

APPLICATION TO MODIFY PROJECT APPROVAL FOR

**INTEGRA UNDERGROUND PROJECT
(MP 08_0101)**

AND

**INTEGRA OPEN CUT PROJECT
(MP 08_0102)**

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1 Introduction

The Integra Mine Complex was owned and operated by Integra Coal Operations Pty Limited. The Complex comprises underground and open cut operations which had been actively mined since 1991 as the former Camberwell open cut and the Glennies Creek underground mine (both of which had been operated as separate mines in the past). The Complex has the capacity to produce premium semi-hard, semi-soft metallurgical coals used in the steel making industry. The mine can also produce thermal or 'steam' coal suitable for sale to international customers for power generation, steel making and a variety of other uses.

A single project approval instrument was granted on 26 November 2010 under Part 3A of the *Environmental Planning and Assessment Act 1979 (NSW) (EP&A Act)* which combines the project approvals for the Integra underground operations (MP 08_0101) and Integra open cut operations (MP 08_0102) (**Combined Project Approval**) (Appendix A). The Combined Project Approval has since been modified on three occasions (with two additional modifications currently under consideration). Operations at the Complex approved under the Combined Project Approval (as modified) are referred to as the '**Approved Project**'.

On 18 December 2015 the Complex was acquired from Integra Coal Operations Pty Limited (**Integra Coal**) after it had been put into care and maintenance in May 2014. The underground operations were acquired by HV Coking Coal Pty Limited (**HV Coking Coal**), a subsidiary of Glencore Coal Pty Ltd (**Glencore**), and the open cut mine and surface facilities were acquired by Bloomfield Collieries Pty Limited (**Bloomfield**). The purchase by Glencore and Bloomfield will result in the open cut and underground operations being carried out as separate mining operations once again. It is intended that the surface facilities will continue to service both the open cut mine and the underground mine, facilitated by a commercial agreement between the owners of the two mines. This approach is consistent with the original Environmental Assessment for the Integra underground operations (MP 08_0101) dated July 2009 which sought approval for the ongoing and long-term use of the existing surface facilities as part of the underground operation. These existing surface facilities includes the coal handling preparation plant (**CHPP**), train load-out facilities and other associated components of the surface infrastructure.

HV Coking Coal and Bloomfield are seeking approval from the Minister for Planning and Environment for Modification 6 to the Combined Project Approval pursuant to Section 75W of the EP&A Act. The proposed modification relates solely to the separation of the Combined Project Approval into two separate approvals for the respective underground and open cut operations, which will be referred to as the Integra Underground Mine and Rixs Creek North open cut. Glencore will continue to manage the Integra Underground Mine in a care-and-maintenance status whilst further reviews of future mining options are undertaken. The Rixs Creek North open cut component will be operated and managed by Bloomfield as an integrated part of the existing Rixs Creek Mine.

Some minor modifications to the conditions of approval will be required to enable the two mines to operate as separate operations in the future, including:

- (a) To enable effective ongoing community consultation the Integra Complex Community Consultation Committee (CCC) will be modified to allow Committee members focused on the open cut operations to be integrated with the Rixs Creek CCC and those members focused on the underground mining activities to be integrated into Glencore's adjacent Mt Owen Mine CCC; and
- (b) A minor variation is required to the open cut project boundary to include the previously excluded eastern wall of Tailings Dam 2 (TD2).

No changes to the approved mining activities are proposed as part of the proposed modification. The proposed modification does not involve any new physical works, including any additional mining, disturbance, physical alterations, vegetation clearing, or the like.

2 Site Location

The complex is located in the Hunter Coalfields of the Sydney Basin and is entirely within the Singleton Local Government Area (LGA). It is approximately 10 km north-west of the Singleton town centre, in the locality of Camberwell. The Complex is bound by the New England Highway to the south-west, Bridgman Road to the east and the Middle Falbrook locality to the north. The Main Northern Railway line traverses the site. The boundary of the Approved Project is shown in Figure 1.

The Integra underground operation lies immediately to the south-east of Glencore's Mount Owen Complex whilst other surrounding mines include the Ashton Mine to the west and south-west.

The Integra open cut operation is adjacent to Bloomfield's Rix's Creek Mine to the south-west.

Nearby residential areas are in Camberwell Village and Wattle Ponds, to the west and east of the mine respectively. There are a number of residences situated in the immediate vicinity of the Complex. Surrounding land uses in the locality include mining and mining related development as well as some agricultural activities such as cropping and grazing.

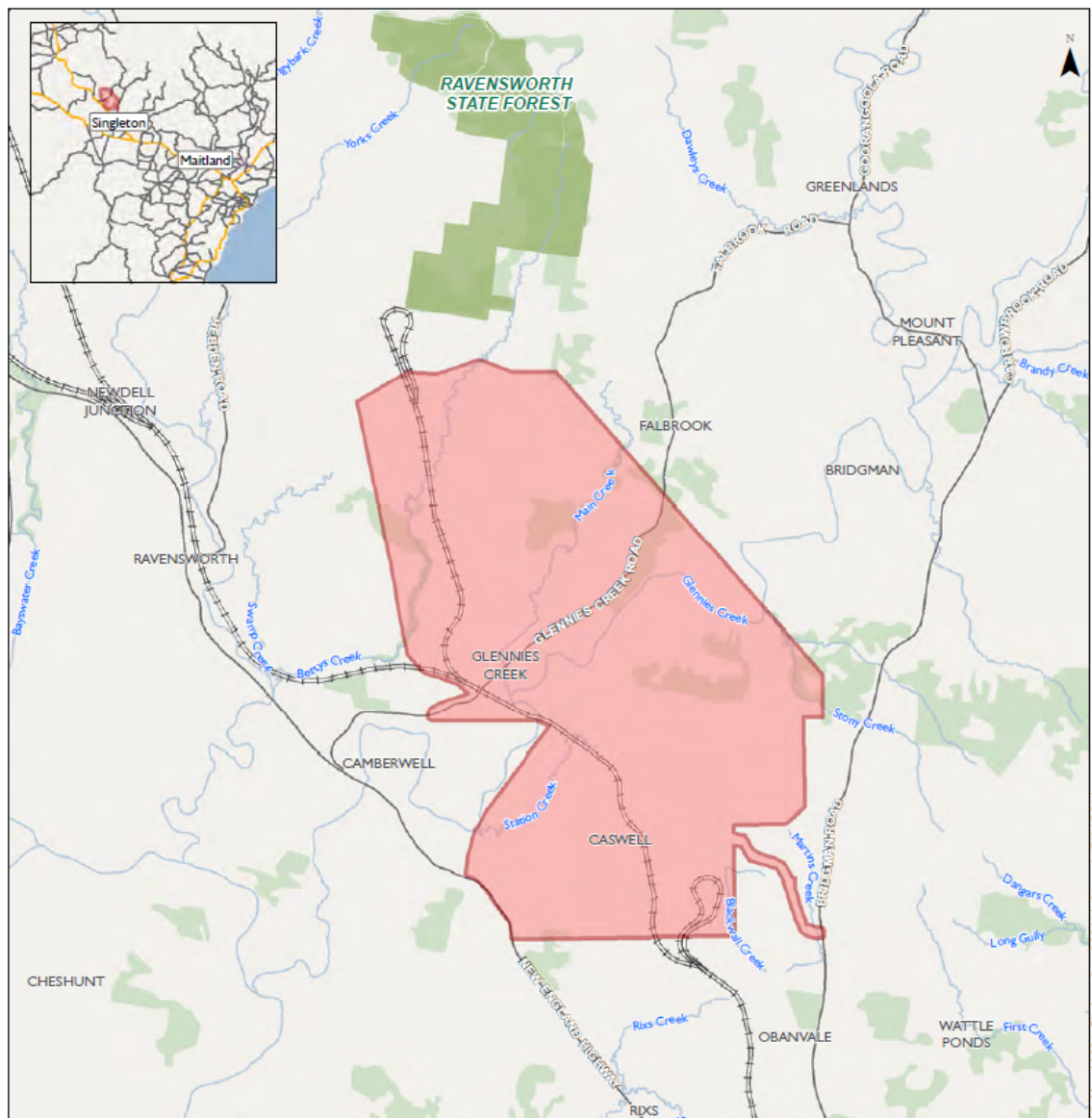


Figure 1 - Integra Mine Complex Location

3 Sale of the Integra Complex

On 18 December 2015, the Complex was acquired by HV Coking Coal and Bloomfield from the Integra Joint Venture.

