

HANCOCK PROSPECTING PTY LTD

Kevin's Corner Project

Initial Advice Statement July 2009

Initial Advice Statement July 2009

TABLE OF CONTENTS

TABLE OF CONTENTS	I
1.0 PROJECT OVERVIEW	1
1.1 INTRODUCTION	1
1.2 THE PROPONENT	1
1.3 PROJECT SUMMARY	2
1.4 PROJECT LOCATION	4
1.5 TENURE	5
1.6 GALILEE BASIN COAL RESERVES	7
1.7 COAL EXPORT DEMAND AND MARKETS	7
1.8 PROJECT RATIONALE	7
2.0 PROJECT ALTERNATIVES	9
2.1 NO ACTION OPTION	9
3.0 PROJECT DESCRIPTION	10
3.1 THE MINING AREA	10
3.1.1 Coal resources	10
3.1.2 Coal extraction	10
3.1.3 Mine rehabilitation	11
3.2 PROCESSING	11
3.3 TAILINGS	13
3.4 SERVICE ROAD ACCESS	13
3.5 HAUL ROAD	13
3.6 POWER AND FUEL SUPPLY	13
3.7 WATER REQUIREMENTS	13
3.8 STAFFING AND ACCOMMODATION	14
3.9 AERODROME	14
3.10 RAIL LOOP	14
3.11 PORT	15
3.12 OTHER INFRASTRUCTURE AND SERVICES	15
4.0 THE EXISTING ENVIRONMENT	17
4.1 REGIONAL CLIMATE	17
4.2 GEOLOGY AND SOILS	18
4.3 LANDSCAPE	20
4.4 WATERWAYS	20
4.5 NATURE CONSERVATION	20
4.5.1 Threatened species	20
4.5.2 Threatened ecological communities	21
4.6 INDIGENOUS CULTURAL HERITAGE	22
4.7 EUROPEAN CULTURAL HERITAGE	22
4.8 COMMUNITY AND SOCIO-ECONOMIC CONDITIONS	22
4.9 ENVIRONMENTALLY SENSITIVE AREAS	23

5.0	POTENTIAL ENVIRONMENTAL IMPACTS	24
5.1	LAND USE AND TENURE	24
5.2	SOILS, GEOLOGY AND TOPOGRAPHY	24
5.3	WATERWAYS AND WATER QUALITY	24
5.4	AIR QUALITY	25
5.5	NOISE AND VIBRATION	25
5.6	TERRESTRIAL ECOLOGY	25
5.6.1	Flora	26
5.6.2	Fauna	26
5.7	VISUAL AMENITY	26
5.8	TRAFFIC AND TRANSPORT	27
5.9	CULTURAL HERITAGE	27
5.10	SOCIO-ECONOMIC IMPACTS	27
6.0	ENVIRONMENTAL RISK MANAGEMENT	28
6.1	HANCOCK PROSPECTING IS COMMITTED TO:	28
6.2	HANCOCK PROSPECTING PTY LTD INTEGRATED MANAGEMENT SYSTEM	28
6.3	PROJECT ENVIRONMENT MANAGEMENT SYSTEM	28
6.4	PROJECT ENVIRONMENTAL MANAGEMENT PLAN	28
6.5	ENVIRONMENTAL DESIGN CRITERIA	29
6.6	CONSTRUCTION ENVIRONMENT MANAGEMENT PLAN	29
6.7	HAZARD, RISK AND HEALTH AND SAFETY ISSUES	30
6.8	CLOSURE AND DECOMMISSIONING	30
7.0	RELEVANT LEGISLATION	31
7.1	STATE DEVELOPMENT AND PUBLIC WORKS ORGANISATION ACT 1971	31
7.2	MINERAL RESOURCES ACT 1989	31
7.3	ENVIRONMENTAL PROTECTION ACT 1994	31
7.4	ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION ACT 1999	32
7.5	INTEGRATED PLANNING ACT 1997	32
7.6	OTHER LEGISLATION	32
7.6.1	Vegetation Management Act 1999	32
7.6.2	Nature Conservation Act 1992	33
7.6.3	Aboriginal Cultural Heritage Act 2003	33
7.6.4	Water Act 2000	33
7.6.5	Transport Infrastructure Act 1994	33
7.6.6	Other Queensland Legislation	33
8.0	COMMUNITY CONSULTATION	34
8.1	COMMUNITY AND STAKEHOLDER ENGAGEMENT PLAN	34
8.2	STAKEHOLDERS	35

LIST OF FIGURES

Figure 1:	Anticipated project timeline	3
Figure 2:	Project location	4
Figure 3:	Tenements held for The Project	6

Figure 4:	Planned coal processing procedures	12
Figure 5:	Mean monthly rainfall at Clermont weather station (1870-present)	17
Figure 6:	Mean maximum and minimum temperatures at Clermont weather station (1910-present)	18
Figure 7:	Typical east-west cross section of MDL 285.....	18
Figure 8:	Drillholes and seam subcrop lines over The Project	19

LIST OF TABLES

Table 1:	Mining tenure	5
Table 2:	Estimated Coal Resources	10
Table 3:	Target Coal Resources	10
Table 4:	Major infrastructure and utilities associated with the mine	15
Table 5:	Typical coal quality parameters for The Project	20
Table 6:	Threatened flora and fauna potentially occurring on the mine site	21
Table 7:	Migratory and marine species potentially occurring on the mine site	21
Table 8:	Vegetation communities and regional ecosystems potentially occurring on mine site	22

LIST OF ABBREVIATIONS

°C	degrees Celsius
ABARE	Australian Bureau of Agricultural and Resource Economics
ACH Act	Aboriginal Cultural Heritage Act
AS	Australian Standards
CEMP	Construction Environment Management Plan
CHMP	Cultural Heritage Management Plan
CPP	Coal Preparation Plant
DERM	Department of Environment and Resource Management
DEWHA	Department of Water, Environment, Heritage and the Arts
DMC	Dense Medium Cyclone
EDC	Environmental Design Criteria
EIS	Environmental Impact Statement
EMP	Environmental Management Plan
EMS	Environmental Management System
EP Act	<i>Environmental Protection Act 1994</i>
EPBC	Environmental Protection and Biodiversity Conservation
EPBC Act	<i>Environmental Protection Biodiversity Conservation Act 1999</i>
EPC	Exploration Permit for Coal
EPCA	Exploration Permit for Coal Application
ERA	Environmentally Relevant Activity
FIFO	Fly-in, fly-out
HIMS	Hancock Integrated Management System
HPPL	Hancock Prospecting Pty Ltd
HSECH	Health, Safety, Environment and Community/Heritage
IAS	Initial Advice Statement
IP Act	<i>Integrated Planning Act 1997</i>
ISO	International Standards Organisation
JORC	Joint Ore Reserves Committee
km	Kilometres
kV	Kilovolts
MDL	Mineral Development License
ML	Mining Lease
MI	Mega litres
mm	Millimetres
MR Act	<i>Mineral Resources Act 1989</i>
Mtpa	Million tonnes per annum
NC Act	<i>Nature Conservation Act</i>
NCWR	Nature Conservation Wildlife Regulation
NZS	New Zealand Standards
DERM	Queensland Environmental Protection Agency
QLD	Queensland
RE	Regional Ecosystem
REDD	Regional Ecosystem Description Database
ROM	Run of Mine
TOR	Terms of Reference
VM Act	<i>Vegetation Management Act 1999</i>

1.0 PROJECT OVERVIEW

1.1 INTRODUCTION

Hancock Prospecting Pty Ltd (HPPL) is investigating the opportunity to develop the Kevin's Corner Project (the Project), a 30Mtpa thermal coal mine in the Galilee Basin, supported by rail and port facilities provided by the adjacent HPPL Alpha Coal Project. HPPL currently holds a Mineral Development Licence (MDL) and an Exploration Permit under application for the Project. Export coal from this Project will predominantly service the Pacific market.

The purpose of this Initial Advice Statement is to firstly, provide the Coordinator-General with adequate information so a decision can be made as to whether the Project should be declared a significant project for which an Environmental Impact Statement (EIS) is required under Section 26 (1) (a) of the *State Development and Public Works Organisation Act 1971*. HPPL will be the applicant for the application and the operator of the Project. Secondly, this IAS aims to provide stakeholders with an overview of the Project, to increase awareness and generate interest. Finally, this IAS seeks to provide an initial overview of the legislative, environmental, social and economic considerations associated with any future study investigation, and operation of the Project.

Once detailed investigations for The Project are complete, the EIS will be lodged with the Coordinator - General as per the requirements of the Final Terms of Reference (ToR) prepared by the Department of Infrastructure and Planning.

1.2 THE PROPONENT

HPPL is a diversified Australian prospecting and mining company that has discovered significant mineral deposits throughout Australia, some of which have underpinned Western Australia's Iron Ore industry. More recently HPPL has completed a Pre-Feasibility for the Alpha Coal Project and has the Terms of Reference for an Environmental Impact Statement for the Mine, Rail and Port. In Western Australia HPPL has realised the development of its mineral deposits with the \$1.3 billion development of Hope Downs iron ore mine (being a 50% joint venture) entering production in November 2007.

Founded by Lang Hancock over 50 years ago, HPPL has a long and important history in the minerals, exploration and development industries across Australia. The company has held coal tenements in Queensland for almost 30 years.

