



EAGLE DOWNS PROJECT

Initial Advice Statement

prepared for

Bowen Central Coal Management Pty Ltd

July 2008

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ENVIRONMENTAL CONSULTANTS

EAGLE DOWNS PROJECT

INITIAL ADVICE STATEMENT

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22 July 2008

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EAGLE DOWNS PROJECT INITIAL ADVICE STATEMENT

for
Bowen Central Coal Management Pty Ltd

1 INTRODUCTION

1.1 BACKGROUND

The Eagle Downs Project involves the development of a greenfield underground coal mine. The project area is located 20 km south-east of Moranbah in Central Queensland (Figure 1). The proposed mine will produce up to 11 Million tonnes per annum (Mtpa) of Run of Mine (ROM) coking coal for the export market. The mine will utilise the longwall mining method and will have a mine life in excess of 30 years.

The project proponent is the Bowen Central Coal Joint Venture Parties, consisting of Bowen Central Coal Pty Ltd (BCC) (50%) and Aquila Coal Pty Ltd (Aquila) (50%). Bowen Central Coal Management Pty Ltd (BCCM) manages the joint venture on behalf of the Bowen Central Coal Joint Venture Parties. BCC is a wholly owned subsidiary of CVRD Australia Pty Ltd, which is itself a wholly-owned subsidiary of the Brazilian company Vale, the second largest diversified mining company in the world. Aquila is a wholly-owned subsidiary of Aquila Resources Limited, a company listed on the Australian Stock Exchange and engaged in coal and iron ore exploration and development in Australia and Southern Africa.

The mining lease application for the project (mining lease application number 70389) was lodged with the Department of Mines and Energy on 14 November 2007. The boundary of the mining lease application area is shown in Figure 2. The mining lease application was accompanied by an application for an environmental authority (EA) for the project. The Environmental Protection Agency (EPA) issued an assessment level decision for the project on 14 December 2007, indicating that an environmental impact statement (EIS) is required to support the EA application.

The project was declared a controlled action under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) by the Federal Department of the Environment, Water, Heritage and the Arts (DEWHA) on 31 January 2008. The controlling provisions were potential impacts on listed threatened species and communities.

1.2 PURPOSE OF THIS DOCUMENT

This Initial Advice Statement (IAS) provides introductory information on the Eagle Downs Project. It has been prepared for submission to the EPA with Draft Terms of Reference for

an EIS for the project. The IAS has been prepared following a pre-lodgement meeting with the EPA on 9 October 2007.

2 PROJECT DESCRIPTION

2.1 PROJECT AREA

The northern boundary of the project area is located 20 km south-east of the centre of Moranbah in Central Queensland (Figure 1). The site is defined by the boundary of the mining lease application area and covers an area of approximately 4,550 ha (Figure 2).

The site is generally flat to gently undulating and is traversed by a number of minor ephemeral drainage lines. The majority of the site has been cleared in the past for grazing, although there are small areas of remnant vegetation on the site. The site is owned by a single private landowner and is currently used for grazing. The nearest private residence is located approximately 5 km from the proposed mine surface facilities. The Norwich Park Branch railway line traverses the south-east corner of the site. Powerlines and an easement for the Eungella water pipeline also traverse the site. Access to the site is via Winchester Road.

The site is surrounded by grazing land. Peak Downs open cut mine is located approximately 2 km to the west of the site. The majority of the site is located in Belyando Shire. The eastern corner of the site is located in Broadsound Shire.

2.2 PROJECT DESCRIPTION

The Eagle Downs Project involves the development of a greenfield underground coal mine. The proposed mine will produce up to 11 Mtpa of ROM coking coal for the export market. It will utilise the longwall mining method with up to two longwalls operating simultaneously. The mine will have an operating life in excess of 30 years. The mine will extract coal from up to four coal seams, namely the Q, Harrow Creek Upper (HCU), Harrow Creek Lower (HCL) and Dysart Seams (listed in descending order). The depths of the coal seams range from 170 to 600 m. The proposed underground mining area is shown in Figure 2.

The mine surface facilities will be located towards the western corner of the project area (Figure 2) and will include:

- Administration buildings;
- Workshop and vehicle servicing facilities;
- Warehouse; and
- Bath house and employee facilities.

Other minor surface infrastructure will also be located above the underground mine workings. These will include ventilation shafts, gas drainage boreholes, underground communication cables, services and boreholes for supply of materials from the surface.