As part of this transaction

- (a) HV Coking Coal has acquired the underground operations (including the mining tenements that relate to the underground operations);
- (b) Bloomfield has acquired the open cut mine (including the mining tenements that relate to the open cut operations) and surface infrastructure including the coal handling infrastructure, haul road and rail loop facilities; and
- (c) HV Coking Coal and Bloomfield have entered into an agreement which sets out the terms on which Bloomfield will grant access to HV Coking Coal in relation to certain infrastructure and other assets to enable that infrastructure to continue to be used by both the underground and open cut operations at the Complex.

This separation of underground and open cut operations has necessitated the splitting of the Combined Project Approval into two separate approvals to enable the mines to be operated independently by their respective owners.

The respective land ownership held by HV Coking Coal and Bloomfield following the purchase of the Integra Complex is shown in Figure 2.

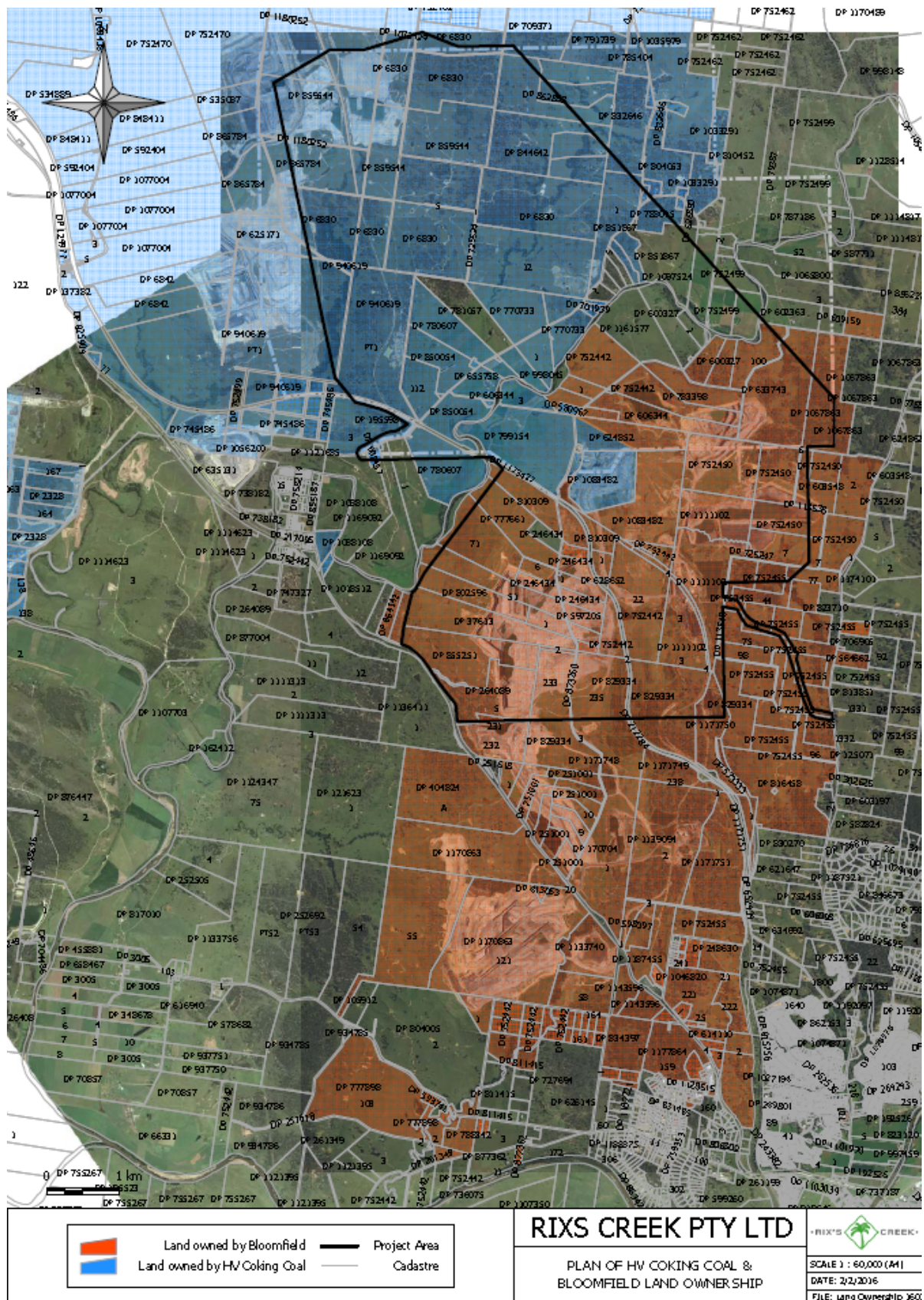


Figure 2 HV Coking Coal & Bloomfield Land Ownership

4 Environmental Management

Both Glencore and Bloomfield are experienced mine operators with other approved open cut and underground mines located in the Hunter Valley. Both businesses are committed to best practice environmental management of their respective mining operations. This commitment to achieving environmental excellence will be extended to the management of environmental aspects associated with each of the former Integra open cut and underground operations as they are integrated into the management practices of each of the new owners.

With regard to the ongoing management of the Integra Underground Mine, HV Coking Coal will continue to manage the mine in accordance with the existing approved care-and-maintenance status whilst further analysis of future mining options is undertaken.

Bloomfield will combine the management of the former Integra open cut mining areas with the adjacent Rix's Creek open cut mine enabling the delivery of synergies in administration and overall operations between the two mines. For example, this will involve the consolidation of management plans and operating processes across the two sites.

Further details of the management of key environmental aspects controlled through the development consent conditions are provided in Section 9.

5 Approval History

The Integra underground operations are situated to the north of the Integra open cut operations and are currently approved for longwall mining of the Hebden, Barrett and Middle Liddell seams capable of producing high quality, semi-hard coking coal for export. Underground mining operations are approved at a maximum extraction rate of 4.5 million tonnes per annum (Mtpa) of run-of-mine (ROM) coal until 31 December 2035 under PA 08_0101.

The Integra open cut operations comprises the North Open Cut (**NOC**) and South Open Cut (**SOC**). The SOC includes the approved western extension under PA 08_0102 (known as the Western mining area). Operations at the Integra Open Cut produce both semi-soft coking coal (~70%) and thermal coal (~30%) for export. Open cut mining operations are approved with maximum extraction rates of 1.5 Mtpa of ROM coal from the NOC and 4.5 Mtpa of ROM coal from the SOC until 31 December 2022.

On 26 November 2010, the Combined Project Approval was issued to Integra Coal Operations Pty Ltd (**Integra Coal**) in respect of the underground operations and open cut operations at the Complex pursuant to Part 3A of the EP&A Act.