HPPL has a long-standing interest in the development of the Galilee Basin, having held and explored coal exploration permits in the Alpha region since 1978. The Hope Downs iron ore mine, which is currently producing at 22 Mtpa and is expanding to 32 Mtpa being a comparative example of HPPL's ability to finance and deliver world-class resources to the growing world economy. HPPL's corporate details are as follows:

ABN: 69 008 676 417

Hancock Prospecting Pty Ltd

Head Office

Address: HPPL House
28-42 Ventnor Avenue
West Perth
WA 6005
Phone: (08) 9429 8222

Queensland Office

Address: Hancock House
355 Queen Street
Brisbane
QLD 4000
Phone: (07) 3231 9600

1.3 PROJECT SUMMARY

The Project will be a 30Mtpa thermal coal mine, comprising of both open-cut and underground operations. The coal will be treated by a coal preparation plant (CPP) and conveyed to a rail loadout facility. The Project will involve the development of a rail spur connecting the mine to the proposed HPPL Alpha Coal Project railway. The rail facilities provided by the Alpha Coal Project will transport coal to two possible port locations, which are currently being assessed under the Alpha Coal Project EIS.

Initially all product coal is planned for export, however domestic use will be explored. The Project has an expected mine life of 30 plus years, with sufficient Joint Ore Reserves Committee (JORC) compliant resources to significantly extend The Project life beyond 30 years.

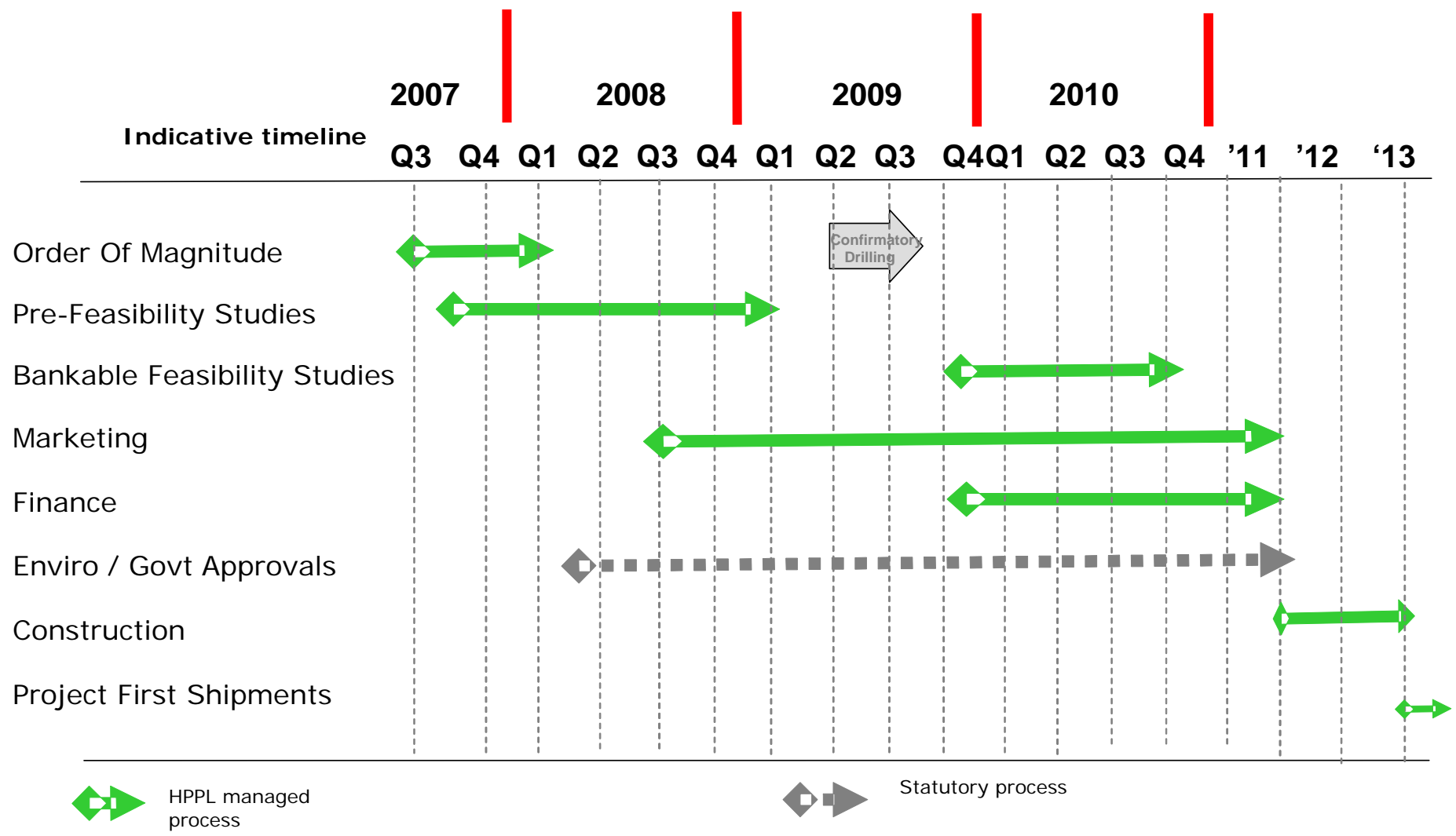
It is important to note, the multi-user rail and port facilities proposed for the HPPL Alpha Coal Project, which the Kevin's Corner Project will utilise, will be designed to transport, load and ship capacity greater than the combined production level of both the Kevin's Corner and Alpha Coal Projects. The remaining capacity will cater for neighbouring Galilee Basin producers and other down stream producers, as well as future developments in the region.

The expected capital expenditure for the Project is \$9.0 billion, which consists of capital for the construction of the mine and the relevant portion of rail and port capital. Over the 30 plus years the mine is in operation, the Project will deliver a significant royalty stream to the Queensland Government.

The construction and operation of The Project will provide employment for approximately 2,500 people during peak construction, and approximately 2,000 people at full production. In addition, local communities will benefit from a flow-on effect generated by improved social infrastructure, transport corridors and the establishment of support service industries required by the Project.

The target commencement date for construction is 2011 with the first shipment of coal in 2013.

Figure 1: Anticipated project timeline



1.4 PROJECT LOCATION

The Project is located approximately 56 kilometres (km) north of Alpha, 130km south-west of the township of Clermont and approximately 360km south-west of Mackay in Central Queensland (Figure 2).

Figure 2: Project location



1.5 TENURE

HPPL holds the granted Mineral Development Licence (MDL) overlying the Project area (MDL 333), and has applied for an Exploration Permit for Coal (EPC) (EPC Application 1210). HPPL intends to apply for a Mining Lease (ML) covering the mining area of the Project.

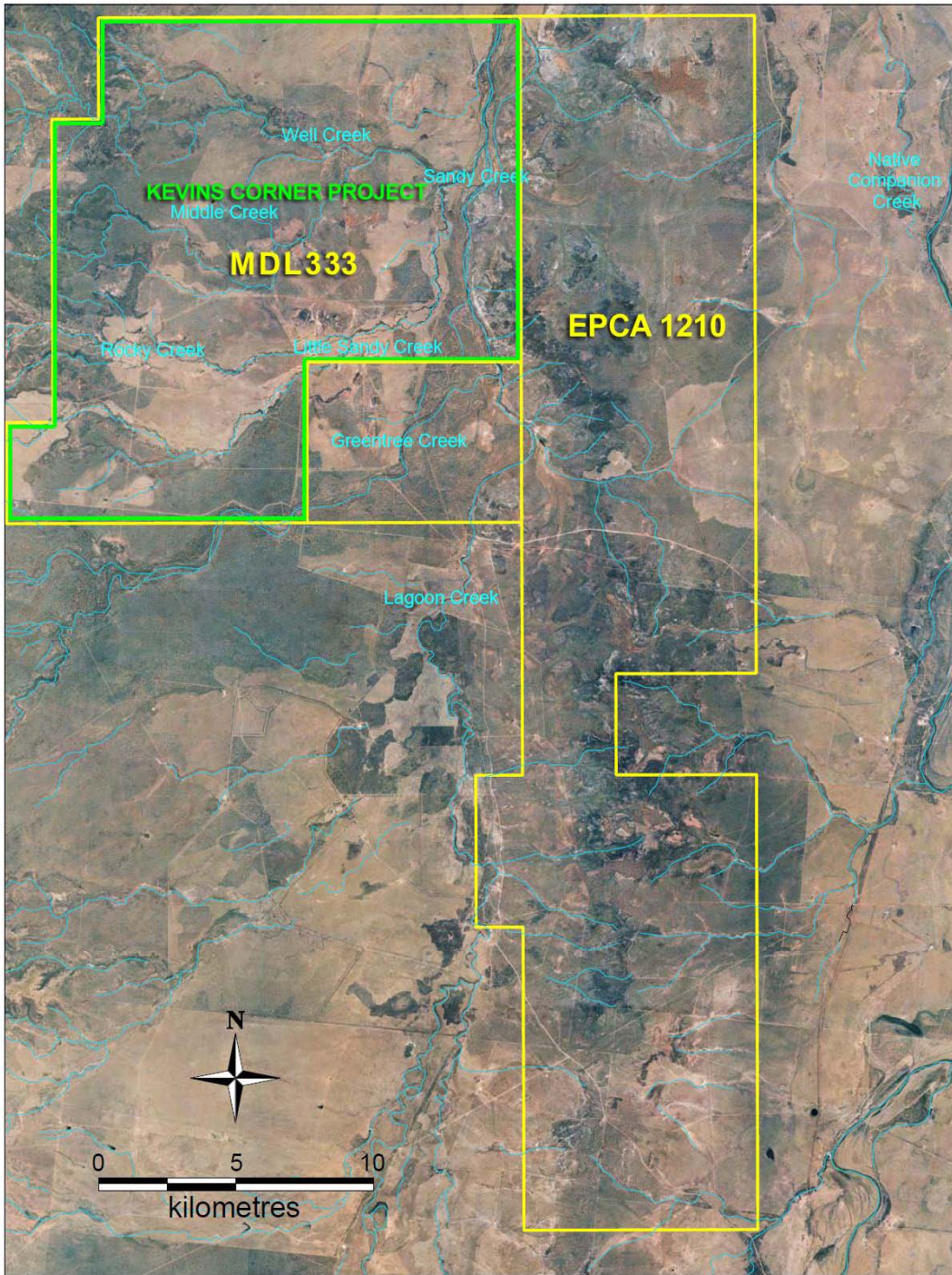
Exploration efforts for the Kevin's Corner Project are currently focused on coal resources contained within MDL 333.

