

COMMUNITY NEWSLETTER

MAY, 2012

Mine Rehabilitation

Mangoola Coal is committed to establishing locally occurring vegetation communities in mine site rehabilitation, and progressing the rehabilitation in a timely manner. We have shaped and seeded 24 hectares in our first 14 months of operation, and we are in the process of shaping an additional four hectares. Of the 24 hectares, approximately 14 hectares has been targeted at Slaty Box Woodland and the remaining 10 hectares has been targeted at Ironbark Woodland. Both of these communities occurred in the area prior to disturbance. Results from the first areas to be seeded are indicating good germination rates of native canopy, shrub and ground cover species, with several indirect native ground cover species germinating naturally from the topsoil spread prior to seeding.

In addition to establishing locally occurring vegetation communities, habitat features and threatened fauna feed trees are being incorporated into the mine rehabilitation. Currently, 26 habitat trees, sourced during the tree felling process, have been erected. These habitat trees have features such as natural



2011 rehabilitation area

hollows, perch sites and peeling bark (Ironbark) for micro-bats and skinks. Naturally occurring microbes and fungus brought in with these habitat trees are known to assist with plant growth and contribute to the function of an ecosystem.

Threatened fauna feed trees will be planted throughout the mine rehabilitation, for example in 2012 the Drooping Sheoak (*Allocasuarina verticillata*) have been planted on the mid to upper slopes of the rehabilitation in clusters of 50-80 individuals. The glossy black-cockatoo (*Calyptorhynchus lathami*) is



View of rehabilitation area

known to feed from the cones of mature Drooping Sheoak, and this activity has been recorded in the local area. Drooping Sheoak used in the rehabilitation were propagated from seeds collected on-site.

Modification to Traffic Management

We would like to advise that as of 23 April 2012 some modifications have been made to the management of traffic to and from Mangoola Coal. Muswellbrook Shire Council has approved the following changes. All traffic management will continue to be in accordance with RTA requirements, with the following exceptions:

- No heavy vehicle movements along Wybong Road East during the school bus curfew times;
- Over dimension transport movements (vehicles wider than 2.5m and greater than 19m long) must still be escorted except that the onus will be on the supplier/provider to provide this escort not Mangoola Coal. We will no longer have an escort available and the permitting system will no longer apply.
- Travel to Mangoola Coal for work purposes is still to be along the previously designated Bengalla Link Road/Wybong Road East route.

Approvals Update

We continue to seek approval to relocate the existing 500kV electric transmission line that bisects the site to enable a more efficient sequence of mining.

In late 2011 we submitted a response to public submissions to the Department of Planning and Infrastructure, which is available from the approvals page at <http://www.xstratamangoola.com.au>

Corporate Social Involvement

What is Corporate Social Involvement?

Corporate Social Involvement (CSI) describes our parent company, Xstrata Coal's commitment to support initiatives that contribute to the prosperity and the sustainable development of the communities in which we live and work.

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

What are the aims of community support?

Our 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 or individual pursuits and we have 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 Coal's CSI support is delivered in a variety of ways, through direct cash contributions and, through indirect contributions of various types. Some examples include in-kind donations of equipment, promotional items for fund raising events or participation of our own personnel.

In 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?

We develop our CSI budget in September of the preceding year. This budget includes allocated and un-allocated



Sandy Hollow Horse Ride

funding and during the year we review applications for sponsorship on a monthly basis. Funding must meet the criteria in terms of the areas we support but also include information regarding how the sponsorship will benefit the community and the organisation.

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.

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

In 2012 Mangoola Coal will support the:

- Sandy Hollow Horse Ride in support of the Westpac Rescue Helicopter
- Upper Hunter Wine & Food Affair
- Upper Hunter Eisteddfod
- The Upper Hunter Show including the Bursting with Energy Expo
- National Tree Planting Day
- Transportation vouchers for our local schools of Martindale, Sandy Hollow, Denman Public and Saint Joseph's at Denman
- Wildlife Aid
- Upper Hunter Education Foundation
- Denman Pony Club
- Big Air School

2012 Ecological Restoration Program for Mangoola Coal Offset Areas

We have developed an ecological restoration program for the Offset Areas that surround our mine site. The aim of the ecological restoration program is to improve and enhance the ecological values of the Offset Areas and provide connectivity for fauna species movement through the landscape. In 2012, we will establish 50 hectares of locally occurring vegetation communities with the aim of increasing vegetative connectivity in areas that have been previously disturbed and lack floristic structure (i.e. within grazing areas).