The underground mine entries will include two vertical shafts for man and materials access. There will also be a conveyer drift for transporting coal to the surface. An overland conveyer will transport coal from the conveyer drift portal to a coal handling and preparation plant (CHPP).

The CHPP will be located in the south-east corner of the site. The CHPP will include:

- ROM coal stockpile;
- Crushing and screening facilities;
- Washplant; and
- Product coal stockpiles.

The coal will be crushed, sized and washed at the CHPP. Fine reject material will be dewatered using a belt press filter. Coarse reject and dewatered fine rejects will be hauled by truck from the CHPP to dry rejects emplacement areas. There are a number of potential sites for the dry rejects emplacement areas (Figure 2). The project does not include any conventional tailings dams.

A rail loop and train loading facilities will be located adjacent to the CHPP and the existing Norwich Park Branch railway. Product coal will be transported via rail to port for export.

Longwall mining at the Eagle Downs Mine will result in subsidence of overlying surface areas. Subsidence results in the progressive formation of gentle trough-like depressions on the surface relative to the natural topography. Subsidence will also result in surface cracking in limited areas. The EIS will specify rehabilitation strategies for subsidence cracks and mitigation and management measures for other subsidence impacts.

2.3 ENVIRONMENTAL IMPACT ASSESSMENT

An EIS will be prepared for the Eagle Downs Project. The EIS will address the EPA's EIS Terms of Reference for the project. The key areas that will be studied during preparation of the EIS include the following:

- Flora and fauna;
- Surface water and mine water management;

- Groundwater;
- Soils and land capability;
- Subsidence and rehabilitation;
- Noise;
- Air quality;
- Traffic and transportation;
- Waste management; and
- Social and economic impact assessment.

The EIS will also include an Environmental Management Plan (EM Plan) for the project.

2.4 ENVIRONMENTALLY RELEVANT ACTIVITIES

The following Level 1 Environmentally Relevant Activities (ERAs) are proposed to be carried out as part of the Eagle Downs Project:

- ERA 11 – Petroleum product storage;
- ERA 15 – Sewage treatment; and
- ERA 84(b) – Regulated waste storage.

3 STAKEHOLDER CONSULTATION

3.1 STAKEHOLDER CONSULTATION PROGRAM

A comprehensive stakeholder consultation program will be conducted for the Eagle Downs Project. The program will be conducted throughout the EIS preparation phase and will be integrated with environmental impact assessment and project planning. The program will include consultation with all affected and interested persons listed in Sections 3.2 and 3.3, and any other relevant stakeholders identified during the consultation program.

The objectives of the stakeholder consultation program will be to:

- establish open communication with all stakeholders;
- identify stakeholder issues and concerns with the project;
- address all stakeholder issues through environmental impact assessment, project planning or communication;
- provide feedback to stakeholders in relation to their issues and how they have been addressed; and

- facilitate stakeholder understanding of the project.

The initial phase of the stakeholder consultation program will involve the identification of stakeholder issues. This phase will involve individual semi-structured interviews with all stakeholders. The interviews will include provision of an overview of the project; the EIS and project approval process; and the consultation program. A project information sheet will be provided to stakeholders to assist with this phase.

Once the initial phase has been completed, strategies will be developed to address stakeholders' issues. The consultation methods used during subsequent consultation and feedback phases will be dependent on the stakeholder, the issues raised and the proposed response strategies. It is anticipated that a range of methods may be used, including individual meetings, group presentations and distribution of information sheets.

Aboriginal Group Consultation

There is no land subject to Native Title within the mining lease application area. Consultation in relation to Aboriginal cultural heritage will be conducted in accordance with the requirements of the *Aboriginal Cultural Heritage Act 2003*.