The Combined Project Approval was granted in respect of two separate applications that were lodged by Integra Coal, namely:

- (a) an application lodged in June 2008 for the extension to the underground coal mining operations (MP 08_0101); and
- (b) an application lodged in May 2008 for the extension to the open cut operations and associated infrastructure at Integra Mine (MP 08_0102).

At that point in time, given the integrated nature of the underground operations and open cut operations, the Department of Planning and Environment considered it appropriate for a single approval instrument to be issued in satisfaction of both applications.

Accordingly, Schedule 1 of the Combined Project Approval contains the following preamble:

'While a single document, this instrument contains two project approvals: one for the Integra underground project and the other for the Integra open cut project. For the purposes of project 08_0101, this instrument applies only to the underground project area. For the purposes of project 08_0102, this instrument applies only to the Integra open cut project area. Together these project areas are considered to comprise the Integra mine complex.'

The current boundary of the Combined Project Approval is shown on Figure 3.

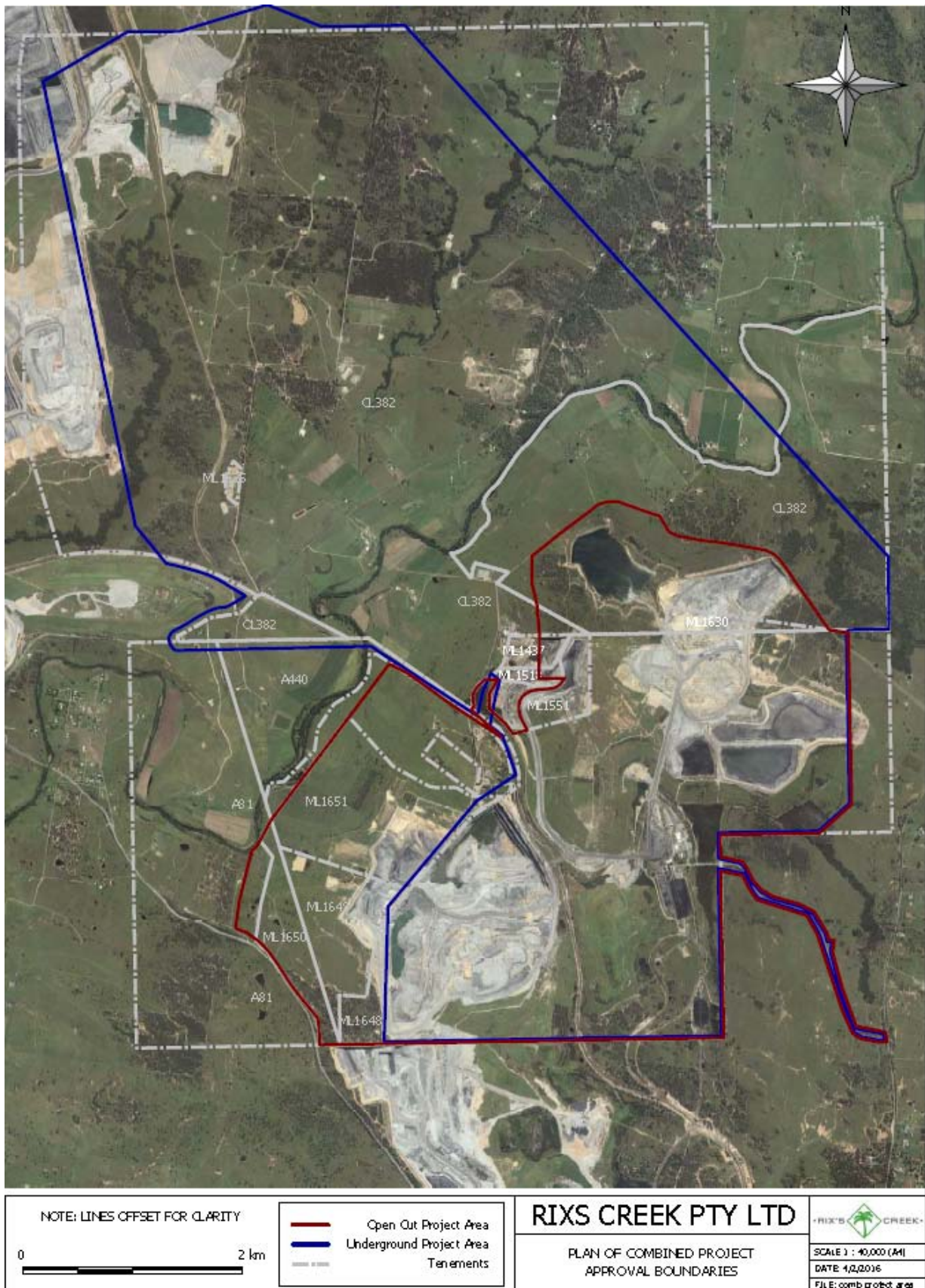


Figure 3 Combined Project Approval Boundary

A summary of approvals for the underground and open cut operations is provided in Table 1.

Table 1 - Summary of approvals for the Complex

Project	Description	Approval reference
Integra Open Cut Operations		
Camberwell Coal Mine	Application for open cut mining of the North and South pits, development and operation of a coal handling and preparation plant, train loader and associated facilities submitted in 1990.	DA 86/2889 approved in 1990 (and subsequently modified). Approved open cut activities were incorporated into the Integra Open Cut Project (MP 08_0102).
Surface Facilities Project	Construction of surface facilities at the Complex. This application was submitted in 2006.	Approved under MP 06_0057 in 2007. Approved open cut activities were incorporated into the Integra Open Cut Project (MP 08_0102).
Glennies Creek Open Cut Coal Mine (NOC Project)	The NOC Project was assessed in the Glennies Creek Open Cut Coal Mine EA prepared by R.W. Corkery & Co. Pty Limited in 2007 (referred to as the NOC EA).	Approved under MP 06_0073 in 2008 (and subsequently modified). Approved open cut activities were incorporated into the Integra Open Cut Project (MP 08_0102).
Integra Open Cut Project (incorporating SOC and western mining area)	Western extension of the existing SOC (the western mining area) and incorporation of the approved NOC operations. An application and accompanying EA (URS 2009) (Open Cut Project EA) was lodged in 2009.	The Combined Project Approval was granted in 2010 for the Integra Open Cut Project which incorporated the NOC Project (MP 06_0073) and Surface Facilities Project (MP 06_0057). Modifications relating to the Open Cut include: (a) Modification 1 – extension of the NOC out-of-pit emplacement area. Approved 2012. (b) Modification 3 – interim modification to timeframes in project approval. Approved 2012. (c) Modification 2 – amendment to overland conveyor and extension of timeframes to secure biodiversity offsets. Approved 2013. (d) Modification 4 – in relation to biodiversity offsets. Currently undergoing PAC assessment. (e) Modification 5 – allow ROM coal from Rixs Creek to be processed at the Rixs Creek North CHPP. Currently undergoing assessment.
Integra Underground Operations		
Glennies Creek Colliery	Application for use of the CHPP, train loader and associated facilities submitted in 1990.	Approved under DA 105/90 in 1990 (and subsequently modified). Approved underground activities were incorporated into the Integra Underground Project (MP 08_0101).
Glennies Creek Surface Facilities Project	Application for use of surface facilities at the Integra Underground submitted in 2006.	Approved under MP 06_0057 in 2007 (and subsequently modified). Approved underground activities were incorporated into the Integra Underground Project (MP 08_0101).