The mining tenures relevant to The Project are detailed in Table 1 and Figure 3.

Table 1: Mining tenure

Tenure ID	Project area	Holder/Applicant	Status	Expiry
MDL 333	Mining	Hancock Prospecting Pty Ltd	Granted	30.09.2012
EPCA 1210	Mining	Hancock Prospecting Pty Ltd	Application	-

Figure 3: Tenements held for The Project



HANCOCK PROSPECTING PTY LTD		KEVIN'S CORNER PROJECT	
Figure 3	Project Tenements		
Scale: 1:200,000	Date: 03/07/09	Created By: AARC	

JUSTIFICATION FOR THE PROJECT

1.6 GALILEE BASIN COAL RESERVES

The Project deposit lies in the Galilee Basin within the late Permian Colinlea and Bandanna Formations. The Galilee Basin is a significant coal field consisting of up to four principal coal seams suitable for thermal coal, with the potential for liquefaction and gasification.

Within the Project area there are four major coal seams that dip gently from east to west varying in thickness from 5m to 8m. The Project has significant resources of thermal coal which is thought to be within a premium location of the Galilee Basin. Exploration to date has concentrated on the shallow coal suitable for open-cut mining, however the potential has been identified for underground developments further to the west.

The Project's coal deposit has superior quality characteristics compared to pacific consumers' alternatives.

1.7 COAL EXPORT DEMAND AND MARKETS

Global demand for thermal coal has increased over the last decade given the commodity's relatively low cost and stable supply. In 2008-2009, Australian Bureau of Agricultural and Resource Economics (ABARE) forecasts Australia's thermal coal production will increase by approximately 5% to 191 Mtpa. In 2008-2009, thermal coal export volumes are estimated to increase by 6% to 122 Mtpa. The value of exports is estimated to have increased by 35% to more than \$9 billion, reflecting higher contract prices that took effect from April 2008. The increased export volumes and higher prices mean the value of thermal coal exports in 2008-2009 is forecast to increase by 74% to \$15.9 billion. Growth in demand for thermal coal imports in Asia is expected to continue, particularly in India, the Republic of Korea and Malaysia. Thermal coal imports to these countries are forecast to increase by 18%, 7% and 21% respectively. The Chinese market is also emerging as a major user of Australian thermal coal.

Queensland has increased exports of thermal coal in response to strong global demand. The State's thermal coal is typically high in calorific value, has moderate ash levels, is low in sulphur and heavy metal content and is highly desirable in international coal markets. Demand for coal is likely to remain strong given its suitability as a relatively cheap and stable source of energy and heating. Queensland's thermal coal is exported to more than 30 countries. Queensland exported approximately 42 million tonnes of coal in the 2005-2006 financial year generating \$1,150 million in royalties (Queensland Department of Mines and Energy, Mining and Petroleum 2006 Statistical Tables).

With increased demand for energy and improved environmental practices, Pacific countries are looking to secure a long term reliable supply of the higher quality thermal coals Australia possesses.

1.8 PROJECT RATIONALE

The Galilee Basin and its coal resources are currently undeveloped, and the demand for good quality thermal coal from Australia presents an opportunity to develop this area. The Project meets Queensland Government objectives in realising the timely development of the Galilee Basin whilst ensuring the community benefits and environment objectives are supported.

Queensland will benefit from the development of the mine through long-term contributions of royalties to the State economy, employment and small business opportunities in areas surrounding the Project.

The Project aims to positively influence and benefit the Alpha community and the surrounding Barcaldine Region. The Project will involve one of the largest supply chain systems in Australia with significant integration and planning required.

It is anticipated the Project will require a total investment of approximately \$9 billion. The mine is expected to employ 2,500 employees during construction and a permanent work force of 2,000 people will be employed to operate the mine. It is projected a significant number of additional jobs will be created for local and state suppliers and contractors in combination with increased employment opportunities for local communities in the Alpha community and Barcaldine region.

2.0 PROJECT ALTERNATIVES

This section describes the development alternatives of the Project including a 'no action' option.

2.1 NO ACTION OPTION

Should the Project not go ahead, the Galilee Basin area could remain undeveloped for an extended period of time. If the opportunity for shared rail and port facilities with the Alpha Coal Project is not utilised, it could jeopardise the Kevin's Corner Project and other developments in the area. Australia will continue to lose market share with lower quality coals being provided to end users by the Asian market. In addition, potential future revenue to the State Government will not be realised, and further community development postponed.

3.0 PROJECT DESCRIPTION

The Project involves development of a 30Mtpa open-cut and underground thermal coal mine with associated infrastructure and utilities. A rail spur will also be constructed to link the Project to the proposed Alpha Coal Project rail line. The Project will be able to utilise the rail and port facilities provided by the Alpha Coal Project.

3.1 THE MINING AREA

The Project deposit is a well known coal deposit within the Galilee Basin (refer to Figure 3). Exploration began in the vicinity of The Project area in the 1970s. HPPL is the holder of MDL 333 and resource drilling is continuing. HPPL also holds an EPC Application over an area immediately to the east of MDL 333. Upon granting of the EPC by the Queensland Government, exploration drilling is planned to continue over the area.

3.1.1 Coal Resources

Coal resources within the Kevin's Corner project area of MDL 333 have been estimated in accordance with the JORC Code and are listed in Tables 2 and 3.

Table 2: Estimated Coal Resources

MDL	All seams (million tonnes)			
	Measured	Indicated	Inferred	Total
Kevin's Corner	-	475	977	1452

Exploration drilling is continuing with the objective of upgrading resource classification, increasing the resource tonnage and providing additional coal quality information analysis for trace elements, process plant design and technical marketing.

Table 3: Target Coal Resources

MDL	All seams (million tonnes)			
	Measured	Indicated	Inferred	Total
Kevin's Corner	225	925	1350	2500

3.1.2 Coal extraction

The Project will consist of both open-cut and underground coal mining operations, with a mine life of 30 plus years.

Available topsoil will be removed and relocated to stockpiles for later use in the rehabilitation of the mined area. Surface drainage that crosses the mining areas will be diverted around the operations or the water stored for on-site use.

There are four main seams which are to be targeted by a single open-cut operation. One or two seams will be targeted through longwall underground mines. Draglines, shovels and trucks will be used to expose these seams for the duration of the mine life. Truck and shovel mining methods and conveyors will be used to extract the coal and deliver it to the CPP.

Any water inflow to the mining pits from groundwater or precipitation will be collected in sumps and dams located within the mining area, for future mining use.

3.1.3 Mine rehabilitation

A mine rehabilitation plan and set of procedures will be established prior to the commencement of mining. The objective of the plan will be to create a post-mining stabilised landscape resembling pre-mining conditions.

3.2 PROCESSING

Raw coal will be delivered to the Run of Mine (ROM) facility, where it will be reduced in size for further processing. Two overland conveyors from the underground mines will feed the washplant located within the agreed MIA area to the east of Sandy Creek. Sized raw coal will be transferred via conveyor to a multi-module CPP facility consisting of single stage Dense Medium Cyclone (DMC) and spiral circuits. Coarse rejects will be deposited to a stockpile adjacent to the CPP, while tailings material may be pumped to a tailings dam for future rehabilitation. Tailings disposal are further discussed in Section 4.3 of this document.

Rail requirements will be serviced via a fully automated product handling and train load out facility. Water from the CPP will be recycled in order to minimise consumption.

A flow chart of the processing procedures is presented in Figure 4.

