

ANGLO COAL (AUSTRALIA) PTY LTD

THEODORE COAL PROJECT STAGE 2

APPLICATION TO SUBMIT A VOLUNTARY EIS

GENERAL PROJECT DESCRIPTION

INITIAL ADVICE STATEMENT

NOVEMBER 2003

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1.0 INTRODUCTION

1.1 The Proponent

The management company for the project is Anglo Coal Australia Pty Limited which manages an unincorporated joint venture known as the Theodore Joint Venture, the participants of which are Theodore Coal (Assets) Pty Ltd (51%) and Mitsui Moura Investment Pty Ltd (49%). Anglo Coal Australia Pty Ltd and Theodore Coal Assets Pty Ltd are wholly owned subsidiaries of the Anglo American plc group.

Anglo Coal Australia Pty Ltd managed operations currently produce around 30Mt of product coal per annum to supply domestic and export, coking and steaming coal markets. The company has major shareholdings in, and management responsibility for the Moura, German Creek, Callide, Moranbah North and Theodore North coal mines in Queensland and Drayton and Dartbrook coal mines in New South Wales.

Anglo American plc with its subsidiaries, joint ventures and associates is a global leader in the mining and natural resources sectors. It has significant and focused interests in gold, platinum, diamonds, coal, base and ferrous metals, industrial minerals and forest products, as well as financial and technological strength. The group is geographically diverse, with operations and developments in Africa, Europe, South and North America and Australia.

Anglo Coal Australia Pty Ltd is a signatory to the voluntary Australian Minerals Industry Code for Environmental Management, an initiative of the Minerals Council of Australia. The Code has been introduced at all the mining operations managed by Anglo Coal Australia in Australia and will be incorporated into the proposed Theodore mine. As a signatory to the Code, Anglo Coal Australia is committed to:

- Integration of environmental, social and economic considerations into decision-making and management, consistent with the objectives of sustainable development
- Openness, transparency and improved accountability through public environmental reporting and engagement with the community
- Compliance with all statutory requirements, as a minimum
- A continually improving standard of environmental performance and, through leadership, the pursuit of environmental excellence throughout the Australian minerals industry.

1.2 Location

The proposed mining development is on Mining Lease (ML) 5657 located as shown on Figure 1.

The coal deposit is within Central Queensland's Bowen Basin and is in the northern part of the Theodore Coalfield, a large thermal coal resource extending over a strike length of more than 50km (25km north and 25km south of the town of Theodore) adjacent to the Dawson River. The proposed development will commence 10km northwest of the Theodore township on the southern boundary of the Theodore North mine and proceed in a southerly direction to the point on ML 5657 where the Dawson River crosses and as indicated in Figure 2. The mine infrastructure and facilities will be established in conjunction with the infrastructure on the Theodore North project. Coal will be transported about 220km by rail to the Port of Gladstone. An aerial photograph of the project area showing the proposed site layout is provided in Figure 3.

The northern boundary of ML 5657 is contiguous with the southern boundary of ML 5656 which is part of the Moura Mine operated by Moura Coal Mining Pty Limited and owned by Anglo Coal Australia Pty Ltd and Mitsui Pty Ltd. A number of operational synergies will exist between the Moura Mine, the Theodore North mine and the proposed Theodore Stage 2 mine.

1.3 Tenement and Real Property Description

ML 5657 was formerly part of ML 385 which was granted for a term of 21 years beginning April 1984 to Theodore Coal Pty Ltd. Figure 2 indicates the locations of the previous tenure, ML 385 and ML 5657 as well as the area with surface rights held by Theodore Coal Pty Ltd on the Theodore North area.

The original ML 385 covered most of the Theodore Coalfield but in 1989 Theodore Coal agreed to surrender the southern part of the ML. The northern part of the lease was retained, where development plans were most advanced. Title to the southern part reverted to Theodore Coal's original Exploration Permit, EPC 202, which has been replaced by Mineral Development Licence 216. ML 385 is now designated ML 5657 following introduction of the revised lease numbering system.

The Theodore Stage 2 area is the remainder of the northern section of ML 5657 located between the Theodore North mine in the north and the Dawson River in the south.

The surface rights have not been granted for the Theodore Stage 2 area.