Project	Description	Approval reference
Underground mining in the Middle Liddell Seam	Application for longwall mining in the Middle Liddell Seam submitted in 2008.	Approved under MP 06_0213 in 2008. Approved underground activities were incorporated into the Integra Underground Project (MP 08_0101).
Integra Underground Project	Integra Underground Project, incorporating all consents and approvals relating to underground operations, plus approval for underground mining in the Hebden, Barrett and Middle Liddell Seams. Application submitted in 2010.	The Combined Project Approval was granted in 2010, providing ongoing approval for the underground operations.

6 Proposed Modification

Following the acquisition of the two components of the Complex by HV Coking Coal and Bloomfield, the underground operations and open cut operations will be developed separately by the respective new owners in the future.

The Combined Project Approval provides consent for open cut mining operations on site until 31 December 2022 and underground mining operations until 31 December 2035. As such, underground mining operations are authorised to continue for a period of 13 years after open cut mining ceases. Bloomfield (or its successors) will continue to operate the surface infrastructure including the CHPP and train load-out facilities, including after the cessation of open cut mining, and accordingly the proponent of the underground operations will have no direct involvement in the operation of this surface infrastructure.

This modification application seeks the separation of the Combined Project Approval into two separate instruments of approval for the respective operations. No significant changes to the Approved Projects are proposed as part of the proposed modification. The proposed modification does not involve any new physical works, including any additional mining, disturbance, physical alterations, vegetation clearing, or the like.

HV Coking Coal and Bloomfield are seeking approval to modify the Combined Project Approval that was originally granted in 2010 under Part 3A of the EP&A Act for the purpose of carrying out mining activities at the Complex.

Part 3A of the EP&A Act has since been repealed by the NSW Parliament, with the changes taking effect on 1 October 2011. Nevertheless, as the Complex operates under the Combined Project Approval granted under Part 3A of the EP&A Act, it is deemed to be a 'transitional Part 3A project' pursuant to Schedule 6A of the EP&A Act and will continue to be subject to Part 3A of the EP&A Act (as in force immediately before the repeal, subject to amendments to Part 3A as contained in Schedule 6A of the EP&A Act).

Section 75W of the EP&A Act enables the Minister to modify a project approval granted under Part 3A of the EP&A Act.

Section 75W of the EP&A Act (before its repeal) provided that:

'75W Modification of Minister's approval

(1) *In this section:*

Minister's approval means an approval to carry out a project under this Part, and includes an approval of a concept plan.

modification of approval means changing the terms of a Minister's approval, including:

- (a) *revoking or varying a condition of the approval or imposing an additional condition of the approval, and*
- (b) *changing the terms of any determination made by the Minister under Division 3 in connection with the approval.*

- (2) *The proponent may request the Minister to modify the Minister's approval for a project. The Minister's approval for a modification is not required if the project as modified will be consistent with the existing approval under this Part. [Our emphasis]*
- (3) *The request for the Minister's approval is to be lodged with the Director-General. The Director-General may notify the proponent of environmental assessment requirements with respect to the proposed modification that the proponent must comply with before the matter will be considered by the Minister.'*

The Approved Project is not proposed to be modified under this modification application. As the proposed modification is only seeking the separation of conditions under the Combined Project Approval, there will be no additional impacts beyond the current Approved Project.

Nevertheless, given that certain conditions from the Combined Project Approval will need to be revoked or varied so that they can be applied appropriately to the underground and open cut operations, it is necessary to make this modification application pursuant to section 75W of the EP&A Act.

As stated in the preamble in the Combined Project Approval, the current approval instrument contains two project approvals in respect of the Integra underground project and the Integra open cut project. This modification application is not seeking to modify the projects the subject of these two project approvals, but rather is seeking to separate the existing approval instrument into two distinct instruments to reflect the two individual projects and to facilitate the projects being operated separately.

The proposed boundaries for the separate Project Approvals that are sought are shown on Figure 4 and Figure 5.