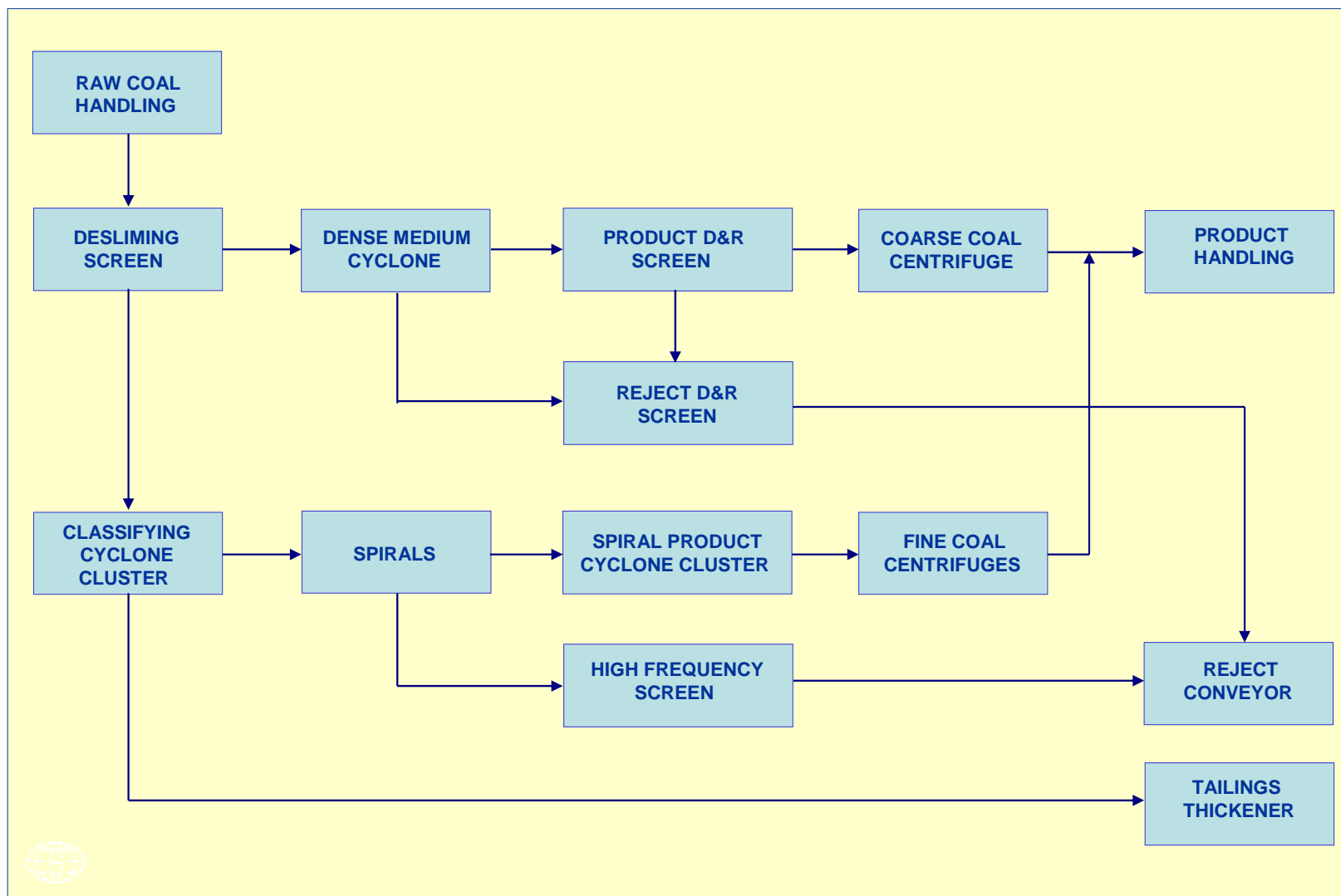


Figure 4: Planned coal processing procedures

3.3 TAILINGS

Consideration has been given to the construction of a dedicated tailings storage facility to be located adjacent to the CPP area. Other methods of tailings disposal are also being considered, including the deposition of tailings material into the mining voids (in-pit tailings disposal) and co-disposal. The appropriate method of reject and tailings disposal will be determined in conjunction with the water resource study as part of the EIS assessment. Plant water consumption and water availability will be major considerations in the selection of the appropriate method of tailings disposal. A mine mouth power station could be developed to utilise mine tailings which would otherwise be fugitive emissions. HPPL is also exploring the suitability of the site for carbon geo-sequestration.

3.4 SERVICE ROAD ACCESS

The main access road for the operation will be an upgrade to the existing shire road which passes the Surbiton homestead and goes on to the existing Wendouree homestead. All the roads within the mining area and affected by the mine industrial area are Council controlled roads. However, the main logistics road route to the site will be along the Alpha/Clermont Road which is a state controlled regional road.

3.5 HAUL ROAD

All haul roads at the mine will be within the Project tenure and will not impact on any land holders outside of these boundaries. Coal will be transported from the open-cut pit areas to multiple ROM areas with overland conveyors connecting remote ROMs to the main CPP. Haul roads will be designed to minimise environmental disturbance.

3.6 POWER AND FUEL SUPPLY

It is expected that the power supply for the site infrastructure including CPP, and mining equipment will be in the order of 175MW. There are currently two options for the supply of electricity for the Project. One option is the construction of an on-site power station which will have the capacity to produce all of the Project's energy requirements with the possibility of surplus power to be supplied to any adjacent future operations. The remaining option extends the existing 275kV power grid from Lillyvale through the Powerlink and Ergon supply system to the Project Site. Additional information will be provided on the various power supply options following the completion of the pre-feasibility and feasibility studies. Diesel fuel will be supplied to the site for the operation of mine equipment and the logistics of the supply will be determined during the pre-feasibility and feasibility studies.

3.7 WATER REQUIREMENTS

Total raw water supply requirements for the mining operation, processing facility and supporting infrastructure will be up to 11,500 ML per annum depending on the final process design. Approximately, 35MI of this 11,500 MI will be potable water, and will be treated in a packaged potable water treatment plant. It is proposed that the water requirements for the mine will be supplied from a combination of ground water pumped from the site aquifers and a clean water pipeline from the Burdekin Dam. The amount of groundwater available onsite and recharge capacity will be determined during future studies. The mine may begin initial

operations entirely on ground water until a pipeline from the Burdekin to Alpha (and other possible mining operations) is operational.

Recycled process water will be optimised through the site water management system to ensure raw water make up is minimised. High onsite retention and priority use of run-off will reduce raw water drawing requirements.

Raw water will be stored on site in two raw water dams, one for ground water and one for pipeline water. This separation of storages is required due to the higher salinity of the groundwater supply, while water from sedimentation dams and local catch dams around the site will be used for dust suppression on haul roads.

3.8 STAFFING AND ACCOMMODATION

The total mine operational staff will be approximately 2,000 personnel, depending on the final selection of mining equipment, with a total construction workforce of 2,500 during the development stage. Given the location of the mine and the distance from an available and qualified workforce, a fly-in-fly-out (FIFO) operation is envisaged. The total numbers on each shift will depend on the final make up of the mining equipment, working a 7 day on/7 day off roster. Further to this, there will be staff associated with the running of the accommodation village and maintenance contractors who will come in periodically for maintenance shutdowns on the major pieces of plant and to construct sustaining capital works.

The accommodation village is likely to be located to the north of the open-cut MIA, CPP and rail loop, where there will be fewer disturbances to off duty personnel from vibration, noise and light. The final decision with regard to the exact roster system will be determined by consultation during mine start up. The most appropriate change over days will be determined in conjunction with the selected air carrier and other FIFO operations sharing the aircraft.

Staff will primarily be accommodated in an accommodation village on site. The accommodation village provided for the permanent workforce will be designed and constructed to blend in with local environment, and will include comfortable, ensuited accommodation, full catering and appropriate recreational facilities. Construction camps with all the usual facilities provided for mine developments will be built to accommodate the construction workforce.

3.9 AERODROME

The Project will utilise the airstrip and associated infrastructure provided by the adjacent HPPL Alpha Coal Project. It is not considered feasible to operate the FIFO operations from existing aerodromes at Alpha or Emerald, given the large numbers of people and long distances from the mine. The aerodrome will accommodate jet aircraft with a capacity to carry over 100 people.

3.10 RAIL LOOP

The Project includes the construction and operation of a rail spur extending from the CPP to the proposed rail corridor for the adjacent HPPL Alpha Coal Project.

The construction and operation of the rail corridor extending from the Alpha Coal Project location to the chosen port location is under consideration in the EIS for the Alpha Coal

Project. Two port locations, as identified in the HPPL Alpha Coal Project IAS (Appendix A), are feasible: Abbot Point and Dudgeon Point. Specifics pertaining to these corridors will be explored in the HPPL Alpha Coal Project EIS and are not considered as part of the Kevin's Corner Project.

It is planned to transport 30Mtpa of coal via the Alpha Coal Project rail line. The Alpha Coal Project rail line is being designed to operate diesel-electric trains with the possibility of electrification with overhead line equipment dependent the rail corridor option decision. The minimum train size is likely to be the 10,000t Goonyella-sized train and the final selection of length and gauge will depend on the final alignment of the HPPL Alpha Coal Project rail line.

Coal will be transported 7 days a week, 24 hours a day for up to 52 weeks per year. Trains will operate at a maximum speed of 80 km per hour when fully-loaded. The gauge of the rail system could be narrow gauge, standard gauge or dual gauge. New rail lines will be built above the 1-in-100 year flood level. Dust and noise control measures will be incorporated into design to minimise impacts on communities and ecosystems alongside the length of the rail line.

3.11 PORT

Two potential port locations between Gladstone and Townsville were shortlisted as feasible for HPPL's Alpha Coal Project. The Kevin's Corner Project will share the port facilities through a negotiated arrangement.

The preferred option for the HPPL Alpha Coal Project is Abbot Point. This port option will be considered further in the HPPL Alpha Coal Project EIS, and will not be included as part of the Kevin's Corner Project EIS process.

The port will require the capacity to operate at 60Mtpa terminal throughput, the combined production of both the HPPL Alpha Coal Project and the Kevin's Corner Project. Planning will allow expansion of the terminal to 120Mtpa and beyond in the future.

The terminal at the port will incorporate additional infrastructure, services and utilities including inloading and outloading infrastructure, administration blocks, workshops, fuel storage, car parks and a communication centre

3.12 OTHER INFRASTRUCTURE AND SERVICES

Major infrastructure, services and utilities associated with the mine are illustrated in Table 4.