The current term of ML 5657 expires in April 2005 when the lease will be eligible for renewal.

1.4 Land Ownership

Details of land ownership on and around that part of ML 5657 which is the subject of the Initial Advice Statement (Theodore Stage 2) are listed in Table 1 and are shown in Figure 4 in relation to the general site layout.

**TABLE 1
LAND OWNERSHIP – THEODORE STAGE 2**

Lot and Plan	Landowner	Location
Lot 19 on DW90		Within ML 5657
Lot 28 on DW137		Within ML 5657
Lot 29 on DW137		Within and Adjoining ML 5657
Lot 7 on DW27		Within and Adjoining ML 5657
Lot 12 on BH69		Within ML 5657 on the western side of the Dawson River. Will not be mined.
Lot 30 on DW138		Within and Adjoining ML 5657
Lot 31 on DW138		Adjoining ML 5657
Lot 2 on RP616429	Theodore Coal (Assets) Pty Ltd	Adjoining ML 5657
Lot 18 on USL 14583	Department of Natural Resources and Mines	Within ML 5657 but adjoining the Stage 2 area at the southern end
Lot 97 on USL 14584	Department of Natural Resources and Mines	
Lot 82 on LE147		Within ML 5657 on the southern side of the Dawson River. Will not be mined in the Stage 2 proposal

A stock route and a road reserve administered by the Banana Shire Council traverse ML 5657 and further investigation of these easements will be undertaken during the EIS process.

2.0 DESCRIPTION OF MINING ACTIVITIES

The relevant major points are:

- At least 100Mt of in situ coal has been identified within the Stage 2 proposed mining area. The coal resource will be definitively estimated after the current geological program is completed
- The mine objective is to produce an export thermal coal over a life-of-mine of approximately 15 years. The predominant product will be a high energy thermal coal in substantial demand in export markets
- Seams 1 to 7 inclusive have been identified as being economically extractable down to a depth of 170m to 180m on Seam 7
- The mine will be an opencut modified terrace mining operation utilising truck, excavator and initially dragline equipment. Raw coal will be transported by haulroad and conveyor to the Moura mine washplant
- Mine rehabilitation will be progressive throughout the life of the mine. A period up to two years will be required to finalise rehabilitation at the end of the life of the mine
- It is anticipated that mining will progress southwards along strike from the current Theodore North operation to the point on ML 5657 where the Dawson River crosses
- There will be a brief construction period, currently scheduled to commence in 2005.

2.1 Proposed Operational Description

Currently a mining study is being undertaken which will incorporate new geological data to improve the definition of the coal resource in terms of in situ reserves and quality. The results of the mining study could change the operational description.

It is intended that the results of the study will be included in the EIS when submitted.

Figure 3 indicates a nominal mining footprint within the mining lease area. These parameters could change as a result of the current mining study.

2.1.1 Mine Design Concept

Initial production of up to 6Mtpa ROM coal is envisaged and, subject to the mining study, this production rate could be increased.

A more detailed evaluation of the early production years is part of the current mining study. This will increase the accuracy of production schedules and more closely define the operational synergies between the Theodore North mine and the proposed Theodore Stage 2 mine.

2.1.2 Mining Development Plan

Mining operations will commence on the proposed Theodore Stage 2 area with the normal progress of mining on the Theodore North area in a southerly direction.

2.1.3 Clearing/Topsoil Removal

Prior to overburden removal from a mining area, trees and vegetation will be dozed into piles and burnt under permit from the local fire warden with usable timber being recovered by the contractor. The topsoil will be removed and either placed into long term stockpiles or placed directly onto final contoured overburden dumps. Deep ripping of the placed topsoil prior to grass seeding will be undertaken.

2.1.4 Initial Boxcut

A boxcut will be excavated initially along the strike of the upper seam where the full seam is not affected by weathering. This initial phase of mining will be carried out with a dragline casting overburden to the eastern side of the mine. The dragline operation will move downdip for approximately three strips from where either truck and shovel terrace mining techniques or pre-strip operations will continue. In-pit disposal of waste material will commence on the second strip.

A final void will remain in the southwestern corner of the coal resource subject to final mine design.

2.1.5 Coal Mining

Coal mining will be continuous, planned at this stage to operate 24 hours per day, seven days per week.

