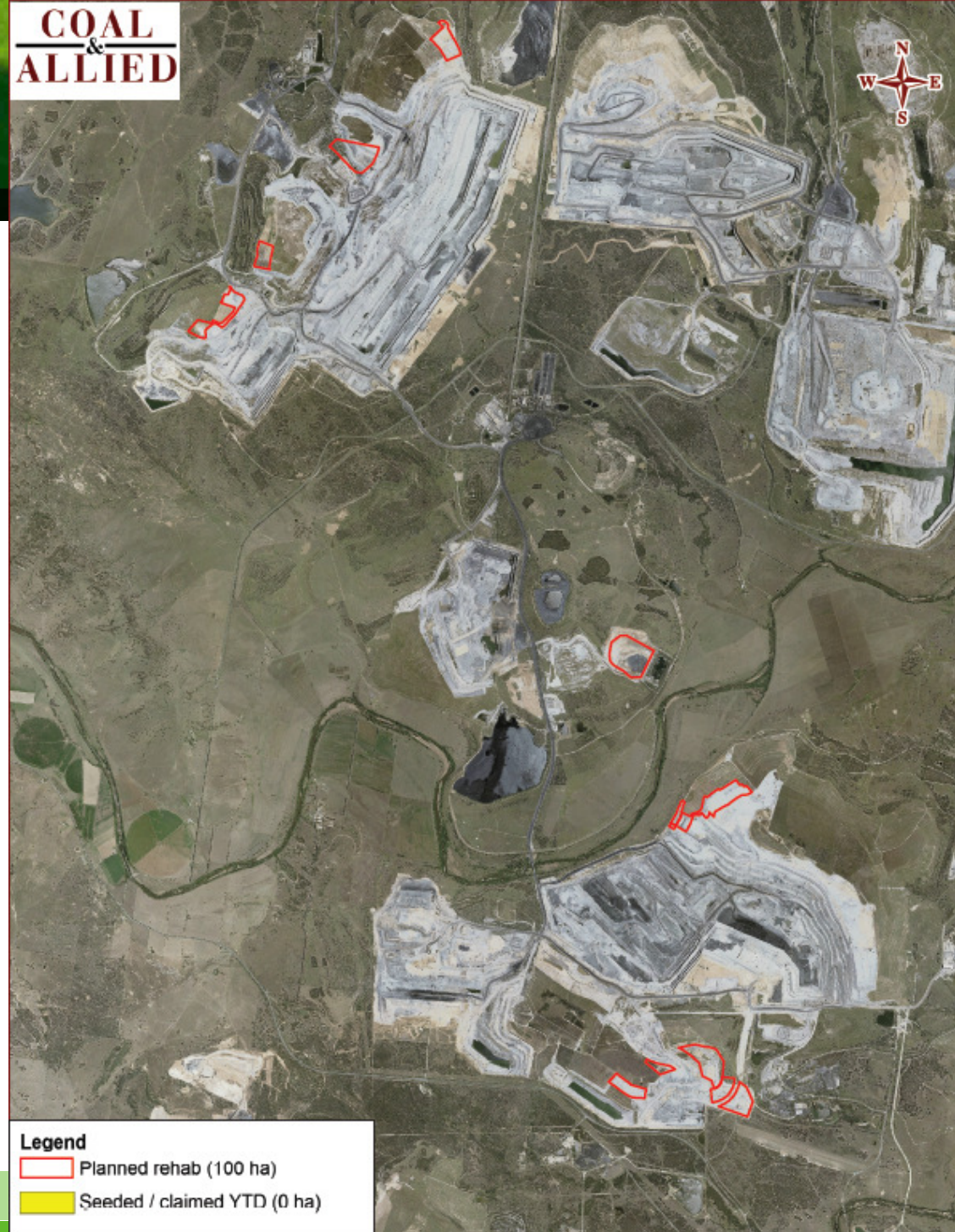


2017 Rehabilitation

Planned Rehab 100 ha

Year to Date:

- 42 ha released
- 20 ha shaped
- 5 ha topsoiled
- Seeding will commence in April



Approvals Update

- HVO North – Mod 6 – Carrington In Pit Fine Reject Emplacement
 - Modification was approved 25/1/2017.
- HVO South – Mod 5

HVO South Modification 5

Summary of community information sessions held February 2017
CCC meeting 23 March 2017



Community mine tour of HVO

Community Information Sessions

- During the Public Exhibition stage of the project, Hunter Valley Operations (HVO) hosted community information sessions to seek community feedback on its Environmental Assessment Report (EAR)
 - Public Exhibition period:
9 February – 10 March 2017
- Three community breakfast information sessions and a mine tour were held:
 - 4 February - Jerrys Plains (included a mine tour) (17 ppl)
 - 11 February - Maison Dieu (14 ppl)
 - 17 February - Long Point (9 ppl)
- 40 community members attended the sessions and 12 participated on the mine tour



Community Information Sessions

At each of the community information sessions, community members were taken through the proposed modification and asked to provide feedback on the findings and proposed management and mitigation strategies

- Overview of the proposed modification
- Noise and vibration
- Air quality and greenhouse gas
- Visual amenity
- Groundwater and surface water
- Final landform, rehabilitation and land use
- Ecology, heritage and socio-economic



HVOS community information session
Maison Dieu



HVOS community information session
Long Point

Summary of Feedback

- The two concerns which were consistently raised as most important at all three locations were air quality and noise
- Potential amenity impact (noise, air quality and visual), engagement strategies, acquisition and mitigation and local employment opportunities were listed as the most important mitigation measures for Coal & Allied to consider as part of the project