Table 4: Major infrastructure and utilities associated with the mine

Infrastructure type	Infrastructure items
Heavy structures	Heavy equipment workshop; electrical workshop; field maintenance workshop; tyre change/repair workshop; heavy vehicle washdown facility, refuelling and lubrication facility; light vehicle wash; warehouse
Other buildings	Main administration and technical services office; muster and mine operations building; amenities building; security; training/Induction facilities; services workshops
Miscellaneous structures	Covered car parks; water treatment plant shed; hazardous materials storage; where required explosives magazines and storage

Infrastructure type	Infrastructure items
Fuel/Lubricants/Air	Main tank farm and lubrication storage; light vehicle fuelling station; air compressor(s) and reticulation
Civil	Public access areas; public entry road; car parks; secure areas; roads/paved areas; mine infrastructure area light vehicle road network; mine infrastructure area heavy vehicle access road; hardstands; machine assembly areas
Site water	Industrial effluent; oily water sources; wash down sources; treatment reuse/disposal; industrial area storm water collection, treatment, reuse and discharge; sewerage collection, treatment, reuse and disposal; site drainage plan
Raw water	Raw water storage/reticulation, potable water treatment, storage and reticulation; fire systems storage tanks, pumping system and reticulation
Power	Site power supply; site substation; reticulation; lighting
Communications	Main control; reticulation

4.0 THE EXISTING ENVIRONMENT

4.1 REGIONAL CLIMATE

Data from the nearest Bureau of Meteorology weather station, located approximately 120km north-east of the Project at Clermont, indicates that the Project site experiences rainfall all year round. The majority of rainfall occurs between December and February, with the least falling between July and September. Mean annual rainfall recorded at this station is 801 millimetres (mm), based on data collected from 1870 to present. Rainfall patterns for the area are illustrated in Figure 5.

The annual mean maximum temperature in the region is 29.7 degrees Celsius (°C) with an annual mean minimum temperature of 15°C. Figure 6 illustrates that the coolest temperatures occur in July with average minimum temperature of 6.7°C. The highest temperatures were recorded in December with average maximum temperature of 34.9°C.

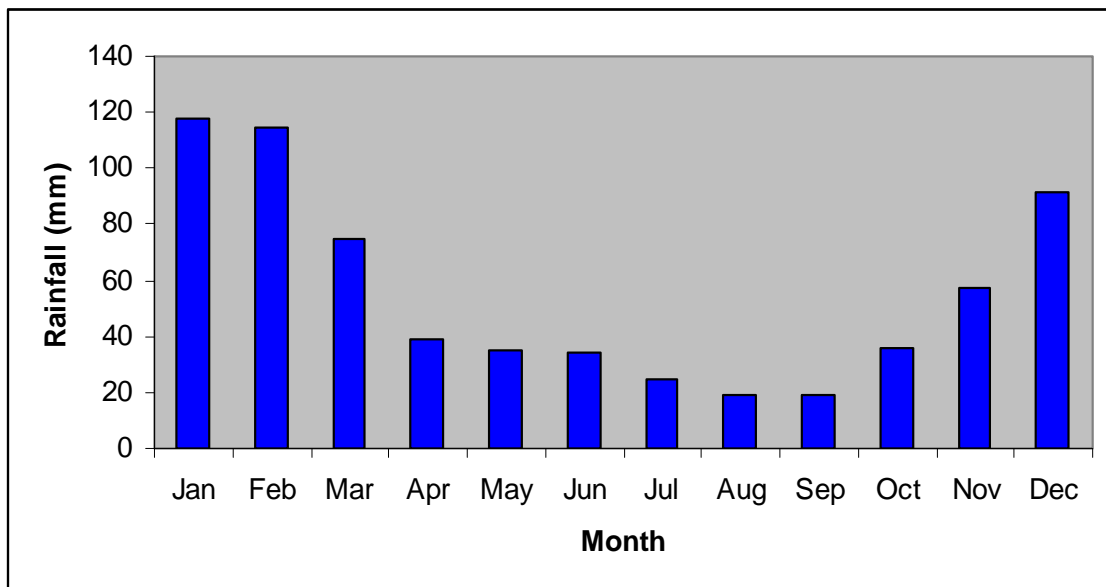


Figure 5: Mean monthly rainfall at Clermont weather station (1870-present)

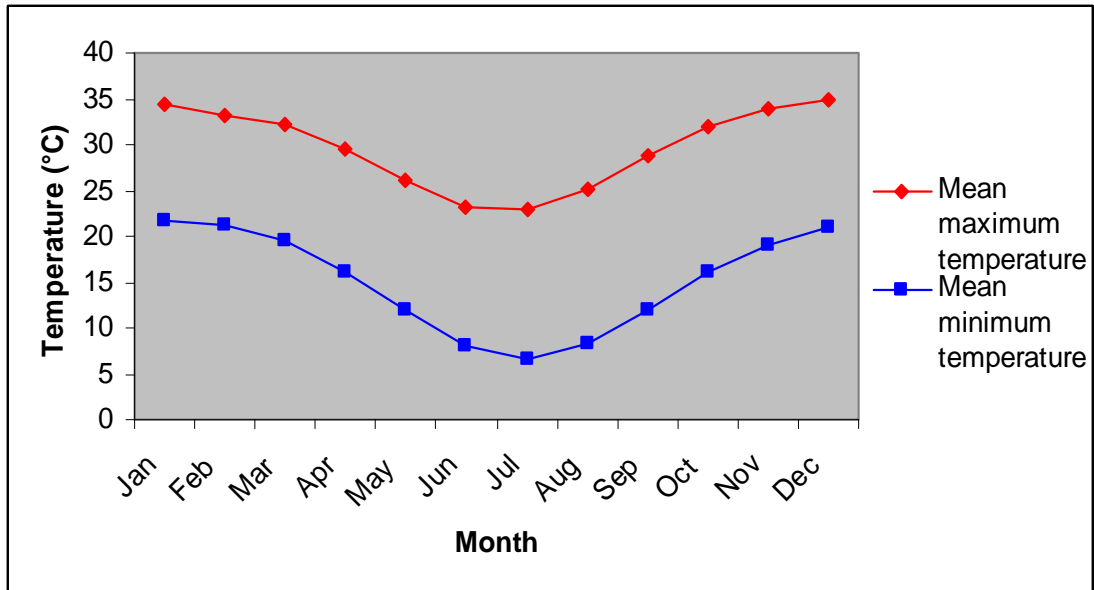


Figure 6: Mean maximum and minimum temperatures at Clermont weather station (1910-present)

4.2 GEOLOGY AND SOILS

The Project deposit lies in the Galilee Basin within the late Permian Colinlea and Bandanna Formations. The coal bearing strata sub-crop in a linear, north-south trending belt in the central portion of the basin and are essentially flat lying. No major regional scale fold and fault structures have been identified in regional mapping of the Project area.

There are four major coal seams within the deposit, which vary in thickness from 5m to 8m. Figure 7 shows a typical east-west cross section across the deposit, while Figure 8 shows the seam subcrops and the MDLs and existing drillholes. Two other coal seams (E and F) are still being evaluated.

Searches of the Interactive Resources and Mapping database show the predominant soil type in the vicinity of the Project is a massive yellow earth. Site-based soil studies will be conducted during the EIS to confirm desktop study findings.

Figure 7: Typical east-west cross section of MDL333

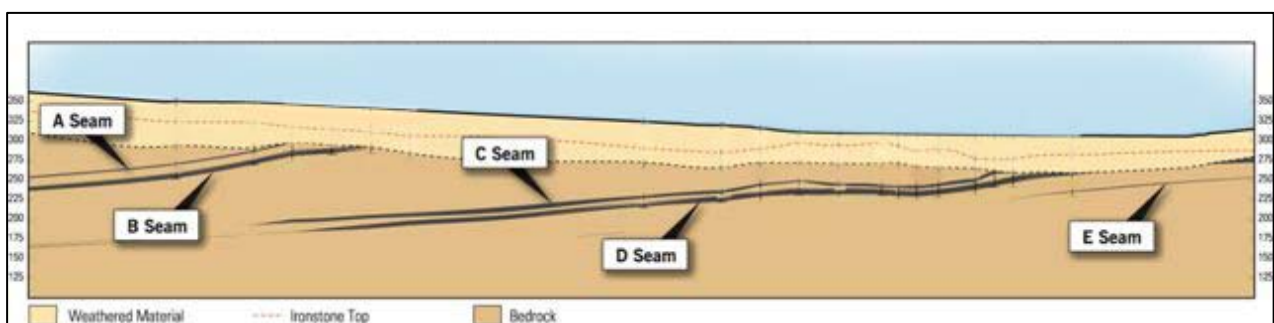
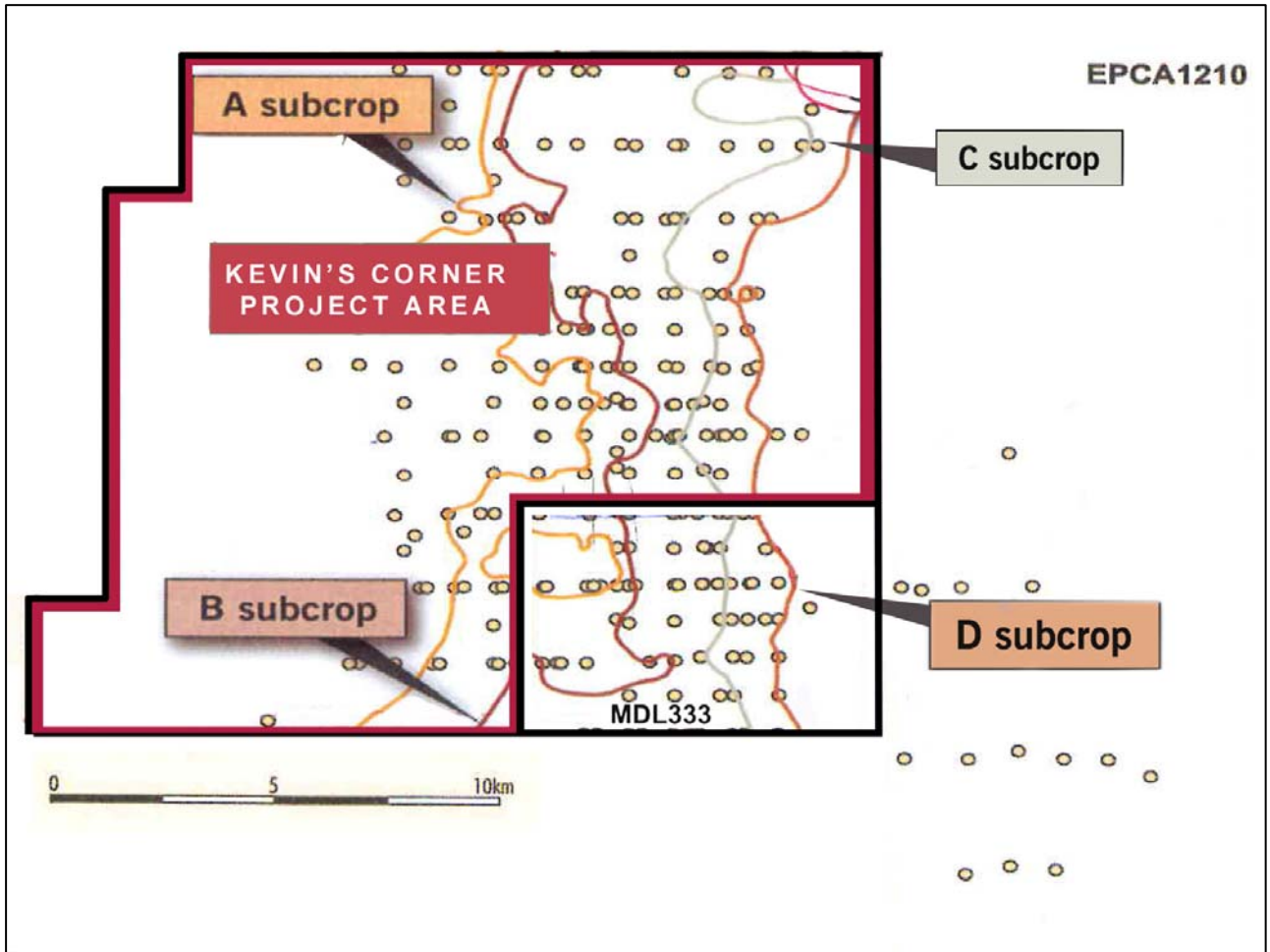