The vegetation communities have been positioned in strategic locations based on topography,

soil type and an assessment of naturally occurring vegetation communities in the surrounding area. Plant species for each vegetation community have been selected by assessing the composition of locally occurring vegetation communities and identifying colonising species for each community that can be propagated in a nursery.



These areas will be managed over time to develop into woodland communities; this may involve infill plantings or even thinning of canopy and shrub species. Generally, intact native grassland occurs within the revegetation areas and therefore thinning may be a necessary management option to maintain good quality native grasslands.

The revegetation strategy clearly separates each vegetation community to ensure appropriate mixes of plant species are established in each area. This will also assist in maintaining native grassland between the planting areas and, over time, create naturally occurring boundaries (ecotones) between each vegetation community. By planting several smaller areas over subsequent

years it will create a succession of age classes in an area rather than one age class across a large area. This will provide a greater diversity of habitat features and food resources for fauna species.

Over the following years habitat features will be added to the revegetation areas, including features such as nest boxes (potentially on poles), infill planting with threatened fauna species feed trees and the addition of logs, rocks and water bodies.

Creating habitat features, for a range of fauna species, throughout the revegetation area will encourage fauna to take refuge and assist in distributing more cryptic, or difficult to propagate, flora species.

2012 Weed Action Strategy

Mangoola Coal has been implementing a weed action strategy since 2010, initially targeting noxious and environmental weeds in areas with the greatest potential for dispersal from mine related activity. This included land in and adjacent to the construction and active mining areas, focusing on reducing the potential for weeds to be imported and distributed via vehicles. Since 2011 the weed action strategy focus has gradually incorporated weed control throughout the Offset Area and within our property to the north of our Mine site.

The 2012 Weed Action Strategy will continue to control the distribution of noxious and environmental weeds through vehicle movement within the active mining areas and Offset Areas and will also focus on control of noxious weeds to the east of the Mine site (Mangoola Road) and to the south of the Mine site (Bells Lane), within our Mangoola Coal property. Target species for 2012 include:

- African boxthorn (*Lycium ferocissimum*);
- Blackberry (*Rubus fruticosus sp. agg*);
- St John's wort (*Hypericum perforatum*);
- Mother of millions (*Bryophyllum delagoense*);
- Green cestrum (*Cestrum paraqui*);
- Bathurst Burr (*Xanthium spinosum*);
- Prickly pear (*Opuntia stricta var. stricta*); and
- Galenia (*Galenia pubescens*).

A schedule of the weed control program from the 2012 Weed Action Strategy has been included in the table below.

Target Species	General Location	Target Dates
African Boxthorn	Mangoola Rd, Bells Lane and southern Offset Area	May to November
Blackberry	Between Wybong Rd and Ridgелands Rd, Anvil Hill Right-of-Way and northern Offset Area	September to November
St John's Wort	Wybong Rd, Ridgелands Rd and northern Offset Area	December
Mother of Millions	Ridgелands Road and south-western Offset Area	November
Green Cestrum	Hunter River	November
Bathurst Burr	Mangoola Road	March to May
Prickly Pear	Ridgелands Rd and Wybong Road	September to November
Galenia	Wybong Road and throughout the Offset Areas	September to November

Introducing Tony Israel, Mangoola Coal's new Operations Manager



Tony Israel joined Mangoola Coal as the Operations Manager in January 2012. Tony was previously the Operations Manager at Glendell and he brings with him a wealth of experience in the mining industry.

How did you start in the mining industry?

I commenced as a trainee underground miner at Liddell Colliery in the mid eighties. Coincidentally I was later Mine Manager of Liddell Open Cut in 2006, mining the old Liddell Colliery underground workings where I once worked.