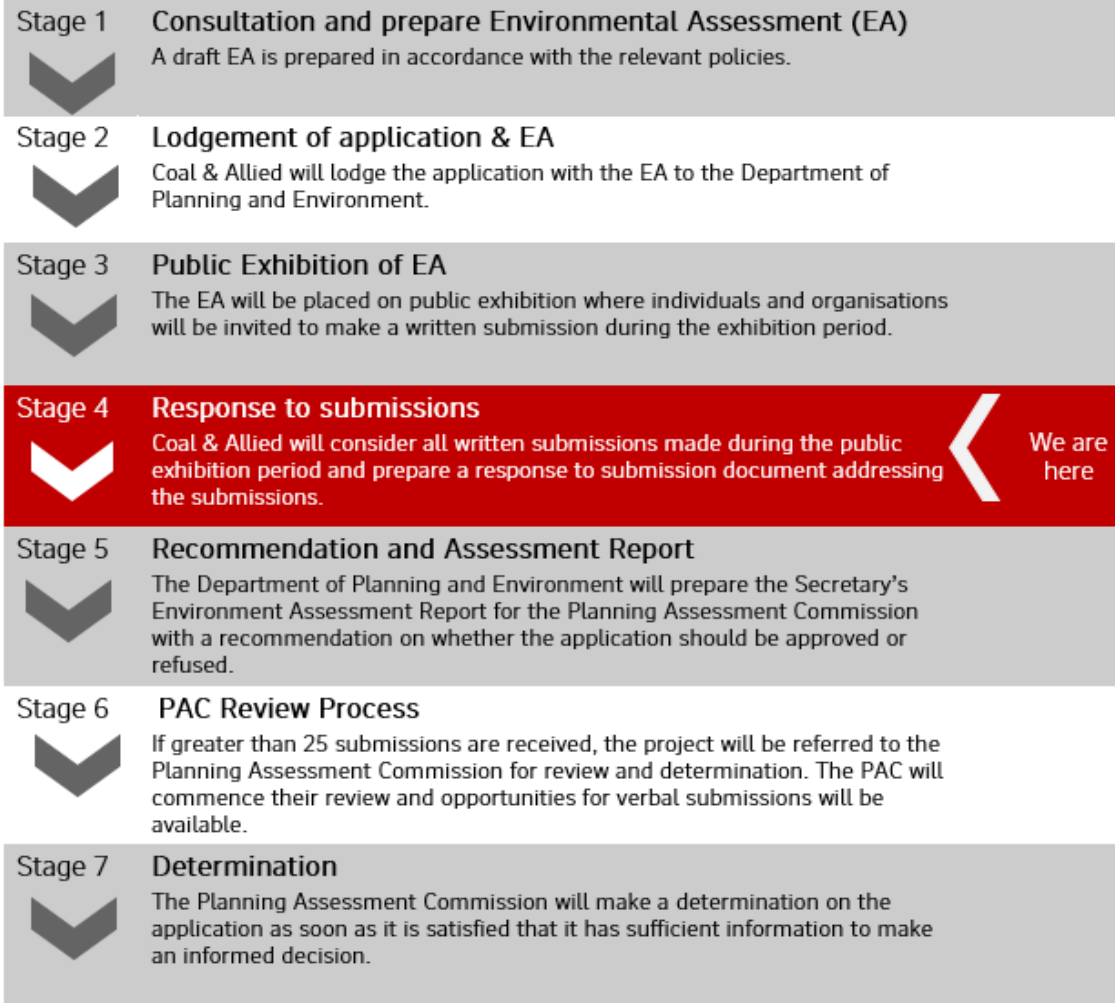


Response to Feedback

- Near Neighbour Amenity Resource – new initiative to fund works and services to improve amenities for our near neighbours
- Truck fleet attenuation – work has commenced to make our trucks quieter, 30 trucks are scheduled to be attenuated by the end of 2017
- Engagement – utilising feedback to update our plans to improve how we engage with our near neighbours
- Land acquisition and mitigation - assessment and determination is in accordance with the NSW Government's Voluntary Land Acquisition and Mitigation Policy
- Local employment - all vacancies for Coal & Allied are advertised on-line at www.riotinto.com
 - Coal & Allied also offers apprenticeships and traineeships, which includes haul truck traineeships - via local labour supplier Programmed

What happens next?

What happens next?



Summary of submissions

- 42 submissions:
 - 31 objections (28 public and 3 special interest groups)
 - 9 comments (2 public, 2 special interest groups and 5 government agencies)
 - 2 were in support of the modification (1 public and 1 special interest group)

- Of the 28 public objections:
 - 7 - from Near Neighbours
 - 6 - from Singleton LGA
 - 10 – from Hunter Region LGAs
 - 5 – outside Hunter Region

Community Representative Feedback

Community Representative Feedback

**COAL
&
ALLIED**

Managed by Rio Tinto Coal Australia

General Business

General Business

Date & Time of Next Meeting

2017 Calendar

January

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 13, 2017
November 16, 2017

May

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- 1 Jan New Year's Day
- 2 Jan 'New Year's Day' observed
- 26 Jan Australia Day
- 6 Mar Labour Day (Western Australia)
- 13 Mar Labour Day (Victoria)
- 13 Mar Eight Hours Day (Tasmania)
- 21 Mar Harmony Day
- 14 Apr Good Friday
- 15 Apr Holy Saturday (Most regions)
- 16 Apr Easter Day (All)
- 17 Apr Easter Monday
- 25 Apr ANZAC Day (All)
- 1 May May Day (Northern Territory, Queensland)
- 5 Jun Western Australia Day (Western Australia)
- 12 Jun Queen's Birthday (Most regions)
- 25 Sep Queen's Birthday (Western Australia)
- 2 Oct Queen's Birthday (Queensland)
- 2 Oct Labour Day (ACT, NSW, SA)
- 11 Nov Remembrance Day
- 24 Dec Christmas Eve
- 25 Dec Christmas Day
- 26 Dec Boxing Day
- 31 Dec New Year's Eve

September

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						