Figure 8: Drillholes and seam subcrop lines over The Project



The coal seams associated with the Project are of thermal coal quality, as summarised in Table 5.

Table 5: Typical coal quality parameters for The Project

Parameter	Raw coal	Washed coal
Ash %	12-35	8-14
Gross calorific value (kcal/kg)	4500-6500	5500-6900
Total sulphur %	0.5-0.8	0.4-0.8
Yield %	-	50-85

4.3 LANDSCAPE

The Mine area is located on a gently undulating landscape with a typical elevation of approximately 320m above sea level. Large sections of the proposed mine area have been cleared of vegetation for the purposes of low intensity cattle grazing. The vegetation communities which may occur on the mine site are discussed in Section 5.6 of this Initial Advice Statement.

4.4 WATERWAYS

There are six creek-lines within the Project tenement: Sandy Creek, Rocky Creek, Well Creek, Middle Creek, Little Sandy Creek and Greentree Creek. These creeks are tributaries of the Belyando River which flows in a northerly direction and eventually meets up the Burdekin River. The Belyando catchment is approximately 35,411km² and is one of the main sub catchments in the Burdekin Basin. A number of small ephemeral drainages also exist on the Project site. The rail loop connection to the Alpha Coal Project rail line will run northwards alongside Native Companion Creek which is located to the east of the EPCA. Native Companion Creek is also a tributary of the Belyando River.

4.5 NATURE CONSERVATION

To gain an understanding of the potential occurrence of important flora and fauna within and adjacent to the Project mining tenure, searches were undertaken of the Queensland Wildlife Online Database (QEPA 2007), the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) Protected Matters database (EPBC 2007) and the Department of Environment and Resource Management (DERM) Regional Ecosystem Description Database (REDD). A buffer of approximately 100km around the Project site was investigated.

4.5.1 Threatened species

A review of databases has identified a number of threatened flora and fauna species potentially occurring within the Project area, as listed under the *Nature Conservation Wildlife Regulation 2006* (NCWR) and the EPBC Act, refer Table 6.

Table 6: Threatened flora and fauna potentially occurring on the mine site

Threatened species	Number of species
Flora	
Listed under the EPBC Act and NC Act	2
Listed under the EPBC Act only	2
Listed under the NC Act only	15
Total	19
Fauna	
Listed under the EPBC Act and NC Act	6
Listed under the EPBC Act only	7
Listed under the NC Act only	13
Total	26

A number of species listed as migratory or marine were also identified from the EPBC Protected Matters Search.

Table 7: Migratory and marine species potentially occurring on the mine site

EPBC Act listed migratory or marine	Number of species
Listed as migratory terrestrial	4
Listed as migratory wetland & marine	4
Listed as migratory wetland only	3
Listed as migratory marine only	1
Total	12

4.5.2 Threatened ecological communities

Database searches have identified a number of threatened Regional Ecosystems (REs) and vegetation communities that exist within the mine site boundary, as listed under the *Vegetation Management Act 1999* (VM Act), the DERM Biodiversity Status and the EPBC Act. Table 8 summarises the communities and REs identified on the proposed mine site.

Table 8: Vegetation communities and regional ecosystems potentially occurring on mine site

Ecological community / regional ecosystem	Number/Status
Threatened Communities under the EPBC Act	
Brigalow (<i>Acacia Harpophylla</i> dominant and co-dominant)	Likely to occur within area
Weeping Myall Woodlands	Likely to occur within area
Regional Ecosystems Listed Under the VM Act	
Endangered	0
Of Concern	6
Not of Concern	20
Total	26
Endangered (DERM Biodiversity Status) Regional Ecosystems	
Acacia harpophylla and/or Eucalyptus cambageana open woodland to woodland on Mesozoic sediments	Endangered

4.6 INDIGENOUS CULTURAL HERITAGE

From the commencement of exploration across its mine tenements in the 1970s, HPPL has actively sought to minimise impacts on indigenous heritage places and has adopted a 'site avoidance' approach in all the activities undertaken to date.

The mine lies wholly within the Wangan and Jagalingou native title claim boundary (QC04/5; QUD85/04; accepted for Registration on 5 July 2004). In April 2008 HPPL entered into an interim heritage agreement with Wangan and Jagalingou people prior to commencing further exploration activities later that year. Cultural heritage surveys were undertaken under this agreement in May and June 2008, with the assistance of the Wangan and Jagalingou claimants, and it is planned that further investigations will occur as the exploration programme continues. Detailed indigenous cultural heritage surveys will be conducted over the mine area during the EIS.

4.7 EUROPEAN CULTURAL HERITAGE

There are no places currently registered on the Inventory of Heritage Places maintained by the DERM within the exploration area. Detailed European cultural heritage surveys over the exploration area will be conducted during the EIS.

4.8 COMMUNITY AND SOCIO-ECONOMIC CONDITIONS

The township of Alpha lies approximately 50km south of The Project and is the only town of significant size within close proximity. Other townships in the region include Aramac, Barcaldine, Jericho, Moranbah and Clermont, and these lie some distance away. The Barcaldine Regional Council encompasses both Jericho and Alpha, the closest settlements to the Project, as well as the townships of Aramac and Barcaldine.

In 2006, the Barcaldine Regional Council had a total population of 3,264 people consisting of 1,682 males and 1,582 females. Future projections show limited growth for the region. By 2026, medium level growth will see the population figure climb to 3,483 people.

The region is heavily reliant on the sheep, beef cattle and grain industries which supported the highest percentage of employment in 2006 at just over 31%. As a whole, approximately 70% of the population over 15 years is in the labour force.

4.9 ENVIRONMENTALLY SENSITIVE AREAS

The DERM Environmentally Sensitive Areas map did not identify any category A Environmentally Sensitive Areas on the mine site. However, a number of pockets of category B Environmentally Sensitive Areas were identified that are listed as Endangered Regional Ecosystem (Biodiversity Status) in the *Environmental Protection Regulation 1998*. In total these mapped category B Endangered Regional Ecosystem areas cover only a very small percentage of the proposed mine area. The Environmentally Sensitive Areas map also identified a small section of Wild Rivers High Preservation Area in the north-west corner of the site, and adjacent to this, further to the west, a section of National Park.

5.0 POTENTIAL ENVIRONMENTAL IMPACTS

5.1 LAND USE AND TENURE

Land uses within and adjacent to the mine site that will be impacted by The Project are predominantly low intensity cattle grazing. HPPL will investigate compensation agreements with the relevant landholders to negate the impact of the Project on this land use.

5.2 SOILS, GEOLOGY AND TOPOGRAPHY

During construction of the mine, particularly during vegetation clearing and earthworks, there is potential for erosion and dispersion of exposed subsurface soils, which could lead to an impact on local water quality. Soil investigations will be undertaken to identify any reactive cracking clay soils, dispersive, erosion prone soils and saline soils as these are of particular concern and will need to be managed during construction.

A Sediment, Drainage and Erosion Control Plan will be developed for construction activities to mitigate and control sediment movement onsite, and minimise the potential for sediment-laden runoff.

During operation of the mine, the draglines and the subsequent spoil dumps will create an altered landform with potential for erosion and geotechnical instability. This impact will be addressed through on-going and progressive rehabilitation of the spoil dumps and other disturbed areas. A Rehabilitation Plan will be detailed in the EIS. In addition, geotechnical investigations will be undertaken during the EIS to discuss the stability of the pit and any mitigation measures which may be undertaken.