Coal mining and removal of overburden and parting materials will be carried out by an excavator or front end loader and rear dump trucks. These units will be supported by large bulldozers used in both overburden and coal operations.

Coal will be excavated directly without the need for blasting. Coal loaded by the front end loader will generally require minor ripping by a bulldozer. Thin bands of waste material where they occur will be handled separately from the coal and dumped in-pit.

The coal haulage fleet will have the capacity to deliver up to 6Mtpa of ROM coal to the coal preparation plant. The trucks in this fleet will also be used to supplement waste removal operations during peak production periods.

Conveyor belt transport of ROM coal will be investigated during the initial years of mining.

The Moura Mine washplant will be utilised for coal washing and product preparation.

A list of mining activities relevant to the Environmental Authority is as follows:

- Motor Vehicle Workshops
- Petroleum Storage facilities
- Sewage Treatment Plant
- Extraction of overburden and coal materials. Environmentally Relevant Activity 21 describes the activities allowable under a mining tenure including the extraction of materials undertaken in the course of mining coal.

3.0 AFFECTED AND INTERESTED PERSONS

3.1 Affected Persons

1. The land upon which the Theodore Stage 2 mine will be developed is the subject of ML 5657 granted in 1984. As such two large properties will be compensated for proposed mining activities on their land. These are the affected persons. Other properties adjoin or partially overlap ML 5657 and these are the interested persons. Native title on ML 5657 has been extinguished by the grant of the mining lease in 1984.
2. The local government affected is the Banana Shire Council.
3. The mine will be developed on two properties subject to the results of the mining study.

Properties which are overlain by ML 5657 and are therefore “affected persons” but are unlikely to be mined are:

3.2 Interested Persons

The landholders listed own properties which adjoin but do not overlay ML 5657. At this stage the interested persons are identified as follows:

4.0 PROPOSED CONSULTATION PROGRAM

The consultation program will follow the general procedures adopted for the Theodore North project. A detailed consultation strategy will be built on the relationships developed in the local area and will follow generally the standard consultation program employed on previous coal mine projects.

In summary, the objectives of the consultation program will be to:

- Conduct an open and broad consultation program
- Ensure that those affected by the proposal understand the EIS process and their opportunities for input

- Facilitate feedback from all stakeholders; and
- Ensure that consultation activities are integrated with the general mine design.

The methodology for the consultation strategy will be designed to inform and incorporate the views of the following groups in the community:

- Referral bodies
- Other government agencies
- Elected representatives
- Landholders
- Special interest and community groups.

The proposed consultation strategy may involve the following activities.

4.1 Referral Bodies

Site visits, where appropriate, will be held for the referral bodies and will include presentations and discussions on all issues relevant to the proposal followed by field inspections.

4.2 Other Government and Semi-Government Bodies

The proposal will be discussed with these groups to impart a general awareness of the proposal and comments and feedback will be incorporated into the project design wherever practical.

4.3 Representative Bodies

Individual meetings will be held with the State Government representative of the Fitzroy electorate. Other State and Federal representatives will be consulted as necessary.

4.4 Landholders and Neighbours

The landholders and near neighbours are generally aware of the project proposal and further discussions will be conducted individually with the landholders during the development of the EIS. Landholders concerns will be taken into account in the design and construction of the project.

4.5 Local Community Groups

The community group with a specific interest identified at this time is the Dawson Valley Development Association. Discussions will be held with representatives of local community groups to obtain comments which will be incorporated into the design wherever practical.

Project contact numbers and addresses will be provided so that if local people would like further information they can make contact with project personnel.

4.6 Aboriginal Representative Bodies

Discussions will be held with local Aboriginal people concerning the proposed Theodore Stage 2 project and it is expected that discussions will continue during the EIS preparation. Discussions will focus on the impacts of the project on cultural heritage, materials and values.

