

## **ATTACHMENT 1**

### **PROJECT INTRODUCTION**

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## 1 Executive Summary

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The proposed Ironbark No.1 Coal Mine Project will be a new modern underground longwall mine in the northern Bowen Basin coalfields. The project is located approximately 30 kilometers north-east of the established mining centre of Moranbah and is adjacent to existing mines and logistics infrastructure.

The Applicants' objectives in developing and operating the proposal are to:

- Maximise the safe coal recovery and the efficiency of mining and processing operations;
- Undertake all activities in an environmentally responsible manner to ensure compliance with relevant criteria/goals, reasonable community expectations and documented commitments;
- Provide economic and social stimulus to the Moranbah and district economies through employment opportunities and the procurement of services required for the development and operation of the Project;
- Create a final landform that is safe, stable and amenable to the resumption of grazing activities and nature conservation;
- Provide significant economic contributions to the State of Queensland through the payment of royalties and state payroll tax, and to the Commonwealth Government through taxation obligations throughout the life of the Project;
- Achieve the aforementioned objectives in a cost-effective manner to ensure the Ironbark No.1 Coal Mine is economically viable and robust.

Being a state of the art underground operation, development of this project will minimize surface disturbance and by utilizing existing coal processing and rail infrastructure at the adjacent Carborough Downs mine, the project represents an opportunity for a low capital, low environmental impact solution that provides new long-term employment for the region.

The project has completed extensive geological exploration and technical assessments to ensure economic viability and confirm the long term benefits it will deliver to the region and the State of Queensland. The owners have assembled a strong team of personnel with extensive underground mining experience and expertise to develop and operate this new mine. Consistent with the owners' other operations, the project will adopt advanced mining techniques and methodologies as well contemporary risk management strategies to ensure a safe and efficient workplace for employees and contractors.

Production from the Project will be predominantly high quality coking coal for export to global steel producers as well as an export thermal coal product. There will be an ongoing program of technical analysis of the product coals to optimize the output and revenues achieved.

Employment will be generated during the construction phase for approximately 160 people who will be accommodated in existing camp facilities in the vicinity. The permanent workforce will number 350 at its peak and wherever possible will be sourced from the local region with training and development opportunities to be provided.

The Project was formerly known as the Ellensfield Coal Project and its bilateral EIS process was completed on 4 December 2012 when the Queensland Department of the Environment and Heritage Protection (EHP) issued the EIS Assessment Report. The EIS Assessment Report contained recommendations for the Environmental Management Plan (EM Plan), draft Environmental Authority (EA) and the provision of additional information in relation to Commonwealth listed threatened species and communities. In September 2013 the Commonwealth Minister for the Environment also placed a controlling provision in

relation to Sections 24D and E - Water Resource in Relation to Coal Seam Gas Development and Large Coal Mining Development.

Since Fitzroy acquired the Project in November 2016, the project is proceeding with the finalisation of the Queensland and Commonwealth approvals. Fitzroy and the Applicants have applied a rigorous and thorough process to reviewing the existing documentation and sourcing collaborative guidance and assistance with all local and federal regulatory bodies and industry recognised expert consultancies to ensure the remaining steps for approvals are robust and comprehensive.

The activities this year have included submission of a Revised EM Plan and draft EA to EHP on 24 August 2017 thereby initiating the final steps in the Queensland EA approval process under the EP Act. An Additional Information Report was submitted to the Commonwealth DoEE on 15 September 2017 thereby initiating the final steps in the Commonwealth EPBC Act approval process.

### 1.1 Mining Lease Application

Fitzroy (CQ) Pty Ltd and Nebo Central Coal Pty Ltd (as 60%:40% joint holders of the underlying tenements) (**Applicants**) propose to develop the Ironbark No. 1 Coal Mine Project (**the Project**) formerly known as the Ellensfield Coal Mine Project. This mining lease application (**MLA**) is made in support of the Project and seeks a Section 234(1)(a) mining lease under the *Mineral Resources Act 1989* (Qld) (**MR Act**). The mining lease is required for the purpose of black coal mining and all associated activities necessary to carry out that mining.

The Applicants are both subsidiaries of Fitzroy Qld Resources Limited a UK registered company having company number 1044 5733(Fitzroy).