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for
HANSEN BAILEY



Laura Knowles
Senior Environmental Scientist



Peter Hansen
Principal Environmental Engineer

FIGURES



Eagle Downs Project Area

-  Export Port
-  Road
-  Railway

EAGLE DOWNS PROJECT

Location Plan

Hansen Bailey



Filename: 0742-040 - IAS - Eagle Downs General Location - 0208.ai

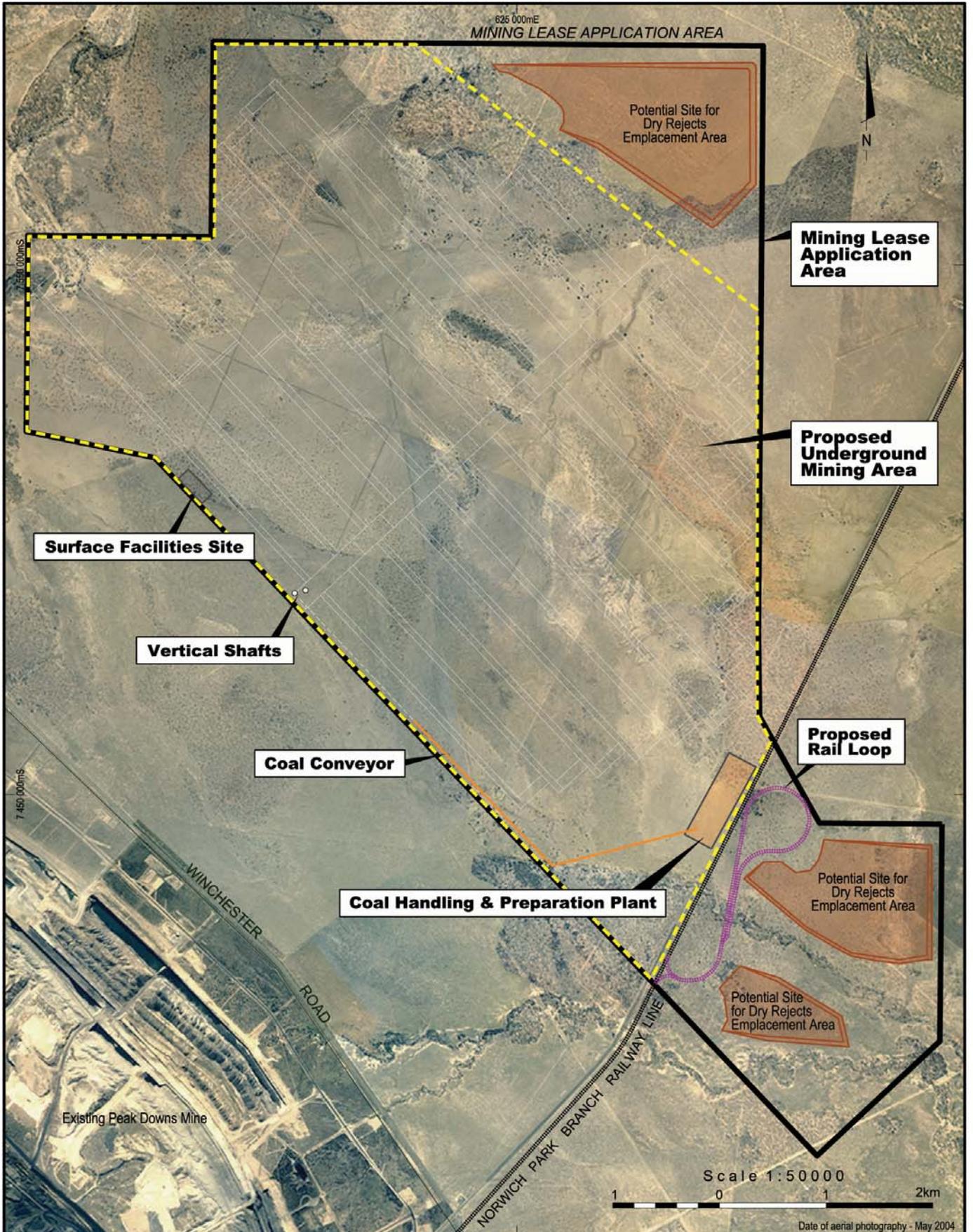
Date: 03.03.08

Drawn by: GreenpondTSG

(no scale)

Figure

1



- Mining Lease Application Area Boundary
- Proposed Underground Mining Area
- Coal Conveyor
- Dry Rejects Emplacement Area
- Coal Handling and Preparation Plant
- Surface Facilities Site
- Existing Railway
- Proposed Rail Loop

Datum: GDA94 Zone: MGA55

HansenBailey

**BOWEN
CENTRAL
COAL**

EAGLE DOWNS PROJECT

Layout Plan

Filename: 0742-040 - IAS - Layout Plan - 0308.dgn	Figure 2
Date: 03.03.2008	Drawn by: GreenpondTSG
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