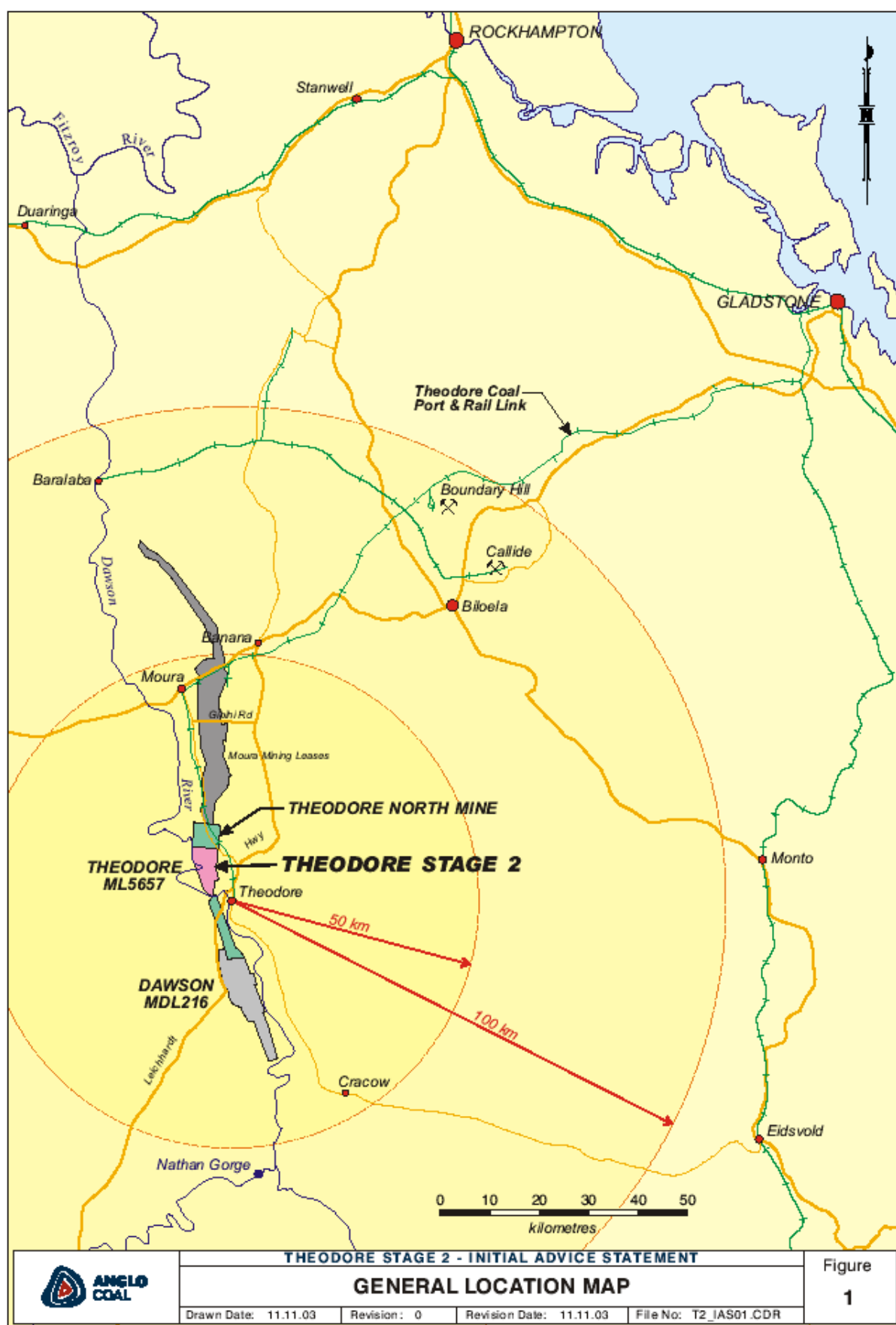
5.0 PROPOSED POST-MINING LAND USE

Pre-mining land use is cattle grazing and limited cropping on the areas of better soils. The site has been previously extensively cleared. The land use of areas surrounding the proposed mining lease is generally similar although the area to the north of the proposed development is used for coal production (Moura mine and the Theodore North mine).

The proposed post-mining beneficial land use for the proposed coal project will allow natural development of the area for native plants and animals. Establishment of native bushland is defined as the establishment of vegetation that allows colonisation by surrounding non-weed species such that vegetation will progress towards native bushland with no designated agricultural or grazing use.

The area disturbed by infrastructure operations will be revegetated using pasture grasses with trees and shrubs used to create diversity. Post-mining grazing may be the main post-mine land use. Alternative beneficial land uses will be investigated and considered as mining proceeds and the company will seek to optimise the post-mining land use within the natural limitations of the area.