5.3 WATERWAYS AND WATER QUALITY

The construction and operation of the mine has the potential to negatively impact on both surface and groundwater quality of the immediate area and the associated catchments.

Construction, in particular, has the potential to increase sedimentation in the surrounding surface waters through the release of sediments and topsoils from stockpiles and cleared areas if adequate erosion, sediment and drainage controls are not implemented.

During the construction and operation phases of the mine, potential impacts to surface water quality include:

- Sediment from disturbed soils entering waterways;
- Hydrocarbon and other small spills from storage areas and vehicles; and
- Storage and disposal of waste materials.

Potential impacts on groundwater include:

- Release of groundwater into the pit resulting in decreased groundwater pressure, altered groundwater levels, altered flow direction, and potential for complete dewatering of local groundwater resources; and

- Contaminants from the pit entering into groundwater resources.

Full surface and groundwater investigations will be undertaken as part of the EIS process to discuss existing water resources in and adjacent to the mine and impacts the mine could have on these resources. The procedures for the management of these impacts will be discussed as part of the EIS.

5.4 AIR QUALITY

During construction of the mine, considerable earthworks will be necessary to prepare the site for infrastructure, along with increased traffic volume (rail and road), increasing the potential for dust generation and air quality impacts.

During the operational phase of The Project there is also the potential for a reduction of air quality due to dust generation and emissions mainly from dragline activities, stockpiling overburden, product transport onsite, processing and loading to rail transport.

Dust generation will be addressed in the CEMP, and minimised during construction and operational phases using appropriate dust suppression and control techniques.

A predictive modelling study of potential dust emissions from the Project will be undertaken as part of the EIS process.

5.5 NOISE AND VIBRATION

During construction of the mine there will be an increase in vehicle movements to and from the mine site due to transport of infrastructure materials, construction personnel and earthmoving equipment. The increased vehicle movements have the potential to generate noise audible on occasion from nearby properties and industry. Other construction-specific activities, such as excavation, clearing, filling and potentially blasting, also have the potential to increase ambient noise levels.

Once the mine is operational there will be an increase in noise levels due to the dragline operation, transport of coal onsite, and coal processing activities.

The potential increase in noise levels, both during construction and operation, is to be mitigated through a combination of environmental management strategies, appropriate infrastructure design and separation distances to sensitive receptors.

Furthermore, the potential for vibration impacts during both construction and operation are expected to be minimal. Possible vibration impacts during construction from limited blasting (if required) would be managed through appropriate design of blasting patterns and selection of blasting techniques.

A detailed noise and vibration assessment will be undertaken as part of the EIS.

5.6 TERRESTRIAL ECOLOGY

The removal of vegetation is likely to impact the biological and habitat value of the area. Particularly, this could include loss of flora and fauna habitat, restriction of fauna movement, restriction of vegetative dispersal and propagation and increased edge effects.

Appropriate mitigation measures will be developed as part of the EIS process following detailed ecological investigations.

5.6.1 Flora

The single endangered regional ecosystems and two threatened communities found during desktop studies could be impacted during construction and operation of The Project. Desktop studies also revealed 19 threatened flora species potentially within 100km of the mine site. Of these, 5 are listed as vulnerable, 2 endangered, and 12 rare under the EPBC and Nature Conservation Acts.

Further investigation will be undertaken during the EIS to assess the impact on the vegetation communities.

Other flora studies to be undertaken during the EIS include investigations of:

- Increased edge effects and the introduction and colonisation of weeds during construction and operational phases; and
- Clearing of mapped regional ecosystems and the 'least concern' flora within them, requiring permits under the *Regional Vegetation Management Codes*.

5.6.2 Fauna

Desktop studies reveal 26 threatened fauna species potentially within 100km of the mine-site. Of these, 9 are listed as vulnerable, 5 endangered, 12 rare and nine migratory and/or marine under the EPBC and Nature Conservation Acts.

Further investigations will be required during the EIS phase to assess the impacts on these species.

5.7 VISUAL AMENITY

Infrastructure to be constructed for the mine includes overland conveyors, ROM facility, CPP, storage facilities, access and hauls roads, water pipeline, raw water dams and an accommodation village.

The infrastructure required for the Project has the potential to decrease the visual amenity of the site, however this will be minimised through the use of landscaping and appropriate design (where possible).

The mine may diminish the available visual qualities of the area. The vegetation on site is planned to be used as a visual screen where possible. The mine is located in a rural area and is not expected to impact significantly on local towns or residential areas.

Visual amenity and possible mitigation measures will be investigated as part of the EIS process.

5.8 TRAFFIC AND TRANSPORT

Extraction of product from the mine will require the realignment of an existing local council road which currently passes over The Project area. Detailed investigation of the road realignment will be conducted during the EIS and associated feasibility studies.

The mine will generate an increase in traffic to and from the site during construction and operation. In the construction phase, materials will be transported to and from site via road. During the operational phase, the product will be transported off-site via rail and personnel will be accommodated on site. Nearby roads during construction will be more heavily trafficked than at present. The impact of this on the roads has not yet been determined. A traffic study will be undertaken as part of the EIS process.

5.9 CULTURAL HERITAGE

The Project lies wholly within the Wangan and Jagalingou native title claim boundary (QC04/5; QUD85/04; accepted for Registration on 5 July 2004). In April 2008 HPPL entered into an interim heritage agreement with Wangan and Jagalingou people prior to commencing further exploration activities later that year. Cultural heritage surveys were undertaken under this agreement in May and June 2008, with the assistance of the Wangan and Jagalingou claimants, and it is planned that further investigations will occur as the exploration programme continues.

It is expected that prior to the commencement of construction and operational phases a Cultural Heritage Management Plan (CHMP), or associated equivalent, will be entered into regarding the management of Indigenous cultural heritage on the Project site. The CHMP development will follow the processes described under the *Aboriginal Cultural Heritage Act 2003* (ACH Act) which will then be endorsed and registered with the Department of Natural Resources and Water (DNRW) as a formal CHMP.

5.10 SOCIO-ECONOMIC IMPACTS

It is expected the socio-economic impacts of the Project will produce overall positive outcomes for the local region, and also at State levels.

The potential impacts which will be addressed in the EIS include:

- Effects on housing, employment and public services in the surrounding area;
- Workforce personnel and services;
- Direct impacts on landowners;
- Local population levels and demographics;
- Infrastructure developments and their effect on the socio-economic dynamics of the region; and
- Workforce arrangement through FIFO operations.

6.0 ENVIRONMENTAL RISK MANAGEMENT

6.1 HANCOCK PROSPECTING IS COMMITTED TO:

- The health and safety of its employees, contractors and visitors;
- Working in an environmentally responsible manner;
- Being respectful of indigenous heritage values and traditional rights ; and
- Addressing legislative compliance in every aspect of its work.

The Project will utilise a number of methods to manage potential environmental impacts associated with the Project. The key environmental management tools and controls are described below.

6.2 HANCOCK PROSPECTING PTY LTD INTEGRATED MANAGEMENT SYSTEM

The Hancock Integrated Management System (HIMS) provides a framework for the implementation and monitoring of plans, procedures and work practices that address the Health, Safety, Environment, and Community/Heritage (HSECH) Management Standards of HPPL. The HSECH Management Standards will guide construction and operation of The Project. The HIMS is consistent with the principles of ISO14001 Environmental Management Systems and AS/NZS 4801 Occupational Health and Safety Management Standards.

6.3 PROJECT ENVIRONMENT MANAGEMENT SYSTEM

The HIMS will be used as the basis to develop Project-specific management systems to address the HSECH aspects of construction, operation, decommissioning and closure. Environmental performance standards and management requirements will be established for The Project during the EIA process to address project-specific risks and impacts and best practice industry standards are adopted.

HPPL will oversee the development of an Environmental Management System (EMS) for The Project. The EMS will be consistent with the principles of ISO 14001, including provisions for monitoring and continuous improvement of environmental performance. The EMS forms a component of the broader Project management system that addresses the occupational health and safety and community and heritage aspects of the Project. A series of supporting Environmental Management Plans (EMPs) will be developed to implement the environmental management and monitoring commitments adopted for The Project.

6.4 PROJECT ENVIRONMENTAL MANAGEMENT PLAN

A Project Environmental Management Plan (Project EMP) will be prepared as a component of The Project EMS. The EMP will detail policies, procedures and controls that will be implemented by HPPL to minimise potential environmental impacts during design, construction and operation of the Project. The objectives of the Project EMP are to:

- Define the management structure of The Project and the environmental roles and responsibilities of HPPL and contractors on the Project;
- Identify environmental legal requirements relevant to the Project;
- Identify the environmental risks associated with the major activities that will be undertaken during the Project;
- Document Project management controls, procedures and rules to manage the identified environmental risks and satisfy environmental requirements;
- Establish objectives and targets for environmental performance;
- Document monitoring, auditing and reporting requirements; and
- Capture commitments made in the EIS as specific and measurable actions.

Implementation of the Project EMP will ensure adequate protection and management of the environmental values which may be impacted upon by the construction and operation of the Project.

6.5 ENVIRONMENTAL DESIGN CRITERIA

An Environmental Design Criteria (EDC) Report will be developed for the design, engineering, construction and operation of the mine. The purpose of the EDC Report is to specify the standards, limits and conditions with which any air, noise and liquid emissions and wastes from The Project must comply in order to meet the applicable regulatory and best practice requirements. The EDC Report will be used to guide engineers in environmentally sound and legally compliant design of The Project, in order to minimise the impact of the Project on the environment. The EDC Report will also be used to check compliance of the Project with design standards and limits.

