

Mangoola News

Mangoola Coal
July 2011, Issue no. 5



Operations update



Welcome to Mangoola News, Mangoola Coal's community newsletter designed to keep you up to date with all the news from our operations.

Since our last newsletter,

our construction activities have advanced in leaps and bounds. Our construction work across the site is almost finished and we started commissioning some months ago. Work on the mine office, bath house and workshop is complete and these facilities are being used by our operations team. The new offices are well appointed and by all reports our operations team has settled in well. We congratulate and thank our mine infrastructure alliance partner, Parsons Brinkerhoff and our team of contractors for all their hard work completing the project ahead of schedule.

Construction work in the Coal Handling and Preparation Plant (CHPP) is now complete with the commissioning of the CHPP finished. Work in the rail loop is now also complete with the first train load despatched in early March with regular trains being despatched since. Congratulations and thanks goes to our alliance partner, Downer and our team of contractors on the successful completion of the plant.

In other news, as a priority Mangoola Coal has worked closely with Muswellbrook Shire Council to fix the damaged sections along Wybong Road. We greatly appreciate the patience and understanding the community has shown us during this work. Should you have any queries regarding this you can call the community hotline 1800 014 339.

Environment update

Offsets

Mangoola Coal has continued to progress the biodiversity offset program. Over the last two years, we have undertaken an ongoing seed collection program from the site and a small portion of the seed has propagated into 84,000 tube stock which can be planted within the offsets over the next two years. The first works will start along the southern side of Wybong Road where 40 ha of grazing land will be replanted with tube stock. Over the coming years, Mangoola will plant around 1,000 ha of grass lands with tube stock.

Rehab starting

During May this year, Mangoola Coal commenced its first overburden stockpile rehabilitation on the overburden stockpile which faces the North and Wybong Road. To date, rehabilitation has focused on infrastructure sites, but now that mining has progressed far enough, we have started the progressive rehabilitation process (this process follows the mining progress).

Noise

As Mangoola Coal started night time operations in late 2010, sometimes



Bulk shaping undertaken on Northern face of Noise bund near Wybong Road.



One of our seven real time noise monitors.

noise from the site can be heard nearby. Mangoola Coal operates a series of seven real time noise monitors located within the community to monitor noise generated by the site 24 hours per day, seven days a week. These monitors are connected through the mobile phone network and send an automated text message to the shift supervisor when the noise from any of the monitors is approaching noise compliance limits. The shift supervisor can then change operations including shutting down of equipment to maintain compliance with the site noise limits.

Compliance is measured from the level of the noise in decibels which does mean that mine noise maybe audible but still within compliance limits. To date, Mangoola Coal has complied with noise compliance limits and these results are reported regularly to Government regulators and the community consultative committee. Results are made available publicly on the Mangoola Coal website.

Technical Services Department update

The Technical Services Department is extremely busy setting up our new mining operation to allow for a smooth transition as we move into full production. This is a complicated and important process which includes not only plans and designs but all the necessary systems, approvals, procedures and reporting required for a smooth transition.

In other news, all our initial mining equipment was delivered last year. The next batch of equipment will be the second R996 Excavator and its fleet of support equipment including trucks and ancillaries which will be delivered at the end of this year and into quarter 1 2012. Three CHPP dozers are due in the next quarter to coincide with the commissioning of the CHPP.

Another large component of the Technical Services Department's responsibilities includes Drill and Blast design. Significant effort and progress has recently been made in this area including:

- Implementation of an on-line system which can predict meteorological conditions prior to blasting to ensure minimum noise disturbance to neighbouring properties.
- Implementation of the DBS Blast Design and Blast Management Systems to assist blast performance and environmental compliance.
- The development and implementation of a Road Closure Management Plan for Wybong Road.



From left to right: Jamie Walters; Rob Quayle; Ryan McCormack; Mark Williams Manager; Ricki Clifford; Nick Craig; Adrian Wong; Nathan Robinson; and Andrew Pace.

- Application of 'best practice' blasting procedures to ensure that Mangoola Coal minimises the impact of the blasting program on surrounding stakeholders and the environment.

Health and Safety update

The Health, Safety and Training team is looking forward to another busy year with lots of activities planned to help all our employees stay safe and healthy.

In each newsletter, our team will highlight a specific area it has been involved in and for this issue the emphasis is on looking after our personal health. Our Safety Coordinator responsible for health, Kate Caruana has established a 'Health and Wellbeing Program' designed to improve our employees' quality of life through various health, fitness and education programs.

Our employees completed skin cancer checks late last year where a medical practitioner examined individuals and took photos of any area that was in need of further attention. The photos were then examined by a skin specialist who noted any concern and advised the individual employee's personal doctor



From left to right: Robin Hendry (H & S Manager); Todd Carr (Training Coordinator); Scott Symons (H & S Coordinator); and Elizabeth Brewer (Office Administrator).

that their patient might require further treatment. Attendance was voluntary and extremely popular.

We are happy to report that Xstrata Mangoola employees were notified of the need for early preventative treatment underlining the positive value of the program.

Meet our Commercial Team

- **Ian Gough** Gough joined the Mangoola team as the Commercial Manager in August 2010 and brings a diverse range of experience and personal interest in agriculture with him. Ian has been in the mining industry in varying roles for the last eight years.
- **Dave Larkman** joined the Commercial Team in October last year as the Mine Accountant. David joins us from

Blakefield South where he was the Project Accountant for the Gas Drainage Division.

