Dear Community,

MRV Tarong Basin Coal Pty Ltd is pleased to update you on our project’s progress, and over the next four weeks we will provide you with a factual understanding of what we are proposing, when and how.

We think this is important for the South Burnett community to understand, so you can make a genuinely informed decision about our project based on the facts. We welcome you to follow this story over the coming weeks.

While it is - and always was - our intention to communicate widely, we have been updating and working with various levels of government and several community groups who have been fully briefed on our project, including the directly affected landholder group in the region. In saying this, following a forum organised and conducted by a community group in early February, we have since been flooded with enquiries about why our position was not put forward and why the presentation was not balanced.

As you can understand, we can only manage our own position on these issues. We were exceptionally disappointed by the lack of facts presented, and also disappointed that our offer to present at the meeting was not taken up. Nevertheless, we respect and welcome all feedback and consultation with the community. What has transpired is an increased public awareness about this project, and we are extremely encouraged and pleased about this. We also believe that with the presentation of the facts about the project, the South Burnett community will be supportive and will actively seek positive economic impacts within the region, provided they are appropriately managed and regulated.

Over the next few weeks we will update you on what we are doing and what our plans are. More importantly, what the foreseeable positive impacts from our project will be and how we are tackling the issues that have genuinely been raised regarding water, dust, commitments to local employment, and utilising local businesses and services. We also aim to clearly explain to the community that our opportunities are both domestic and export focussed, and our project shows feasibility whatever option we choose to pursue. Either way, MRV Tarong Basin Coal sees potential for a project in the South Burnett.

A few quick points just to ensure the right information is out there:

- The footprint of our proposed pit for mining operations at the smaller end is approx. 2.5km x 1km or if we pursue our export potential approx. 3.5km x 1.5km. This is between 275ha to 525ha. Putting it into perspective, this is approx. **0.06% of the total land mass of the South Burnett Region** used for mining, and an expected MLA application of **0.1% in total**.

- The proposed pit operations for any proposed mine is not over Geritz Road, nor Peterson Drive or even Murrays Road. In fact the mining operations would stop short of Murrays Road. Again, the actual size is dependent upon what our ultimate operations are determined to be. This is in stark contrast to some claims out there, including those who know the facts but choose to misrepresent them.

- There will be significant jobs created for the entire South Burnett. MRV Tarong Basin Coal Pty Ltd has been designed to operate as a standalone entity in the South Burnett, and **we view the South Burnett as being from Cherbourg/Murgon through to Blackbutt**. This means the majority of the corporate and support services will be employed and based in the South Burnett, not in Brisbane.

- The proposed operations are identified as being a net returner of water to the agricultural industry. The water usage expected from a dry separation process is designed to use 90-95% less water than current wet coal handling processing plants used across the mining industry, including Meandu Mine. **The approximate difference in water use is 10L verses approximately 120-150L of water per tonne** and this is for dust suppression, as no water is actually used in the coal separation process. Also, in comparison to agricultural activities such as peanut and rotational cropping, the water use from mining operations is anticipated to be approx. **75% less than that of farming**.

- **Communications have been ongoing for almost 2 years**. The company has met regularly with the majority of directly affected land holders and we have kept all levels of Government up to date with our proposal. We have also had positive feedback from some of those potentially affected who are looking to move on and see this as a positive opportunity.

- The company has addressed many issues via our web site over 18 months ago, and through our latest Pre-Feasibility Study have continued to address many of the anticipated and common concerns or misconceptions about mining operations. Added to this is the fact that Meandu Mine has operated in the region for more than 30 years, and has an exemplary record of environmental and health impact compliance throughout the South Burnett. These are just a few facts you might want to consider. Equally you are more than welcome to attend a project presentation meeting, which will be rolled out through March and April of 2016. Also, please look us up at www.tarongbasincoal.com.au or find us on Facebook.

Alternatively visit one of our friendly staff available at our Kingaroy office located upstairs at 8/26 King Street, Kingaroy on Tuesday, Wednesday or Thursday of each week. We look forward to working with you and having your continued support in advancement of our South Burnett Project.

Regards

Jason Elks  
Managing Director  
MRV Tarong Basin Coal Pty Ltd
Dear Community,

We are pleased to update you again with a brief about our South Burnett coal project, what we are currently focusing on, and our progress.

Firstly, let me thank you for the wonderful support and response we had from last week’s media communications. By the end of this week you should have also received an update about what we are working on in your letterbox.

Looking ahead, the issues we tackle will not be very different from one week to the next. But we believe it’s important at this stage to continue to make you aware not only about the project - including its positive, strong economic impacts and associated benefits - but also the challenges we are working on as we focus on entering the legislative process to deliver a positive outcome for the South Burnett and our stakeholders.

There are a few things we would like to focus on this week. They have come about from your feedback and comments, our Pre-Feasibility Study (PFS), and the efforts we have made in that to address water, dust, noise and light concerns.

As per our PFS, our company has proposed a dry separation process as the most appropriate coal processing method, with the potential to undertake this processing in pit and further reduce any potential impacts. This process will not only significantly reduce water use and any potential fugitive dust, but also alleviate noise and light pollution through plant design and operation. This is a significant advancement and a positive outcome that works to address specific issues raised by the community.

Added to the fact that prevailing winds do not blow towards Kingaroy, as some have claimed, this is a significant outcome for the project. It is also an outcome that we believe will meet, or exceed, the current standards in place for such an operation.

Another major issue that has been raised is the size of the overburden waste dumps.

For those who have reviewed our PFS or asked us, in-pit dumping is a major focus of our project. Within a few years of full operation, we intend to be backfilling the pit as we move through the mine lifecycle. This means from that point on, the majority of all waste overburden will be returned to the pit immediately. There simply will not be a mountain of 30 years’ waste and overburden dumped on the South Burnett landscape, as some people have led the community to believe.

Finally, one other important thing we would like to clarify is the outline of the Mining Lease Application Area (MLAA) and the potential mine location, which we will release to the broader community shortly.

Right now, we are working hard to contact everyone who would be directly affected by the MLAA and we will release this information after we have spoken to or liaised with every directly affected landholder.

Please see some more facts about our project below. Our team will endeavour to keep you informed with our progress on this project at all times, and you are also welcome to visit our South Burnett office, Tuesday to Thursday, upstairs at 8/26 King Street, Kingaroy.

Kind regards

Jason Elks
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MRV Tarong Basin Coal Pty Ltd
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**Community Benefits**

- Entire South Burnett Focus
- Commitment to Local Employment
- Committed to Traineeships and Apprenticeships
- Focus on Indigenous Opportunities
- Focus upon community capacity building
- Support Local Business Ethos
- Start-up Capital expenditure of $300 Million
- Operational expenditure of $200 Million pa
- Employment of between 400-700 in ramp up
- Steady state employment of approx. 400+
- Expected flow on effect in community of 200-500+ jobs

**Environmental Benefits**

- Smaller footprint than any other proposal for Coal production in the South Burnett
- A potential dry separation processing process using 90-95% less water than current processing plants
- Net returner of water to agriculture
- Reduced dust and noise emission by potential in pit processing
- Potential to reduce CO2 emissions by 10%
- No required wet tailings or reject discharge in settlement ponds
- Located in area of minimal wind drift toward population
- Progressive rehabilitation with intent of return to grazing land
- Located in an area that has almost no natural vegetation remaining due to prior clearing by agriculture, however any area of productive natural vegetation, will seek to be undisturbed where possible
- No advancement into State Forest Reserves