6.6 CONSTRUCTION ENVIRONMENT MANAGEMENT PLAN

A Construction Environment Management Plan (CEMP) will be prepared for the Project. The CEMPs will detail policies, procedures and controls that will be implemented by HPPL and its contractors to minimize potential environmental impacts during the construction phase of The Project. The CEMP has the following objectives:

- Identify the environmental issues and potential environmental impacts associated with construction;
- Outline management plans, procedures and controls for each of the environmental issues associated with construction;
- Specify the environmental responsibilities of The Project management team, contractors and on-site workers;
- Ensure construction is undertaken in compliance with relevant environmental legislation and standards; and

- Define monitoring, reporting and auditing requirements for the construction phase.

Effective implementation of the CEMPs during construction will ensure environmental risks are appropriately managed in a way which satisfies relevant legislative requirements and stakeholder expectations.

6.7 HAZARD, RISK AND HEALTH AND SAFETY ISSUES

Hazards and associated risks are presented by the construction and operation of The Project. Hazards need to be identified and the associated risks managed in order to reduce or eliminate the potential for harm to occur to people, property and the environment. Formal risk assessments will be utilised to identify and manage the risks associated with the construction and operation of The Project. The formal risk assessment process follows the methodology outlined in *AS4360: Risk Assessment*. This process is based on:

- Establishing the context;
- Identifying the risks;
- Analysis of the risks;
- Evaluating the risks; and
- Managing the risks.

The formal risk assessment process will ensure the effective management of all risks associated with construction and operation of the Project.

6.8 CLOSURE AND DECOMMISSIONING

A Mine Closure Plan will be developed for the Project as part of mine engineering and operational design. The Mine Closure Plan will identify procedures, actions and monitoring to be implemented to achieve the desired landscape performance goals. Implementation of the mine Closure Plan will ensure that the post-mining landscape is safe, stable and suitable for the designated future use.

A Rehabilitation Program will be developed and implemented, both during mine operations and after mine closure. The program will involve progressive revegetation with suitable native vegetation and landscaping of the mined area in order to create a sustainable and stable post-mining landform.

7.0 RELEVANT LEGISLATION

7.1 STATE DEVELOPMENT AND PUBLIC WORKS ORGANISATION ACT 1971

The *State Development and Public Works Organisation Act 1971* (SDPWO Act) enables the Coordinator - General to declare a project a 'significant project'. Under this process, the Coordinator - General can administer the EIS process and impose conditions relating to the following:

- *Mineral Resources Act 1989*;
- *Environmental Protection Act 1994*;
- *Integrated Planning Act 1997*; and
- Other approvals as required.

The Project will require approval under numerous Acts as listed in the following sections. The EIS process under the SDPWO Act is considered the most appropriate approval pathway and allows a streamlined approval process for all elements of The Project.

The proposed Project is likely to be considered a "significant project" under the SDPWO Act. The SDPWO Act requires that an EIS be prepared for significant projects, and submitted to the Coordinator-General for approval.

7.2 MINERAL RESOURCES ACT 1989

The *Mineral Resources Act 1989* (MR Act) provides a framework for the development and utilisation of the State's mineral resources. The Project will require forms of land tenure regulated by the MR Act such as exploration permits (Coal) and mining leases. The Act is administered by the Department of Mines and Energy; environmental issues are dealt with by the DERM.

7.3 ENVIRONMENTAL PROTECTION ACT 1994

The *Environmental Protection Act 1994* (EP Act) serves to protect and manage Queensland's environmental values whilst allowing for ecologically sustainable development. The EP Act utilises a number of mechanisms to achieve its objectives, including licensing of Environmentally Relevant Activities (ERAs). The EP Act is administered by the DERM, which has assumed responsibility for the administration of environmental authorities and compliance, auditing and monitoring of environmental management of mining.

Development Approvals (given under the IP Act) and registration certificates are required for conducting ERAs under this Act. A range of ERAs will be carried out during the construction and operation of the mine.

7.4 ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION ACT 1999

The EPBC Act requires that approval be sought from the Commonwealth Department of the Environment, Water, Heritage and the Arts (DEWHA) if it is considered that an action is likely to have a significant impact on any Matters of National Environmental Significance. Matters of National Environmental Significance are described as:

- World Heritage Properties;
- National Heritage Places;
- Wetlands of International Importance (Ramsar wetlands);
- Threatened Species and Ecological Communities;
- Migratory Species;
- Commonwealth Marine Areas; and
- Nuclear Actions (including uranium mining).

The Project may be referred to DEWHA depending on the findings of the flora and fauna surveys conducted over the Project area.

The EPBC Act is triggered when a project has the potential to impact on a Matter of National Environmental Significance (e.g. World Heritage Area) and / or the environment on Commonwealth land. Particular elements of The Project may trigger the EPBC Act and requires a referral to, and assessment by, DEWHA. If a project is deemed likely to have a significant impact on a Matter of National Environmental Significance and / or the environment on Commonwealth land then it becomes a 'Controlled Action' under the EPBC Act and the Commonwealth Government will have the power of approval of the project.

There is the potential that the mine will overlie land held under native title. Consultation with the traditional owners would be required as part of Project development and operation

7.5 INTEGRATED PLANNING ACT 1997

The *Integrated Planning Act 1997* (IP Act) is the primary legislation for regulating development in Queensland. Activities authorised under an Environmental Authority (mining activities) are considered to be exempt development under IP Act.

Approvals for development may need to be sought under the IP Act for the rail loop component of the Project. These approvals will be fully identified and confirmed as part of the EIS process.

7.6 OTHER LEGISLATION

7.6.1 Vegetation Management Act 1999

Construction of the rail loop may involve clearing native vegetation listed under this Act.

7.6.2 Nature Conservation Act 1992

The Project area may overlies habitats containing endangered, vulnerable or rare species listed under this Act. The construction of the mine may also impact upon protected animals, plants or areas. This would require relevant licences and permits under the *Nature Conservation Act*.

7.6.3 Aboriginal Cultural Heritage Act 2003

This Act outlines the duty of care a proponent has when carrying out an activity that will or has the potential to harm Aboriginal cultural heritage. If the mine has the potential to harm Aboriginal cultural heritage then a CHMP must be prepared with the traditional owners affected by the Project.

7.6.4 Water Act 2000

There is the potential for the mine to require infrastructure in watercourses. Vegetation removal, excavation and/or filling in a watercourse require a Riverine Protection Permit under this Act.

7.6.5 Transport Infrastructure Act 1994

The approval of the Chief Executive (Queensland Department of Transport and Main Roads) will be sought for the establishment and operation of the rail loop for the Project.

7.6.6 Other Queensland Legislation

It is possible that the Project will be subject to the requirements of other Acts, policies and regulations including:

- *Land Act 1994*;
- *Queensland Heritage Act 1992*;
- *Land Protection (Pest and Stock Route Management) Act 2002*; and
- *State Planning Policy 2/02: Planning and Managing Development Involving Acid Sulphate Soils*.

8.0 COMMUNITY CONSULTATION

Community and stakeholder engagement forms an integral component of the assessment and approvals process for The Project. HPPL is committed to developing and maintaining co-operative relationships with all relevant communities and stakeholders through open communication and collaboration. HPPL has and will continue to actively engage stakeholders with the objective of providing accurate and timely environmental, social and economic information to surrounding communities.

The Project will develop a Community and Stakeholder Engagement Plan that entails interaction with local communities and other stakeholders in a pro-active, open manner that encourages and facilitates active consultation and involvement. Stakeholders have been identified and are currently being engaged to ensure a proactive communication flow.

8.1 COMMUNITY AND STAKEHOLDER ENGAGEMENT PLAN

The Project Community and Stakeholder Engagement Plan will have the following objectives:

- Implement a process through which communities and stakeholders can communicate effectively with HPPL regarding construction and operation of The Project;
- Ensure that all community comments or issues raised are dealt with in a timely manner, and where possible, effectively resolved; and
- Incorporate stakeholder input in the design, operation and management of The Project.

The Community and Stakeholder Engagement Plan aims to inform the local community and other concerned stakeholders about The Project and address any concerns or issues raised in a timely manner through the following conceptual steps:

1. Identify key stakeholders and determine their level of interest in the Project;
2. Determine stakeholder level of impact on the Project;
3. Identify potential issues and risks and develop mitigation strategies;
4. Develop key engagement and communication mechanisms and protocols utilising various forums and forms of media; and
5. Develop a schedule of activities and implement selected management strategies and community involvement activities.

The HPPL Key Stakeholders Register has been tailored to The Project and is being maintained to track key stakeholders and engagement activities. Active engagement has, and will continue to be undertaken, with residents living nearby The Project. This process will continue during design, engineering and EIS, construction and operation phases.

8.2 STAKEHOLDERS

Under the Alpha Coal Project HPPL engaged with a number of key stakeholders as part of the assessment and refining of mine, port and rail corridor options, construction and operations. These stakeholders consulted, as part of preliminary Project studies, and who will continue to be consulted as part of the Kevin's Corner Projects design and engineering progress, include:

- Private land holders;
- Native title holders;
- Industry stakeholders;
- State Government Agencies and Departments;
- Commonwealth Government Agencies and Departments;
- Utilities and transport infrastructure; and
- Local Regional Councils.

HPPL is committed to actively engaging and working with other proponents with interests in the development of the Galilee Basin and associated infrastructure. The Company aims to deliver the Project in a manner that is of maximum benefit to local communities, the Galilee Basin and the State of Queensland. HPPL is engaging with the Queensland Government and other development proponents through its active participation in the Galilee Basin Users Group.