



DONALDSON COAL

Part of the Yancoal Australia Group

ABEL UNDERGROUND MINE

COMMUNITY INFORMATION

**AUGUST
2016**

About Donaldson Coal

Donaldson Coal owns the Abel underground mine and former Donaldson open cut and Tasman underground mines in the Newcastle Coalfield. Donaldson Coal is a wholly owned subsidiary of Yancoal Australia Limited.

Donaldson Coal has operated within the area for more than 15 years with a strong environmental management record.

Future for Abel Underground Mine

Studies are currently underway to consider the feasibility of future mining options at the Abel underground mine within the Lower Donaldson seam.

Potential mining options will be guided by global market conditions and the outcomes of further technical, economic feasibility, and environmental assessments.

The Community Consultative Committee (CCC) and the broader community will be updated on the outcomes of these considerations when it is appropriate to do so. At this time, no decisions have been made regarding the future of the Donaldson mine.

Abel Underground Mine

The Abel underground mine is an underground coal mine operating south of John Renshaw Drive.

Approved in June 2007, the Abel underground mine commenced mining operations in early 2008. In 2015, the Abel underground mine produced 1.34 million tonnes of saleable coal.

Current Operations

As announced 2 March 2016, the Donaldson operation moved to 'care and maintenance' in April 2016, following a reduction in mining activities and commencement of new feasibility studies.

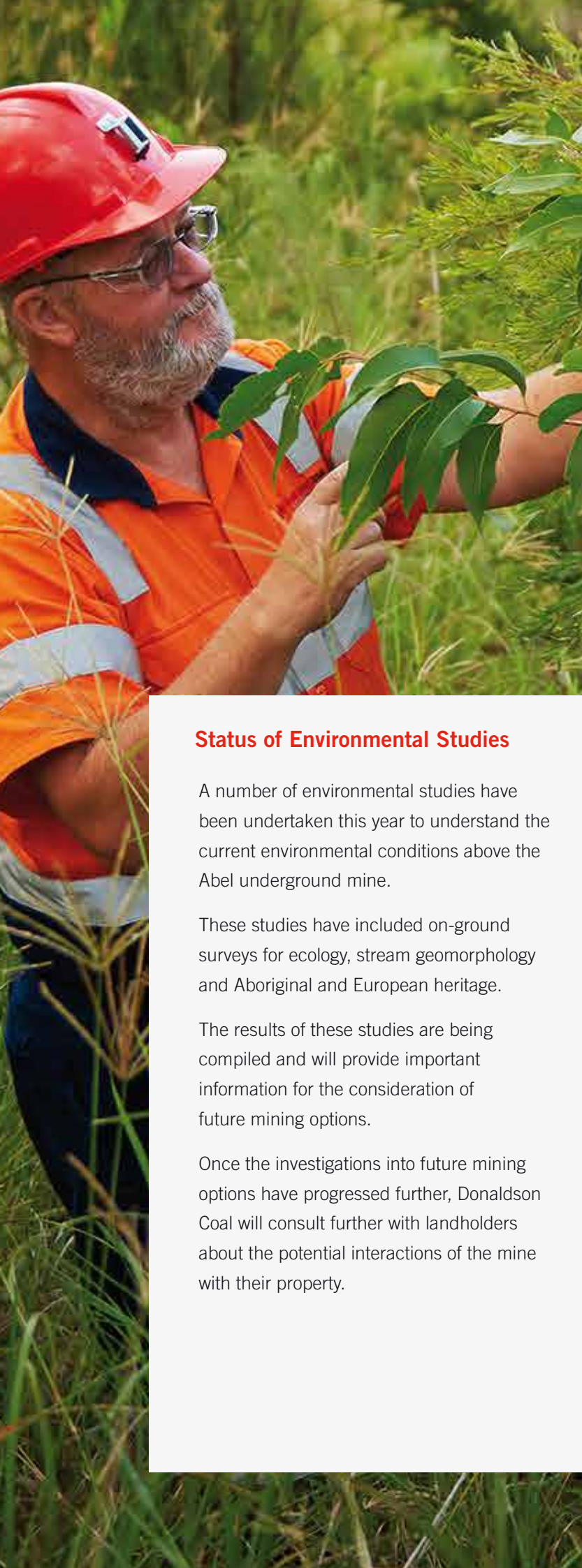
The move to care and maintenance is in response to ongoing global market challenges as the operation considers the future development of new underground working areas.

Care and maintenance includes the ongoing rehabilitation of the Donaldson site in accordance with existing approvals and the management of the site both above and below ground.

Rehabilitation of Donaldson's former Tasman underground mine was successfully completed in 2014.

As a result of the reduction in mining activities and move to care and maintenance, the majority of Donaldson Coal's employees were redeployed to other Yancoal operations, including the Austar underground operation (near Cessnock) and the Ashton underground operation (near Singleton).





ABEL UNDERGROUND MINE

COMMUNITY INFORMATION

Upcoming Exploration Activities

Donaldson Coal will be continuing exploration activities above the Abel underground mine in the coming months to support the ongoing feasibility studies. These activities will include exploration drilling in accordance with approvals issued by the NSW Government and Donaldson Coal's licence conditions.

These exploration activities will be conducted in accordance with agreements reached with the relevant property owners.

Roadworks on Blackhill Road

The Mine Subsidence Board are finalising the works to be undertaken on Blackhill Road following cessation of mining in the area. Once the design is completed, the MSB will then be calling for tenders to carry out the works.

Status of Environmental Studies

A number of environmental studies have been undertaken this year to understand the current environmental conditions above the Abel underground mine.

These studies have included on-ground surveys for ecology, stream geomorphology and Aboriginal and European heritage.

The results of these studies are being compiled and will provide important information for the consideration of future mining options.

Once the investigations into future mining options have progressed further, Donaldson Coal will consult further with landholders about the potential interactions of the mine with their property.

Abel Underground Mine Environmental and Community Enquiries

Phil Brown

Environment & Community Manager

Phone: 1800 111 271

For more information on Donaldson Coal, please visit:

www.doncoal.com.au