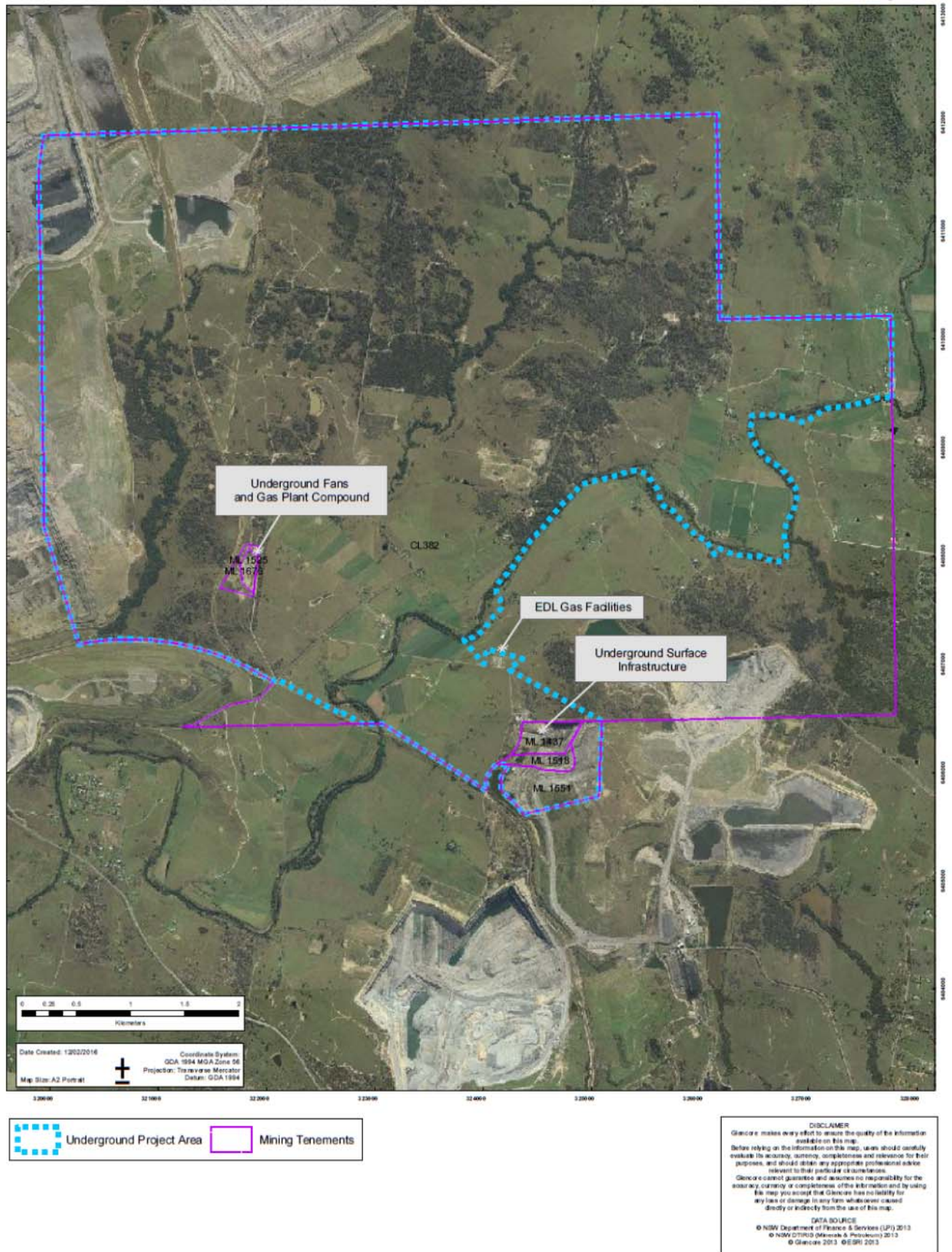


Figure 4 Proposed Project Approval Boundaries for the Integra Underground

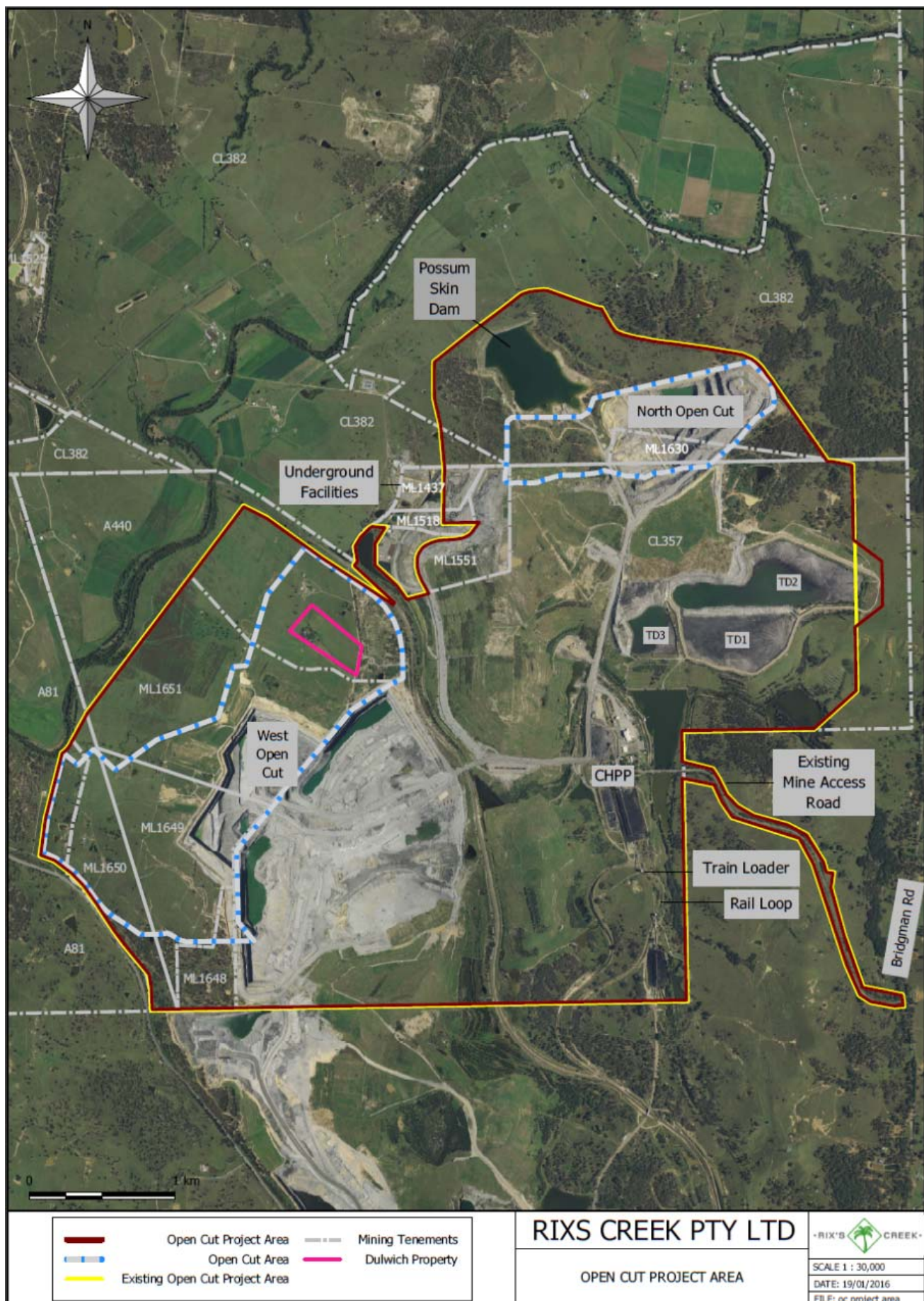


Figure 5 Proposed Project Approval Boundary for the Rix's Creek North Open Cut

One minor variation to the open cut project boundary will be required to accommodate the full extent of the existing Tailings Dam 2 (TD2). The 8 hectare variation to the eastern project boundary results from the Integra Complex 2015 independent environmental audit under taken by R.W.Corkery &Co. This audit process identified that the “eastern extent of TD2 crosses the Project Approval Boundary”. This occurred during the previous ownership of the Complex. Figure 6 shows the proposed eastern extension of the project boundary will only include the previously constructed and rehabilitated eastern wall of TD2. No physical works resulting in any expansion of the current open cut project footprint will be undertaken in the revised project boundary area.



Figure 6 Eastern Variation to Open Cut Project Boundary

As a result, the application in effect seeks two separate instruments of approval that contain the respective conditions relevant to the operation of:

- (a) the underground operations to be carried out as described in the MP 08_0101 (and as subsequently modified by MOD 1 - 5); and
- (b) the open cut operations to be carried out as described in the MP 08_0102 (and as subsequently modified by MOD 1 - 5).

7 Other Statutory Approvals

7.1 Mining Tenements

Following the sale of the Integra Complex to HV Coking Coal and Bloomfield, the mining tenement ownership has also been revised. Figure 7 shows the approved division of the mining tenements between the respective open cut and underground operations.