### 1.2 Legislative Requirements of MLA

The requirements of this MLA are set out in Section 245 of the MR Act, as detailed in Table 1 below. In preparing this MLA, the Applicants have relied on the guidance provided in *Applying for a Mining Lease in Queensland* (DNRM, 2014) and the subsidiary guidelines for specific components of the MLA, including:

- *Applying for a Mining Lease in Queensland* – version 2.0 (DNRM, 2016)
- *Development Plans and Work Programs Guide* - version 3.0 (DNRM, 2016);
- *Financial and Technical Capability Guide* (DNRM, 2014);
- *Shapefile Guide* (DNRM, 2014); and
- *Operational Policy 9/2012 - Eligibility, proof of identify and authorised persons* (DNRM, 2012).

Table 1 - Legislative Requirements of an MLA

MLA Requirement	Short Description	Application Form Step	Response Reference
245(1)(a)	Application shall be in approved form	NA	Form on MMOL completed ID:10004236
245(1)(b)	Name of each applicant	Step 2 – Permit Holder Details	Enclosed Table 2 - Permit Holder Details

MLA Requirement	Short Description	Application Form Step	Response Reference
245(1)(c)	Name and address for service of any notice	Step 2 – Authorised Holder Representative (AHR) Details	Attachment 2 – AHR Details
245(1)(d)	Describe all parcels of land which are in or adjoin the proposed lease area;	Step 4 – Land Details	Attachment 4 – Table 1 & 2
245(1)(e)	State the current use of the land in the proposed lease area, and whether it is subject to erosion control works	Step 4 – Land Details	Attachment 4 – Table 1
245(1)(f)(i)	State the names and addresses of the owners of the land in the proposed lease area,	Step 4 – Land Details	Attachment 4 – Table 1
245(1)(f)(ii)	State the names and addresses of the owners of any land to be used to access the proposed lease	Step 4 – Land Details	Attachment 4 – Table 1
245(1)(g)	Define the boundary of the proposed lease area	Step 3 – Area Information	Attachment 3 – Section 2
245(1)(h)(i)	Define the boundary of the surface area of land to be included in the proposed lease area	Step 3 – Area Information	Attachment 3 – Section 2
245(1)(h)(ii)	Define the boundary of any restricted land for the proposed mining lease	Step 4 – Restricted Land	Attachment 4 – Section 2
245(1)(h)(iii)	Define the boundary of any land outside the proposed mining lease area to be used as access	Step 3 – Access Area Details	Attachment 3 – Section 3
245(1)(i)	State the purpose for which the land within the surface area will be used	Step 3 – Surface Area Details	Attachment 3 – Section 1.3
245(1)(j)	Provide a visual representation of the boundaries and land mentioned in 245(1)(g) and 245(h) above	Step 3 – Permit Area	Refer Figures in Attachment 3 and Attachment 4
245(1)(k)	Give reasons why the mining lease should be granted in respect of area and shape	Step 3 – Area Information	Attachment 3 – Section 1.3
245(1)(l)	Identify the mineral or minerals or purpose for which the mining lease is sought	Step 1 – Minerals & Infrastructure	Enclosed – Section 1