What has been your biggest or most gratifying achievement professionally?

Developing the Glendell Open Cut Mine, which was the first Greenfield Open Cut operation for Xstrata Coal in NSW.

How long have you been with Xstrata?

Nearly 5 years now; time flies!

What really excites you about the mining industry?

The dynamic nature of the industry and the variety I have

in my role. There are always new activities to keep me on my toes and I am happy to say I learn something new each day.

What made you want to come to Mangoola Coal?

The opportunity to apply what I have gained from the Glendell and other experiences to take Mangoola Coal into full steady state and beyond. There is a great base to build from.

What do you think the challenges will be at Mangoola Coal?

Repeating the great success of last year will be a challenge in itself. However, we will need to focus on further minimising our impacts on our community wherever possible and building on existing relationships with our neighbours and other stakeholders.

What are you most looking forward to in 2012 both work and at home?

I am excited about working with such a great group of people at Mangoola Coal with the aim of achieving our goals safely. At home I look forward to watching my sons in their first years of

high school and university respectively. I am particularly looking forward to holding my new Grandson in July.

If you had to give someone a bit of advice about getting into the mining industry what would that be?

Firstly, build a good resume through applying yourself conscientiously to your existing employment. Good character and teamwork are very important.

If you had to give someone life advice what would that be?

Be your own judge and be true to yourself.

Favourite food

Anything my wife cooks.

Favourite movie

Anything my wife wants to watch.

Best holiday destination (either been or want to go)

Vietnam is in our sights.

What do you do to relax?

Exercise, read, watch Rugby and spend time with my family.

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2012 Upper Hunter Show

Mangoola Coal were one of the major sponsors for the 11th Upper Hunter Show held on the 23 and 24 March 2012 at the Muswellbrook showground. We sponsored the Teen Show Girl and Show Girl competitions, showjumping and heavy horse events as well as the 'Doggy high jump' event. This year, we also sponsored the much loved family fireworks on Friday night.

Mangoola continued its participation in the Bursting with Energy Expo, which contained a range of interactive displays including the Mangoola Coal simulator where, for a gold coin donation, people could experience driving a mining truck on a real mine site. This was a great hit. Proceeds raised will be presented to the Muswellbrook Hospital Auxiliary and will be used to purchase much needed resources.



Muswellbrook Hospital Auxiliary Ladies

As part of the two-day Bursting with Energy Expo, 630 students from schools around the region, including the whole school from Wollar located near Mudgee, participated in Questacon – Australia's National Science and Technology Centre. It entertained and educated the students with the Freaky

Forces Show which included demonstrations about gravity, forces and the laws of motion. The education theatre group Vox Bandicoot brought energy to life with their show focusing on sustainability.

Aaron Moon, Principal at Saint Joseph's Primary School in Denman said:

"Saint Joseph's Primary School Denman is appreciative of the efforts of Evelina Hendry and the team at Mangoola Coal for their organisation of the Bursting with Energy Expo at the Muswellbrook Show. Our students enjoy the series of shows immensely. As Principal and teacher I find that the Questacon and Vox Bandicoot show were excellent in delivering the curriculum in a fun way, especially in the area of science. The Bursting with Energy exhibits were excellent as usual. They provide varied information to our students including the noise that mines generate (or actually don't if that makes sense) as well as the amount



St Joseph's Denman enjoy Questacon

of coal we need to run items around the home. The new coal story posters were an excellent resource to go through with the children and would be beneficial in any school resource library. And finally the mining simulator was a fun way for the students to experience what their parents do at work. As you can see the students get a lot out of their experience at the Muswellbrook Show."

Evelina Hendry, Community Relations Coordinator said that this year's event was the most successful ever and Mangoola Coal is looking forward to continuing its support of the Upper Hunter Regional Show in the future.



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

Email:
mangoolaenquiries@xstratacoal.com.au

Community Response Line
1800 014 339

For information on articles in *Mangoola News Issue No. 7*, or other operational and environmental issues, please contact the relevant people listed.

info@xstrata.com.au
www.xstrata.com

Xstrata 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.