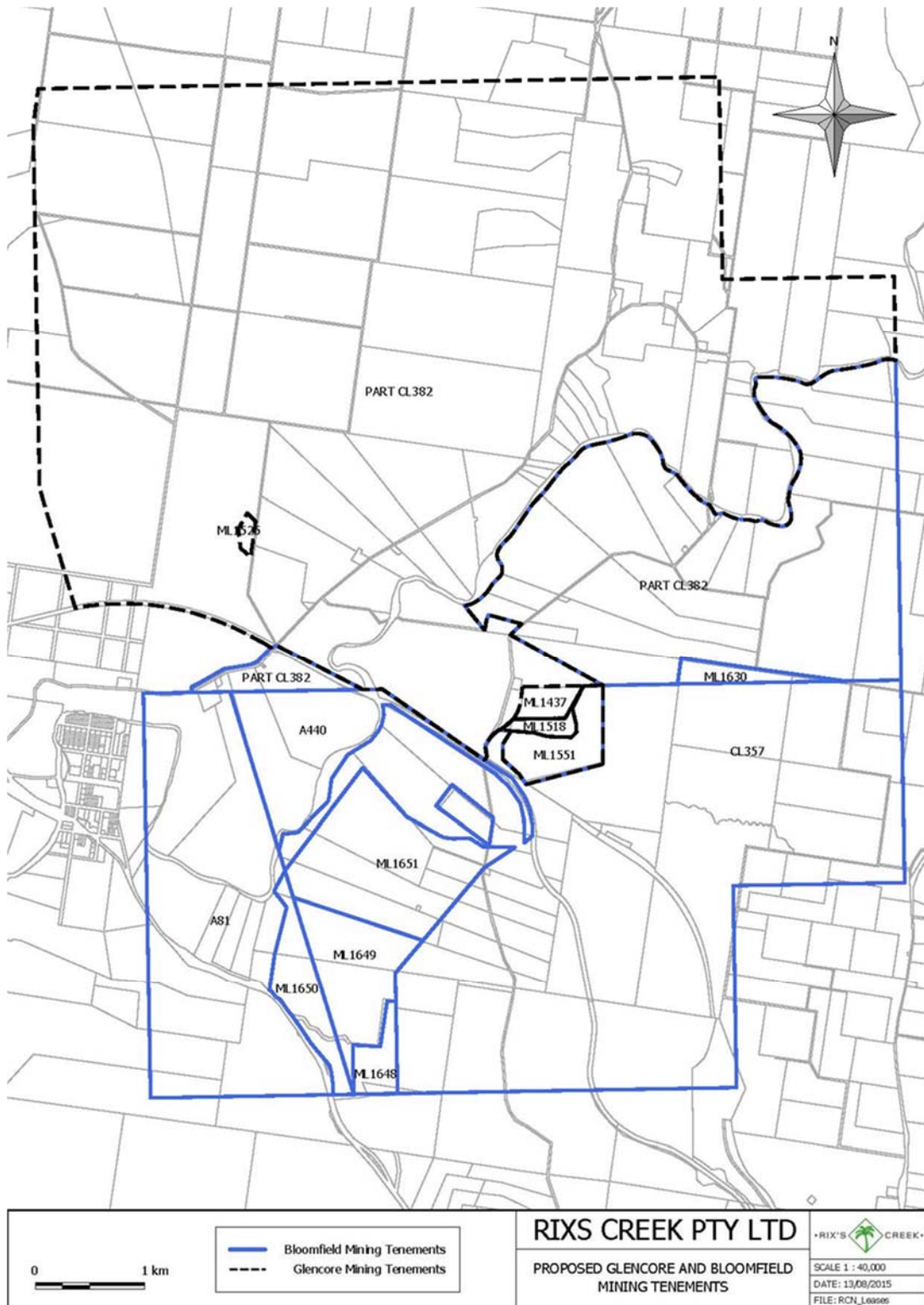


Figure 7 Open Cut and Underground Mining Tenements

7.2 Environmental Protection Licence

In the same way that this application seeks to separate the Combined Project Approval, HV Coking Coal and Bloomfield have each made applications to ensure that separate Environmental Protection Licences (EPL) will be in existence at the underground and open cut operations. The Environment Protection Agency (EPA) has approved those applications, with the result being that existing EPL 3390 for the Complex was transferred to HV Coking Coal and simultaneously varied so that it only applies to the underground operations. At the same time, Bloomfield's existing EPL 3391 (which exists in respect of Bloomfield's adjacent Rix's Creek mine) was varied to encompass the open cut operations (see Figure 8 and Figure 9).

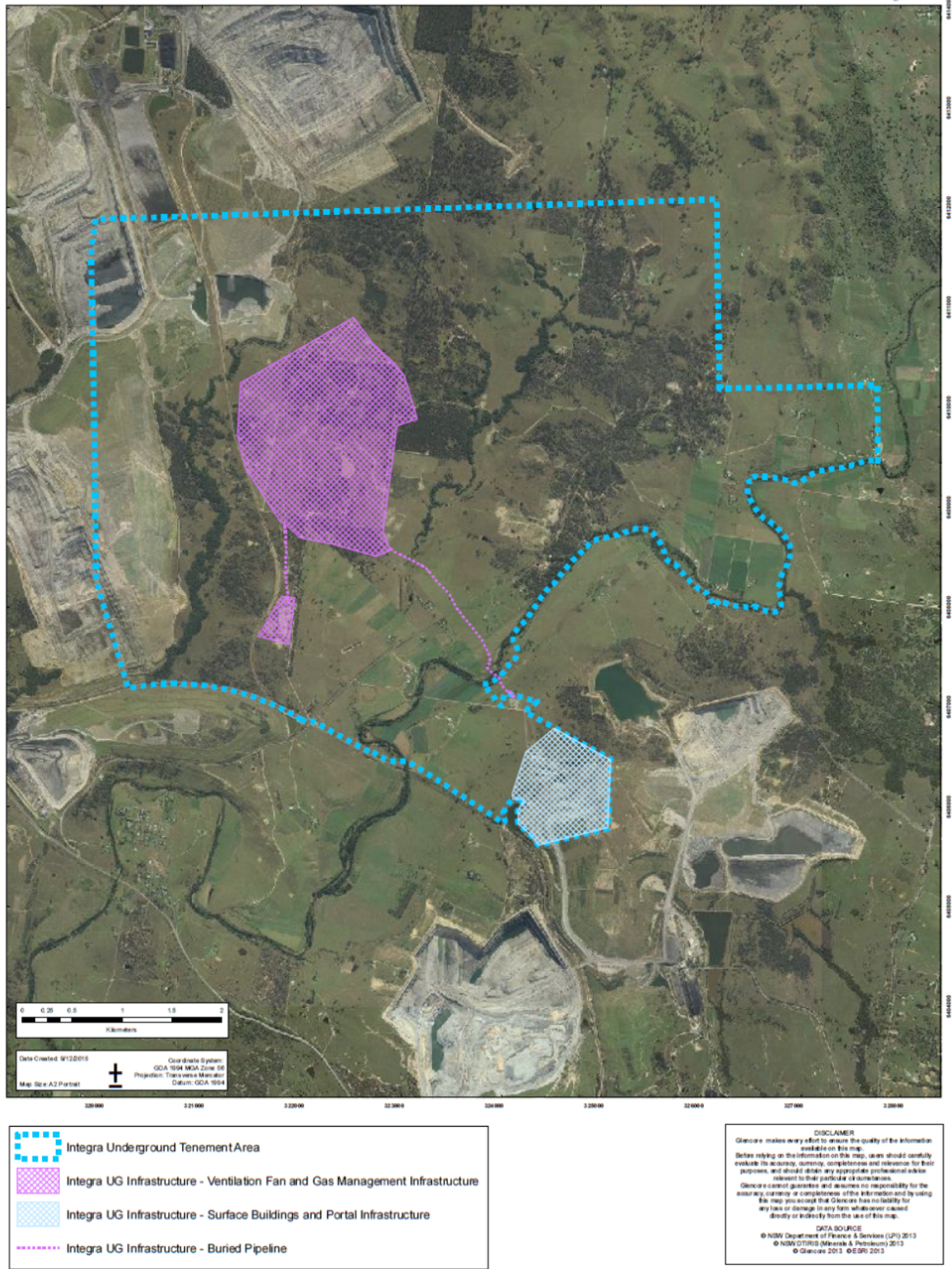


Figure 8 Integra Underground EPL Premise Boundary



Figure 9 Rix's Creek Mine EPL Premise Boundaries

7.3 Mining Operations Plans

Bloomfield has submitted, to the Department of Industry, Resources and Energy, a Mining Operation Plan (MOP) that would allow for a maximum yearly production of 1 million saleable tonnes from the open cut mine operation. This production will be in the western extension to the South Pit. The North Open Cut will be utilized for temporary water storage. Production will utilise the existing Integra open cut machinery with Rixs Creek employing up to 70 additional employees to achieve these production targets.

HV Coking Coal will continue to manage the Integra Underground Mine in accordance with the existing approved care-and-maintenance MOP whilst further reviews of future mining options are undertaken.

8 Environmental Assessment

The Approved Projects will not be changing and hence there will be no additional environmental impact that requires assessment. Due to the limited nature of the modifications required (i.e. administrative amendments to the wording of conditions only), environmental assessment requirements will not be required under section 75W(3) of the EP&A Act (as extracted above).

HV Coking Coal will be maintaining the underground mine in care-and-maintenance status whilst assessments of future mining activities are undertaken. During this period a number of essential activities will continue to be undertaken including operating the mine ventilation and gas management system, the mine dewatering system and the water management system. Other statutory requirements will continue such as undertaking statutory mine safety inspections and continued environmental monitoring programs.

Bloomfield plans to take the open cut out of care-and-maintenance status and back into production to produce a maximum of 1 million tonnes product coal. This planned level of operation is less than 1/3 of the current approved production level for the open cut operation. The environmental impact from this 1 million tonne production level will be significantly lower than the current approved operational level. It is proposed that the operation will be managed under the Rix's Creek Environmental Management Policy and environmental management plans to further minimise offsite impacts.