The proposed rehabilitation plan will ensure that the disturbed area does not adversely affect land outside the proposed mining area. The establishment of pasture grasses, native trees and shrubs and the proposed land form will allow subsequent landowners or the community the opportunity to select future uses for the site as long as the proposed uses or intensity of use do not result in degradation of the landscape.



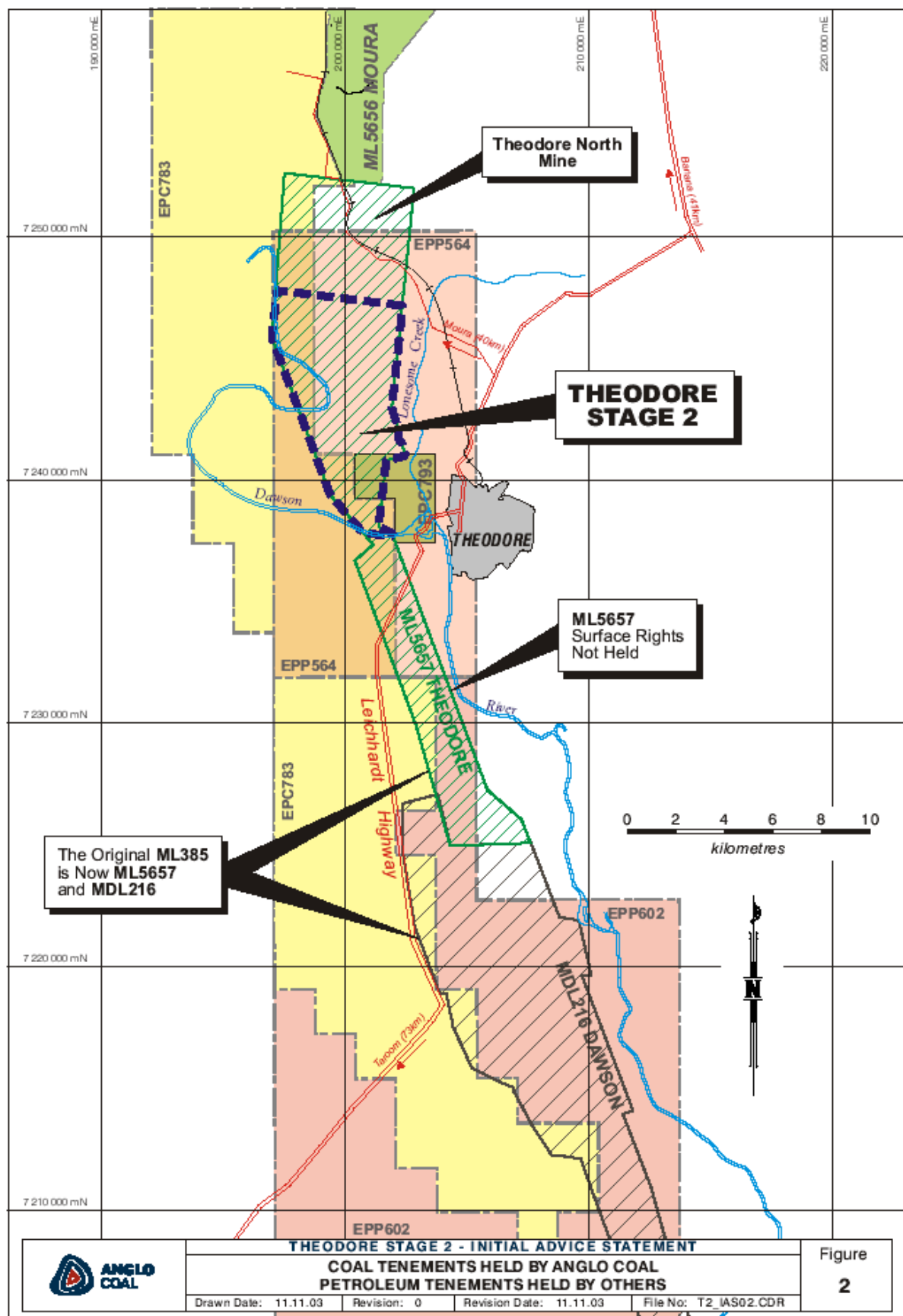
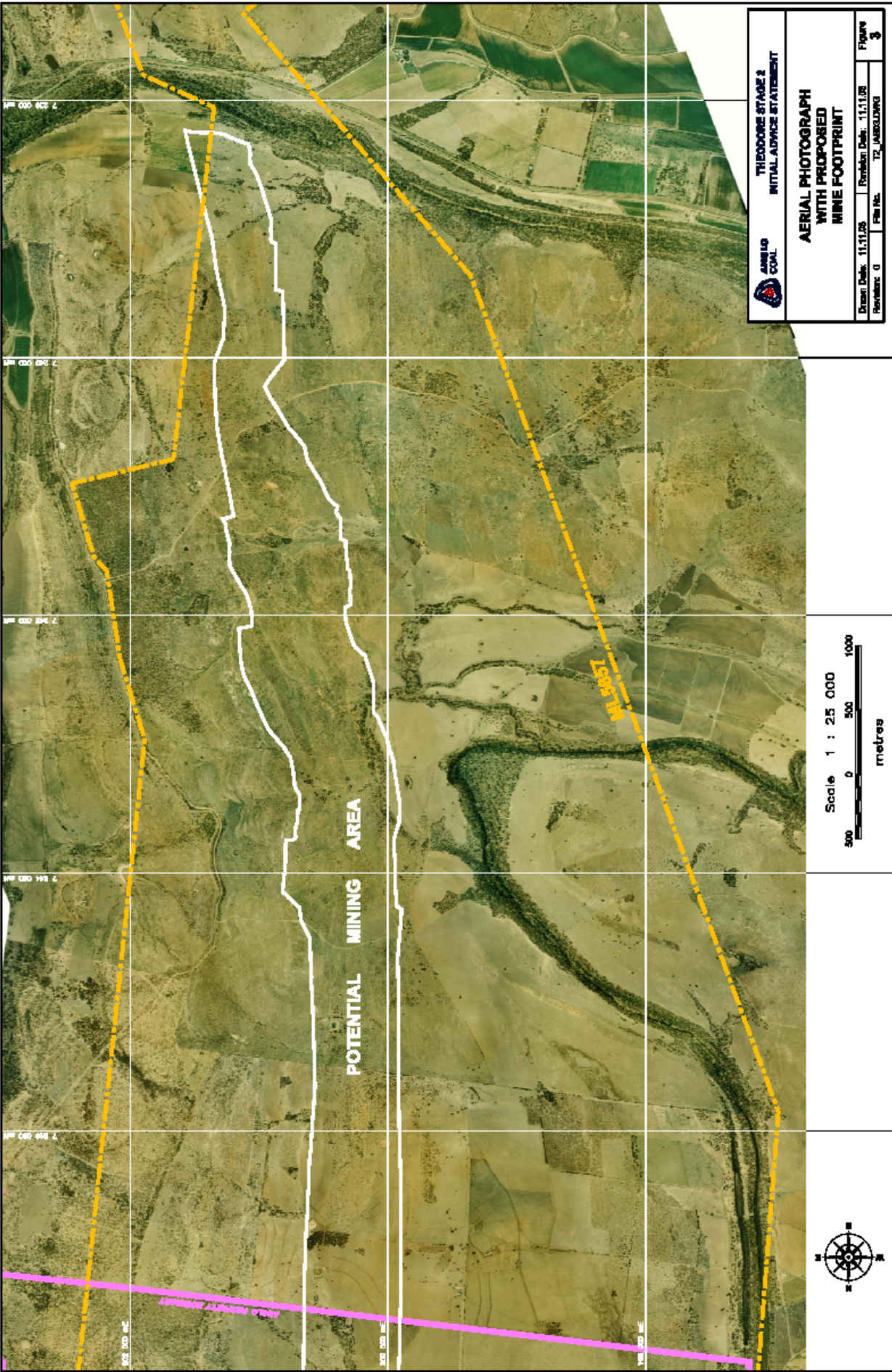


Figure
2



	THEODORE STAGE 2 INITIAL ADVICE STATEMENT	
	AERIAL PHOTOGRAPH WITH PROPOSED MINE FOOTPRINT	
Drawn Date: 11.11.20	Revision Date: 11.11.20	Figure 3
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