MLA Requirement	Short Description	Application Form Step	Response Reference
245(1)(m)	Nominate the term of the proposed mining lease and give reasons for the length of term sought	Step 1 – Permit Application Details	Enclosed – Section 2
245(1)(n)(i)	Proposed Mining Plan	Step 7 – Proposed Development Plan	Attachment 7
245(1)(n)(ii)	Infrastructure Requirements	Step 7 – Proposed Development Plan	Attachment 7 – Section 4
245(1)(n)(iii)	Estimated Human, Technical and Financial Resources to be committed	Step 8 – Financial & Technical Capability	Attachment 8
245(1)(o)	Applicants' Financial and Technical Resources	Step 8 – Financial & Technical Capability	Attachment 8
245(1)(p)(i)	Proof of the applicants' identity	Step 2 – AHR Documents	Attachment 2 – ASIC Extracts
245(1)(p)(ii)	Number of additional copies required	NA	NA
245(1)(p)(iii)	Application Fee	Step 10	NA
318DT(1)(a)	IDP – overview of proposed activities	Step 7 – Proposed IDP	Attachment 7 – Section 2
318DT(1)(b)(i)	IDP - nature and extent of activities for each year	Step 7 – Proposed IDP	Attachment 7 – Section 5
318DT(1)(b)(ii)	IDP – location of activities	Step 7 – Proposed IDP	Attachment 7 – Section 6
318DT(1)(c)(i)	IDP – location and estimate of coal resource	Step 7 – Proposed IDP	Attachment 7 – Section 7
318DT(1)(c)(ii)	IDP – standards and procedures used to make the estimate	Step 7 – Proposed IDP	Attachment 7 – Section 8
318DT(1)(c)(iii)	IDP – rate and amount of coal mining	Step 7 – Proposed IDP	Attachment 7 – Section 9
318DT(1)(c)(iv)	IDP – approximate when mining is to start	Step 7 – Proposed IDP	Attachment 7 – Section 10
318DT(1)(c)(v)	IDP – schedule for proposed mining during plan period	Step 7 – Proposed IDP	Attachment 7 – Section 11
318DT(1)(d)	IDP – supporting figures	Step 7 – Proposed IDP	Attachment 7
318DT(1)(f)	IDP – reasons why the plan is considered appropriate	Step 7 – Proposed IDP	Attachment 7 – Section 12

MLA Requirement	Short Description	Application Form Step	Response Reference
318DT(1)(g)	IDP – another matter prescribed by a regulation	Step 7 – Proposed IDP	Attachment 7 – Section 16
318DU(1)	IDP – period of plan	Step 7 – Proposed IDP	Attachment 7 – Section 1.2
318DV	IDP – consideration of effects on overlapping or adjacent petroleum tenure holder	Step 7 – Proposed IDP	Attachment 7 – Section 13
318DW	IDP – optimise the use of incidental CSG in a safe and efficient way	Step 7 – Proposed IDP	Attachment 7 – Section 14
318DX	IDP – consistency with petroleum lease development plan and coordination arrangement	Step 7 – Proposed IDP	Attachment 7 – Section 15
Chapter 8	Provisions for CSG	Step 4 – CSG Overlap	Attachment 4A

### 1.3 Project Overview

The Project consists of an underground longwall coal mine with the ability to produce up to 6Mtpa Run of Mine (ROM) at its peak, however, the initial forecast is to produce an average of 2.6Mtpa ROM yielding approximately 2.1Mtpa of export coking and thermal product over the Project's life of mine (LOM) of approximately 25 years.

The Project is located approximately 30 km north-east of Moranbah and 125 km south-west of Mackay in Central Queensland (Figure 1). The relevant local authority is the Isaac Regional Council.

Access and egress will be from the Peak Downs Highway. From the Peak Downs Highway, access will follow the existing Carborough Downs access road south onto ML70339 (Carborough Downs) and loop under the highway. Access will then proceed northwards across ML70340 (Annandale), ML70345 (Broadlea North) and ML70388 (Broadlea N4) before entering the MLA. All the ML's crossed by the access route are owned by Fitzroy.

An application for a Site-Specific Environmental Authority has been lodged with the Department of Environment and Heritage Protection (DEHP) triggering the parallel permitting process under the *Environmental Protection Act 1994* to authorise the Project's Environmentally Relevant Activities.

## 1.4 The Applicants

The application is made jointly by Fitzroy (CQ) Pty Ltd and Nebo Central Coal Pty Ltd. The application is made 60%:40% respectively. The details of each applicant are provided in Table 2.

Table 2 - Permit Holder Details

The Applicant	Fitzroy (CQ) Pty Ltd	Nebo Central Coal Pty Ltd
ABN	61 103 902 389	87 079 942 377
Registered Address & Contact Details	Level 14, 12 Creek Street, Brisbane Queensland 4000  Phone: 07 3153 2200 Email: <a href="mailto:jjoubert@fitzroyoz.com">jjoubert@fitzroyoz.com</a> Web: <a href="http://www.fitzroyoz.com">www.fitzroyoz.com</a>	Level 14,12 Creek Street, Brisbane Queensland 4000  Phone: 07 3153 2200 Email: <a href="mailto:jjoubert@fitzroyoz.com">jjoubert@fitzroyoz.com</a> Web: <a href="http://www.fitzroyoz.com">www.fitzroyoz.com</a>

The Applicants are wholly-owned subsidiaries of Fitzroy QLD Resources Limited, CRN 1044 5733 (Fitzroy). The Applicants' proof of identity as registered Australian based companies is contained within Attachment 2 of this application.