9 Changes to Conditions of Approval

The splitting of the Combined Project Approval into two separate instruments for the respective underground and open cut operations will necessitate some relatively minor amendments being made to the existing conditions of approval.

Key changes to the conditions are discussed below.

9.1 Reference to the environmental assessment documents for MOD 1, 2, and 4

Condition 2 of Schedule 2 of the Combined Project Approval currently references the Environmental Assessment (EA) documentation for MOD 1, 2 and 4 as relevant documents for the carrying out of the open cut operations.

For completeness, these EA documents for MOD 1, 2 and 4 should also be included as documents that the underground project should be carried out generally in accordance with, as these MODs specifically sought amendments to matters relevant to the underground project, as follows:

- (a) MOD 1 – sought an extension of time in relation to Condition 48 of Schedule 3 which required the installation of an overland conveyor from the underground operations. Although many of the changes to the Combined Project Approval as a result of MOD 1 have since been superseded by MOD 2 (as discussed below), reference to MOD 1 in the approval for the underground operation remains necessary as some other minor changes to the conditions of approval arose from this MOD;
- (b) MOD 2 – sought the removal of Condition 48 of Schedule 3 requiring the installation of an overland conveyor from the underground operations. The EA noted that two residences (receptors 47 and 110) would be affected by increased dust impacts as a result of the proposed haulage of coal on

roads from the underground operations (rather than the conveyor) as such the costs of mitigation/acquisition are to be shared by both projects; and

- (c) MOD 4 – sought alteration to the approved biodiversity offset strategy to include an additional 6 hectares of Central Hunter Swamp Oak Forest to offset the impact of the underground operations on the Glendell Biodiversity Offset Area.

9.2 Environmental impacts generally

The Combined Project Approval currently contains various conditions requiring acquisition or mitigation measures to be implemented in the event that specified noise, air quality or blasting criteria are exceeded. The majority of the properties with acquisition and mitigation rights relate to predicted impacts from the open cut operations. As such, the requirement to acquire the land or to manage the impacts through mitigation measures to relevant properties should be removed from the conditions for the underground operations if the impacts are not attributable to the underground project.

Specific amendments to the noise, air quality and blasting conditions are discussed in further detail below.

9.3 Noise impacts

Condition 1 in Schedule 3 of the Combined Project Approval lists the properties which have acquisition rights upon request for air quality, subsidence and noise impacts. All properties, except for receptors 47 and 80, should be deleted from Table 1 in Condition 1 in Schedule 3 of the approval for the underground operations as these receptors will not be impacted by the underground operations.

With regards to receptor 47, reference is made to section 5.4 of the Response to Submissions (**RTS**) for the Integra Underground Project dated March 2010 which notes that:

'Maximum predicted vertical subsidence at receptor 47 is expected to be between 0.1 to 0.5m 0.2m and experience significant structure damage. Over the life of the project, Subsidence Management Plan (or Extraction Plan) applications will be submitted to Industry and Investment (I&I) NSW (previously DPI) which will include further assessments of the potential risks of subsidence, their likelihood and consequences. It will also include detailed strategies to manage subsidence impacts, inclusive of measures referenced in this EA. Management of impacts will be achieved through prevention, mitigation and/or remediation of subsidence impacts as appropriate.

Compensation, repair or replacement will be provided under the provisions of the Mine Subsidence Compensation Act 1961 where improvements are damaged by mine subsidence resulting from the extraction of coal.

It should also be noted that the mine plan for the Barrett Seam as presented in the EA is preliminary at this time (longwall mining in this seam is not planned to commence until 2025) and was presented to enable an assessment of the maximum area and magnitude of likely impacts. Prior to mining this area, Integra will undertake details investigations to develop a firm mine plan within the EA footprint. As part of the investigation, a risk assessment will consider amongst other things, the impact of mining on residence 47.

Integra acknowledges that the owners of residence 47 have indicated no desire to sell their property to Integra at this stage, but remains optimistic that, with mining in the vicinity of this residence scheduled to commence in late 2030, that this situation may change. Integra has also informally requested that it be given first option to purchase if and when a sale might be proposed.'

With respect to noise impacts on receptor 80, reference is made to section 2.1.9 of the RTS which explains that:

'One privately owned resident (Receptor 80 – G Donnellan) was predicted to experience noise levels up to <4 dBA above the relevant PSNL and hence falls into the 'Marginal Exceedance' category within the noise Management Zone.'

Additionally the Night Time – Inversion section of Table 1 of the Noise Assessment included in the RTS identifies that the property will be in the Noise Affection Zone >5 dBA, with the majority of the impact attributed to the underground project.

In addition, receptors 47 and 80 should be deleted from Table 1 in Appendix 6 of the approval for the open cut operations as it will no longer be relevant for this approval.

Conditions 2 and 6 in Schedule 3 of the Combined Project Approval currently set out the noise criteria and additional noise mitigation measures, as they relate to the Complex. These two conditions should be deleted from the underground operations approval and replaced with the alternative noise conditions currently contained in conditions 2 and 6 of Appendix 6 of the Combined Project Approval. These conditions relate to impacts of the Complex after the cessation of open cut mining, and therefore are appropriate conditions for the underground operation when considered as a separate operation to the open cut mining operation. Once the two approvals are separated, the alternative condition 2 sets out the properties to be acquired upon request by the underground operations. Similarly, the alternative condition 6 sets out the land requiring mitigation that is impacted by the underground mine.

Conditions 3, 4 and 5 in Schedule 3 of the Combined Project Approval will continue to remain applicable to both the underground and open cut operations as they provide the baseline noise criteria for both mines and relate to cumulative impacts of both the open cut and underground mining operations when considered together as the Complex, as well as cumulative impacts with neighbouring mines. Specifically with regards to Condition 3, this will need to be revised to refer to noise generated by either or both the Open Cut Project or Underground Project subject to the source of the noise.

With regards to the cost of any property acquisition required under Condition 5 in Schedule 3 or any mitigation measures implemented in accordance with Condition 7 in Schedule 3, the proponent of the underground or open cut operations shall share the costs associated with complying with these conditions, on a basis as equitable as possible, with the relevant other mines.

Bloomfield will manage operational noise from the reduced-scale open cut operation under a noise management plan. This plan uses a combination of predictive noise modelling and attended offsite noise monitoring to manage offsite noise impacts to within the approved limits.

9.4 Blasting impacts

Conditions 11 to 19 of the Combined Project Approval relate to blasting impacts and associated blasting operating conditions. These conditions relate solely to open cut operations and should therefore be deleted entirely from the approval for the underground operations.

Open cut blasting impacts from the reduced-scale open cut operation will be managed under a blast management plan to minimise impacts on surrounding neighbours in compliance with approved conditions.

9.5 Air quality impacts

Conditions 22 to 26 of the Combined Project Approval relate to air quality impacts and associated mitigation and management measures. Except for the haulage of coal from the underground portal as discussed below, these conditions relate solely to open cut operations and should therefore be deleted entirely from the approval for the underground operations.

Under the terms of the agreement between HV Coking Coal and Bloomfield, haulage of coal from the underground portal is to be managed by Bloomfield as part of the operation of the open cut mine. For this reason, it is appropriate that all relevant air quality conditions be included in the approval for the open cut operations, except for the reference to Property 47 in Condition 23 of Schedule 3 which relates to the underground operations. Reference is made to Table 8.4 in the Environmental Assessment for MOD 2 dated September 2012 (extracted below) which indicates that the continuation of haulage from the underground operations is predicted to result in an exceedance of an air quality assessment criterion at this receptor:

'Table 8.4 presents a summary of receptor where the continuation of hauling is predicted to result in an exceedance of an air quality assessment criterion using the current AP-42 emission factor. Receptors are mine-owned with the exception of ID 47. An increase of up to 2 µg/m³ is predicted at this residence. This receptor is currently entitled to acquisition upon request due to subsidence and additional air mitigation measures.'

