

MYTHS AND FACTS ABOUT MRV TARONG BASIN COAL’S SOUTH BURNETT PROJECT

Dear Community

As you may be aware, MRV Tarong Basin Coal is seeking to advance a potential Coal Mine in the South Burnett. Our primary focus is the development of a mining operation that can offer a local Coal supply at a lower cost and higher quality. Alternatively, the project has flexibility of other domestic markets or export if we are unable to seek a local agreement. That being said, we see this project as having significant potential for the entire South Burnett Region with particular benefits for employment, investment and utilisation of existing infrastructure and services.

Given the significance of this project, we would like to invite you to a proposed meeting to be held at the Kingaroy Town Hall on Tuesday, 9th February 2016, at 7pm. Whilst MRV Tarong Basin Coal is not running this forum, we have been invited to respond to some local concerns and we also hope to be able to highlight the benefits of our project. For the last 18 months, we have been working hard to keep the majority of the directly affected landholder’s updated about our project, and hence we have been in constant contact and presented

our project at each major milestone. We are aware more recently that there has been some miscommunication of our intentions with this project, which has led to some incorrect information being relied upon. We find this unfortunate given the fact that MRV Tarong Basin Coal continues to operate in a highly open and transparent manner, and any chance to meet with the community and engage in sensible dialog is something MRV welcomes.

To this point, we are creating a South Burnett Major Development Group focused on the MRV project to enable a conduit to the community and a forum for open and consistent dialog. This has been advised in several of our stakeholder group meetings to date and was advertised in the South Burnett Times and online from the 19th January to the 22nd January 2016. We see this as a major step forward in advancing our project. We also launched in mid - 2015 a dedicated MRV Tarong Basin Coal website to inform the public on what our project is about and address concerns. We welcome you to view the website as it highlights how MRV as a company operates and intends to progress in the South Burnett, including addressing issues such as potential noise, dust and light emissions.

Whilst we have met with many people and have over whelming support from our continuous interactions, we are well aware of the challenges that such critical projects face. This includes the silent majority that don’t often voice their views when such compelling projects are presented. Given the level of positive support we have enjoyed, we hope to echo this more publicly and it is upon this basis we seek your support for this project and attendance at the proposed Kingaroy Town Hall meeting on Tuesday 9th of February, at 7.00pm.

Equally, we welcome those who are curious, keen to understand more, or simply have concerns. This is a forum, we hope, that will allow for and promote genuine dialog between the community and the Company. We hope for all views to be put forward and factual information discussed so that there is a win for all stakeholders, no matter what fundamental views we each have.

On that basis, I thank you for taking the time to review this advertisement. I understand your time is valuable however I also believe this project has the potential to make a significant positive economic and social impact to the entire South Burnett Region. I would appreciate your time and support at the upcoming community meeting.

Regards
Jason Elks

Land Values in Kingaroy would suffer from a Mine. FALSE. In the last 30 years, economic growth and develop of the South Burnett has been largely assisted by Coal Mining, which in turn supports power generation in the region. If the Meandu Mine did not exist, would land values be higher in the region? It would be extremely hard to mount any credible argument to support this view given not only does such an operation support jobs, but it is well recorded that 1.3-1.5 additional community jobs are created to support such operations. The facts would say that without a mining operation, the South Burnett would certainly not be what it is today and property prices would reflect that reality.	Mass health effects and impacts upon the Kingaroy community. FALSE. Not only are there hundreds of mining operations within 1-5km radius of residents generally, but in QLD alone there are many Coal operations closer than that of the MRV proposal in the South Burnett. One of those is the current Meandu Mine operation to the township of Yarraman, Tarong and other communities which have co-existed for 30 years without significant health effects and concerns. As for the proposed distance to Kingaroy, that is yet to be determined however we are proposing that our mining operations will be beyond 5km and outside of the declared Restricted Residential Areas.	MRV’s proposal will mean less jobs in the South Burnett. FALSE. MRV Tarong Basin Coal is focused upon the South Burnett, and MRV as the parent Company is focused on local employment, local training and utilisation of local businesses. Whilst we are targeting a superior quality of coal which means less for the same energy output, the Company plans to localise administration, finance, procurement, technical services, IT, safety & environment, communications, human resources, and other functions commonly run from larger corporate HQ’s such as Brisbane. This means local jobs, more of them and more training, development and opportunity
Part of MRV’s proposal is an infrastructure light option. This means utilisation of local businesses, services, training and employment agency’s to service the mine rather than from Brisbane or on site. TRUE. The Company will seek to engage with businesses from Cherbourg and Murgon, through to Blackbutt in an attempt to attain ongoing goods and services from stationary through to light vehicle purchases and contracting services.	The MRV Tarong Basin Coal proposal has the potential to cut 10% CO2 emissions immediately by targeting 21.6GJ per tonne Coal. This is as opposed to the publically recorded 19.6GJ per tonne Coal traditionally being mined in the South Burnett. TRUE. That is the aim of MRV’s current proposal, should it be able to supply a local domestic product in the South Burnett. There are also additional benefits of reduced water use and other environmental positives.	90%-95% less water used in MRV’s proposed dry separation process. TRUE. This means for every 10L used in a dry separation process, 120-140L would now be returned to the South Burnett if our project focused upon a Local Domestic Coal supply and replaced the existing mine. This is potentially a net water saving to the South Burnett of 10,800,000,000L (120L x 4.5 Million tonnes by 20 years).
Loss of the South Burnett’s best agricultural land. FALSE. The proposal put forward by MRV for mining operations is seeking to have a mining footprint approx. 0.06% of the South Burnett’s land mass. In fact, we are targeting an ideal project 3 times smaller than our PFS has indicated would be viable, at a land mass of 0.025% of the South Burnett foot print. This proposal is approx. ¼ of the similar proposal put forward in 2010 to develop a similar asset in the region to guarantee future supply to Tarong Energy Corp.	MRV Tarong Basin Coal’s proposed project is going to mean 100’s of landholders displaced including the compulsory resumption of Taabinga Village. FALSE. MRV’s proposal will unfortunately have impacts. However, these are likely to be between 5 and 12 directly affected landholders, to whom in the main we have been communicating with for the last 18 months. Our aim is to advance our negotiations and outcomes privately as would be expected.	MRV must produce an Environmental Impact Statement that will cover Community, Environment, Impacts, and mitigations and prove how it will comply with legislative requirements. TRUE. Extensive studies, research, modeling and engineering go into such a proposal and Coal Mining is one of the most regulated industries in the Country. The last 30 years is a great example of co-existence which MRV intends to continue, but with superior and more advanced technologies.