Appin Ventilation and Mine Access Project

SOUTH32
Illawarra Metallurgical Coal

PROJECT UPDATE ONE **OCTOBER 2020**

WHO WE ARE AND WHAT WE DO

South32 Illawarra Metallurgical Coal operates in the Illawarra and Wollondilly regions of NSW, producing metallurgical coal for steelmaking.

In the Wollondilly region we operate the Appin Mine, which is currently in the Douglas Park and Menangle area. We are a proud local company, directly employing more than 1,800 people and have been operating in the region for 85 years.

Our metallurgical coal is used by the Port Kembla Steelworks right here in NSW and is part of countless products – from the seat belt buckles that provide safer car journeys to the Colorbond® roofs that keep us warm and dry.

SUPPORTING APPIN MINE'S FUTURE

An integral requirement of underground mining is adequate ventilation and mine access, to ensure a safe and efficient working environment for our people.

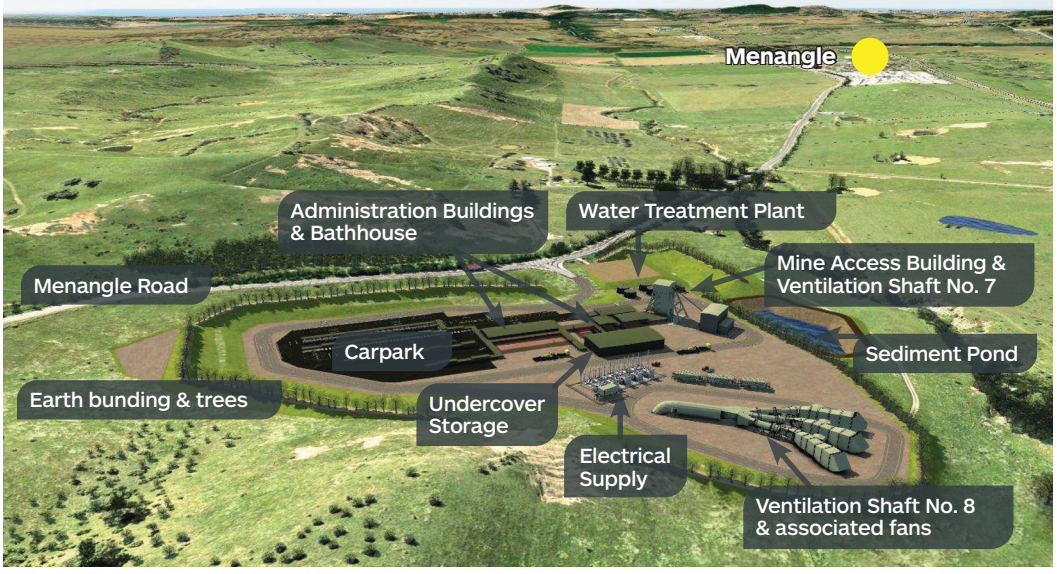
The main surface infrastructure supporting the mine include our pit tops (mine access locations) on Appin Road near the township of Appin, and on Douglas Park Drive, Douglas Park and our six ventilation shafts in the Appin and Douglas Park areas.

As Appin Mine moves further from surface infrastructure, we need to consider the ongoing mine ventilation requirements to ensure we can continue to operate safely. Recently, a thorough assessment of future mine ventilation and access requirements was completed.

It determined one downcast ventilation shaft (draws air into the mine) and one upcast ventilation shaft (draws air out of the mine) is required by 2025 to support the mine.

The proposed shafts would be known as Ventilation Shaft No. 7 and Ventilation Shaft No. 8 respectively. The site will include mine access and associated facilities with the proposed ventilation shafts. Collectively the project is known as the Appin Ventilation and Mine Access Project.

Conceptual image only



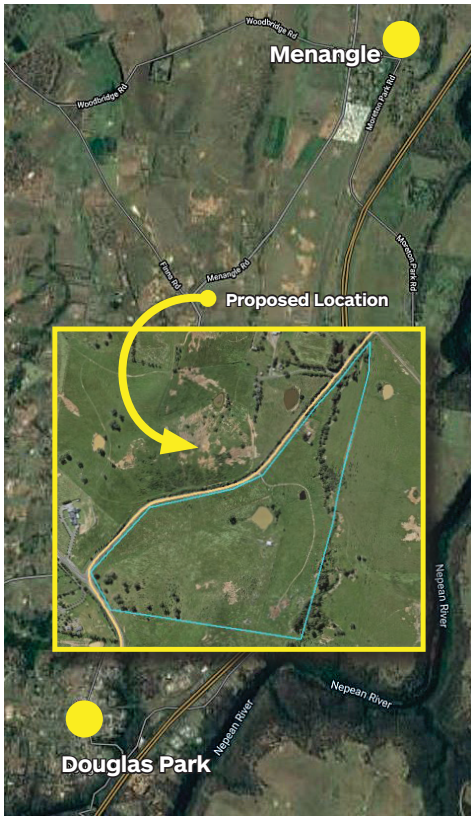
PROPOSED PROJECT LOCATION

The location of the proposed Appin Ventilation and Mine Access Project is near the intersection of Finns and Menangle Roads, Menangle.

This location was determined by the ventilation requirements for the mine and the layout of the approved underground workings. We also considered the location of features on the surface which include the community, cultural heritage, environment and availability of suitable land.

The map below depicts the proposed location of the Appin Ventilation and Mine Access Project. The conceptual image to the left shows what the infrastructure may look like once completed.

Coal handling infrastructure is not proposed for this site.



NEXT STEPS

The proposed Appin Ventilation and Mine Access Project is under early investigation by Illawarra Metallurgical Coal. Further engineering and environmental assessments are required to confirm the proposed site design and required infrastructure.

From October 2020 you can expect to see some activity at the proposed location while these assessments are undertaken.



Typical geotechnical drill rig setup

The environmental and engineering assessments include:

- Geotechnical drilling and test pits
- Heritage surveys, including Aboriginal cultural heritage and European heritage
- Biodiversity surveys
- Air quality studies
- Traffic studies
- Noise studies

Visual amenity and screening opportunities, with initial tree planting along Menangle Road planned before the end of the year.

Information on these assessments will be shared with the community in mid-2021.

APPROVALS AND COMMUNITY CONSULTATION

The proposed Appin Ventilation and Mine Access Project will follow a comprehensive approvals process through the NSW State Government.

We will be seeking a modification to our existing Bulli Seam Operations Project Consent (08-0150) approval as part of the process. This process typically includes an opportunity for community and stakeholder input via submissions. Typical steps in the modification process are outlined below.

While limited details are available on the Appin Ventilation and Mine Access Project at this time, we are committed to understanding and considering the needs of the community. We will establish an Advisory Panel in 2021 to enable two-way communication between the community and Illawarra Metallurgical Coal as part of our engagement. Interested community members are encouraged to contact us for more information. We will keep you informed as information becomes available, and we expect the next update to be in the first half of 2021.

If you would like to discuss the proposed Appin Ventilation and Mine Access Project or for further information on the Advisory Panel, please reach out to us on our free 24/7 Community Call Line 1800 102 210 or email illawarracommunity@south32.net.

We are happy to meet in-person or on virtual platforms to answer any questions.

NSW GOVERNMENT MODIFICATION PROCESS

1. **Illawarra Metallurgical Coal consults with the Department on proposed modifications**
2. The Department issues assessment requirements
3. Illawarra Metallurgical Coal prepares and submits Modification Report to the Department
4. The Department places Modification Report on exhibition and seeks submissions
5. Illawarra Metallurgical Coal responds to submissions
6. The Department completes its assessment