Table 8.4 Predicted exceedences using AP-42 emission factor

Year	Receptor ID	Ownership (per EA)	PM ₁₀ 24-hour average	
			Project Only	
			Per AQIA	Per AQIA plus haul Default Emission Factor
		<i>Assessment criteria</i>		<i>50 µg/m³ / 150 µg/m³ ^(a)</i>
Y3	108 ^(a)	VALE P/L and others.	50	54
Y4	47 ^(b)	B&R Cherry	50	52

Notes: (a) Residence 108 has been purchased by Vale since the AQIA was completed. It was previously a private residence owned by IM Tisdell.

(b) In the current Project Approval for Integra Coal Operations, Residence 47 is entitled to acquisition upon request due to subsidence and also entitled to additional noise mitigation measures upon request.

Air quality from the reduced-scale open cut operation will be managed under an air quality management plan and air quality operational procedures implemented across the operation to minimise the generation of dust emissions from the operation.

9.6 References to respective operations

The Combined Project Approval currently contains references to both the underground and open cut operations throughout various conditions. Following the separation of the conditions of approval for the respective underground and open cut operations, except for a limited number of circumstances, references to the other project may require deletion. For example, unless expressly required, references to the underground operations should be deleted from the approval for the open cut operations and vice versa.

9.7 Operation of surface infrastructure following cessation of open cut mining

The Combined Project Approval provides consent for open cut mining operations on site until 31 December 2022 and underground mining operations until 31 December 2035. As such, underground mining operations are authorised to continue for a period of 13 years after open cut mining ceases. Bloomfield will continue to operate the surface infrastructure including the CHPP and rail load out facilities, as such the proponent of the underground operations will have no direct involvement in the operation of this surface infrastructure.

9.8 Subsidence and creek diversion conditions

Conditions 28 to 30 in Schedule 3 of the Combined Project Approval relate to management and mitigation of subsidence impacts from the underground operations. Similarly, conditions 37 to 39 in Schedule 3 of the Combined Project Approval relate to rehabilitation of creek diversions subject to subsidence impacts caused by second workings in the underground project area. Accordingly, these conditions (28 to 30 and 37 to 39) are specific to the underground operations and should be deleted from the conditions of approval relating to the open cut operations.

9.9 Management Plans

Currently, management plans required by the conditions of the Combined Project Approval have been prepared in respect of the consolidated Complex. The separation of the underground and open cut operations may require updated management plans to be prepared to reflect the independent manner in which the two mines will be operated in the future. Nevertheless, there may also be circumstances where a single management plan for a particular issue is appropriate.

In addition, as the Integra open cut operation will be integrated with Bloomfield's adjacent Rix's Creek Mine, it is desirable to consolidate management plans across both of these open cut operations. The Rixs Creek Environmental Management Plans will be structured to allow compliance to the Rixs Creek consent and the Integra Open Cut Project consent.

For these reasons, flexibility in the conditions requiring the preparation of management plans for the underground and open cut operations is required to achieve the best environmental outcomes which is appropriate in the circumstances. Accordingly, a new condition in Schedule 5 of the respective approvals for the underground and open cut operations is proposed as follows:

'Where appropriate, and either where previously approved or with the prior approval of the Secretary, any management plan prepared for the purposes of this Project may also be prepared for the purposes of an adjacent mining operation (including the open cut/underground Project) and/or be incorporated with an existing management plan for an adjacent mining operation.'

9.10 Biodiversity offsets

Conditions 41 to 45 in Schedule 3 of the Combined Project Approval currently impose requirements with respect to the biodiversity offsets for both the underground and open cut operations. However, the biodiversity offset attributable to the Underground Project is only a relatively small area of 6 hectares in size and the management of the offset area cannot be sensibly separated from the larger offset area held for the purposes of the Open Cut Project (as shown in Table 18 of the Combined Project Approval). For this reason, the 6 hectare offset obligation for the underground will remain in effect, and management responsibilities will be transferred to Bloomfield. Subsequently all obligations with respect to biodiversity offsets will be the responsibility of Bloomfield as the proponent of the Open Cut Project.

10 Stakeholder Engagement

Consultation with a number of key stakeholders has been undertaken prior to the submission of this Modification application. The purpose of consultation has been to brief stakeholders on the proposed changes resulting from the purchase of the Integra Complex and to ensure that local landholders are aware of appropriate contact details for the new mine owner representatives. Consultation activities are set out in Table 2

Table 2 - Summary of consultation

Stakeholder	Date of consultation	Outcome
NSW Department of Planning and Environment	29 September 2015	The Department confirmed that a modification application made pursuant to section 75W was the appropriate approval pathway to separate the Combined Project Approval for the respective operations.
NSW Department of Industry, Division of Resources and Energy	29 September 2015	The Department recognised the need for the Combined Project Approval to be separated.
NSW Environment Protection Authority	4 September 2015	The EPA proposed that the existing Environmental Protection Licence for the Complex (EPL 3390) be transferred to HV Coking Coal. At the same time, the premises boundaries of EPL 3390 and the existing Rix's Creek Environmental Protection Licence (EPL 3391) would be varied, with the end result being that EPL 3390 would apply only to the underground operations and EPL 3391 would encompass both the open cut operations and Bloomfield's existing operations at Rix's Creek.
Neighbouring Landholders - Glencore	November 2015 through January 2016	Discussions held with 21 landholders in the localities of Falbrook and Middle Falbrook regarding Glencore's acquisition of Integra Underground.
	December 2015	Distribution of Greater Ravensworth Community Newsletter, which included information regarding the Integra underground acquisition by Glencore.
Integra Complex CCC	28 January 2016	Notification and agenda of CCC Meeting of 17 February 2016 distributed.
Neighbouring Landholders - Bloomfield	September 2015 through January 2016 December 2015	Discussions with 18 landholders in close proximity to Integra boundaries Newsletter distributed to 120 households surrounding the open cut operations
Rix's Creek CCC	8 September 2015	Bloomfield purchase of Integra open cut and plans to re-commence production discussed.

Consultation with neighbouring landholders will continue throughout early 2016.

An Integra Complex Community Consultative Committee (Integra CCC) meeting is planned for 17 February 2016. At that time, the proposal to amalgamate components of the Integra CCC, with the existing Rixs Creek and Mt Owen CCCs will be discussed. It is proposed that those members most interested in open cut issues will continue with the Rixs Creek CCC and those interested in underground issues will continue with the Mt Owen CCC.

The next Mt Owen CCC meeting is planned for 18 March 2016. Integra CCC members with an interest in ongoing underground operations will be invited to attend this meeting. An update in relation to Integra Underground matters will be an agenda item at the Mt Owen meeting.

11 Conclusion

HV Coking Coal and Bloomfield are seeking approval to modify the Combined Project Approval that was originally granted in 2010 under Part 3A of the EP&A Act for the purpose of carrying out mining activities at the Complex.

In making this application, due consideration has been given to potential environmental impacts associated with separating the underground and open cut operations, all of which have been previously addressed in the applications for MP 08_0101 and MP 08_0102. It is therefore considered that the proposed modification can proceed under section 75W of the EP&A Act.

The splitting of the Combined Project Approval will not detract from or diminish the effectiveness of the environmental safeguards that are currently in place under the Combined Project Approval.