- **Kim Fairweather** joined the Commercial Team in November last year, moving across from the Mangoola Coal project team to take up the role of Commercial Services Coordinator.
- **Jemma Perry** and **Elizabeth Brewer** have expanded their roles as Office Administrators in the Commercial Team.
- **Kimberley Snape** joined the Commercial Team in January as the Graduate Accountant. Kimberley comes to us from XCN Accounts Payable and is a welcome addition to the team.

During the year, the Commercial Team will support various parts of our organisation transition from a 'project' to an operational mine. The Commercial Team will also assist new and existing employees join the Mangoola Coal family by providing Human Resource, payroll and other commercial support.



Our Commercial Team from left to right: Ian Gough; Tom Marshall; David Larkman; Liz Brewer; Kimberley Snape; Kim Fairweather; and, Jemma Perry (front).



Our CHPP was commissioned on 23 February 2011 and Mangoola Coal welcomes 16 new CHPP employees.

Recruitment drive in the CHPP

There has been a successful recruitment drive in the Coal Handling and Preparation Plant (CHPP) resulting in 16 new CHPP employees including two women and 14 men. In good news for our local community, 8 out of the 16 new employees are locals from the Denman and Sandy Hollow areas including those who were seeking employment following the closure of a local business.

The CHPP was commissioned on the 23 February 2011 and all CHPP employees are now on crew and on shift after completing intensive CHPP classroom training followed up by on the ground plant training. Mangoola Coal welcomes all our new employees to the CHPP and wishes them well in their new careers in Coal Preparation.

Community update

Recruitment

Over the last year Mangoola Coal has created over 230 new full time jobs. The majority of our team is from the Upper Hunter and is new to the mining industry.

Here are some employee key facts which show our commitment to the local community and our Memorandum of Understanding (MOU) with the Muswellbrook Shire Council.

- We have 160 operators/shotfirers.

- 56% of our operators are new to the mining industry.
- 22% of our operators are female.
- 66% of our operators/shotfirers are from the Muswellbrook Shire Council Local Government area.
- 13% of our operators/shotfirers are from the Upper Hunter Shire Council Local Government area.
- Only 21% of our operators/shotfirers are from outside the Local Government areas.

Corporate Social Involvement

What is Corporate Social Involvement?

Corporate Social Involvement (CSI) is our continuing commitment to support initiatives that contribute to the prosperity and the sustainable development of the communities associated with our operations.

Mangoola Coal supports initiatives that benefit the communities associated with our operation and as a new member of the Upper Hunter community we acknowledge the essential work done by many local groups and Mangoola Coal is proud to play our part.

What are our aims of community support?

Mangoola Coal's community support fund is intended to provide a demonstrable benefit to the broader local community of Wybong, Sandy Hollow, Denman and Muswellbrook. It is Xstrata's policy not to support senior sporting activities, individual pursuits and has a policy of not making political donations.

Support for projects and initiatives is largely determined by the annual Social Involvement Plan in consultation with local communities and other stakeholders to identify the areas of priority and the most appropriate initiatives.

How do we manage our funding?

We manage our funding so that our community initiatives receive stable and continuing financial support where appropriate. Xstrata's CSI support is delivered in a variety of ways, through direct cash contributions and, through

indirect contributions of various types, for example, in-kind donations of equipment, promotional items for fund raising events or participation of our own personnel.

Which areas do we provide funding?

Funding is provided for initiatives in one or more of the following areas:

- Enterprise and job creation
- Education
- Environment
- Health
- Social/community development
- Culture/art

When do we allocate the funding?

Mangoola Coal will implement a quarterly round of applications on an annual basis for funding through our CSI program. In 2011 the first round will close on 2 September and from 2012 the applications will close on the 20 February, 21 May, 20 August and 19 November.

How do we respond to sponsorship requests?

All sponsorship requests must be made in writing and include a completed application form which can be downloaded from our website www.xstratamangoola.com.au or can be sent out in the mail if requested.

Mangoola Coal will review and undertake to respond to requests for support within 30 days of receipt of the funding request. Further information can be found on our website: www.xstratamangoola.com.au

Wybong oral history

Xstrata Mangoola has prepared a report documenting the oral history of the Wybong community in accordance with Schedule 3, Condition 47 of the Mangoola Coal Project Approval (PA) 06-0014.



'Callaloota', near Muswellbrook, where William and Pauline Nowland lived.

As part of the collection of local oral history, Mangoola Coal used the expert assistance of Rob Tickle from Veritas Archaeological and History Service and Hansen Bailey Environmental Consultants.

The report includes the local history for the Wybong area of land settlement and use and features transcripts of interviews with local community members regarding their family history in the Wybong area.

A copy of this report can be downloaded from the Mangoola Coal website or a CD copy can be obtained by calling our Community Relations Coordinator, Evelina Hendry on 6549 5500.

For further information visit :
www.xstratamangoola.com.au

Email:
mangoolaenquires@xstratacoal.com.au

Community Response Line:
1800 014 339

For information on articles in *Mangoola News Issue No. 5*, or other operational and environmental issues, please contact the relevant people listed.

Xstrata's commitment to Sustainable Development

We are committed to the goal of sustainable development. We balance social, environmental and economic considerations in how we manage our business. We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way, open dialogue, regardless of our location, enhances our corporate reputation and is a source of competitive advantage. This enables us to gain access to new resources, maintain a licence to operate, attract and retain the best people, access diverse and low-cost sources of capital, identify and act upon business opportunities, and optimise our management of risks.