Fitzroy was established in 2016 as a vehicle to facilitate long-term investment into the central Queensland metallurgical coal industry. The two cornerstone investors are the AMCI Group, a global coal and energy company and Riverstone LLC, a USA based investment company. Both AMCI and Riverstone have extensive international experience and a proven track record of investing in coal and resources. Fitzroy's initial investment comprised the acquisition of certain assets from Vale Australia (Vale) to build a coal business of significance in Queensland. Further developments and acquisitions will be pursued by Fitzroy consistent with the company's objective to build a significant portfolio of coal mining assets in Central Queensland

The Fitzroy group in Australia is led by an executive team with extensive operational experience in the coal industry in Australia, have conviction in the industry, markets and assets, and therefore take a long view with a desire to build out the portfolio through organic growth.

The portfolio of assets acquired from Vale included projects that were originally developed by AMCI Australia before being sold to Vale in 2007, including but not limited to:

- The undeveloped Ironbark No. 1 Coal Mine Project (subject to this application).
- The existing Carborough Downs underground mine which Vale had scheduled to be placed into care and maintenance in April 2017 with the projected loss of 180 permanent jobs.
- The existing Broadlea opencut mine which under Vale's ownership has been in care and maintenance since 2009 but recently successfully restarted by the Applicants'.

Since the acquisition of these tenements in late 2016, Fitzroy has invested significantly in Carborough Downs to reinvigorate the mine and extend its life for a further 10 years. All of the existing 180 roles were retained and the workforce has since been increased by a further 170 roles. Agreements have been

reached to acquire the interests of the minor joint venture participants who between them own 10% of the mine. Major mining equipment has been overhauled, additional equipment purchased and infrastructure developed. New 10 year-long term commitments have been entered into with logistics providers for port and rail access to enable continued operation and growth of the asset.

The Broadlea mine recommenced in October 2017 as a contract operation providing additional employment in central Queensland for approximately 12 months.

For the Project, capital expenditure has been committed to complete the mining lease application and other regulatory and stakeholder processes in anticipation of a commitment for construction in late 2018, as well as commencing an infill exploration program in August of 2017.

Taken together, the Applicants' have interests in a number of coal tenements in Queensland - operational, in development and prospective - and has over 1.2 billion tonnes of JORC compliant Minerals resources, as follows:

Table 3 - Resource and Reserve Details for Major Projects

Major Projects	Seam	JORC Reserve Mt*	Non JORC Reserve Mt*	JORC Resource Mt*	Non JORC Resource Mt*
Carborough Downs	Ldh	33	-	177	-
	Ver	-	-	-	95
Broadlea	Ldh	-	-	-	17
	Ver	-	-	-	15
	Gir	-	-	-	292
Ironbark	Ldh	-	48	206	-
	Ver U	-	-	100	-
	Ver L	-	-	54	-
Red Hill	Ldh & Ver <200m	-	61	583	-
	GM <700m	-	-	-	800
<b>TOTALS</b>		<b>33</b>	<b>109</b>	<b>1,120</b>	<b>1,219</b>
<p>*Note  - Ironbark No.1 JORC reserve due Q1 2018  - Broadlea and Ironbark can be considered JORC Reserves</p>					



## 2 Term of Lease sought

The Applicants seek a 25 year term for this mining lease.

The operating life of the mine is estimated to be 20 years based on construction timing, underground development and resource extraction. The balance of the term that is requested is to provide for potential reserve increases and for rehabilitation that will be carried out both progressively over the term and on completion of mining.

The term sought complies with DNRM's Operational Policy for *Deciding the Term of a Mining Lease (version 1)*. It is also a common period that the Minister is likely to grant for a ML of this nature.

The term provides for the extraction of the identified resource within the MLA area and a sufficient mine life to provide a reasonable assurance of financial return on the Applicants' investment in the Project and related infrastructure. A ML renewal application would be submitted prior to expiry of the 25 year term to permit an extension to the life of the mine if required.

1 Figures

Figure 1 - Project Location

