

ENSHAM LIFE OF MINE EXTENSION PROJECT

Groundwater Impact Assessment

Prepared for:

AECOM Australia Pty Ltd
Level 8, 540 Wickham Street, Fortitude Valley, QLD 4006

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BASIS OF REPORT

This report has been prepared by SLR Consulting Australia Pty Ltd (SLR) with all reasonable skill, care and diligence, and taking account of the timescale and resources allocated to it by agreement with AECOM Australia Pty Ltd (the Client). Information reported herein is based on the interpretation of data collected, which has been accepted in good faith as being accurate and valid.

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DOCUMENT CONTROL

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EXECUTIVE SUMMARY

SLR Consulting Australia Pty Ltd (SLR) was engaged by AECOM Australia Pty Ltd (AECOM), on behalf of Ensham Resources Pty Ltd (Ensham Resources) to assess the potential impacts of the proposed Ensham Life of Mine Extension Project (the Project) on groundwater values, in support of the impact assessment for the Project.

The scope of this groundwater impact assessment is limited to the underground mining operations proposed within the Project Area.

Ensham Mine is an existing open-cut and underground bord and pillar coal mine located approximately 35 kilometres (km) east of Emerald in Queensland (Figure 1). The Project proposes to increase the life of the existing underground operations by extending the underground bord and pillar mine into an area identified as the Project Area (zones 1, 2, and 3) commencing from within Mining Lease (ML) 7459, ML70326, ML70365, and ML70366 to an area west of ML70365 within part of MDL 217 (Figure 2). The Project will produce at up to approximately 4.5 million tonnes per annum and would extend the Ensham Life of Mine (LOM) by up to nine years to approximately 2037. The extension of the underground operation using existing infrastructure means that no surface construction or surface disturbance will be required to facilitate the Project.

The hydrogeological setting of the Project Area comprises of two groundwater bearing units, the Quaternary aged alluvium and the Permian aged Rangal Coal Measures. These two key units are separated by a low permeability unit, the Rewan Group.

The Quaternary aged alluvium comprises shallow sequences of clay, silty sand and sand, underlain by basal sands and gravel. The groundwater in the alluvium shows high salinity, which makes it unsuitable for groundwater uses such as stock watering and irrigation. The alluvium is not well connected with Nogoa River, which can be concluded by the difference in salinity between the more saline alluvial groundwater and the fresher river water. Furthermore, some bores installed in the alluvium are sporadically dry, also indicating that there is no continuous recharge from Nogoa River.

The Rangal Coal Measures comprise economic coal seams interbedded with low permeability siltstone, sandstone and shale. The coal seams contain groundwater that is generally saline and not suitable for stock water supply or irrigation.

A review of potential sensitive receptors showed that there are 19 landholder bores within a 15 km radius from the Project Area. Nine are currently used for stock watering, one for irrigation and one for stock and domestic use. The remaining eight are currently not in use. Mapped groundwater dependent ecosystems (GDEs) were visualised in the vicinity of the Project Area; there are low confidence GDEs identified along the Nogoa River and a wetland south of the open-cut area of Ensham Mine. No springs were identified within a 50 km radius of the Project Area. The closest intake area for the Great Artesian Basin (GAB) is located 50 km south-east of the Project Area, which means the mine will have no impact on the recharge to the GAB.

A recent peer reviewed groundwater model for the Ensham Mine was used as the base for the groundwater model used for the groundwater impact assessment. This previous groundwater model represented both the currently approved underground mining and the above-ground open pit operations. The groundwater model domain extends 43 km from north to south and 35 km from east to west. The stratigraphy is discretised into 12 model layers. The groundwater model was updated with the most recent groundwater observations and the proposed mine plan for the Project was added. The model was validated against the new observation data and deemed fit for purpose to assess the Project.

Predictive groundwater modelling showed that the Project will result in additional groundwater inflow compared to currently approved underground mining (Approved Case) due to the proposed extended life of mine. However, the order of magnitude of inflow after the year 2028 remains similar (3 to 12 ML/day, compared to 5 to 20 ML/day for the Approved Case before 2028). Modelling also showed that the additional alluvial take (alluvial water seeping into lower formations) is limited at approximately 0.01 ML/day, which is considered immeasurable. The same is valid for the predicted impact of mining on the Nogoa River baseflow, which is not predicted to change between the Approved Case and the Project.

The predicted additional groundwater drawdown in the target coal seams at end of mining extends 5 km to the north-west and 7 km to the west and the south-west. The drawdown is limited to the extent of the coal seams in the east where the coal seams outcrop or subcrop.

The post-mining equilibrium was calculated over a timeframe of 220 years (compared to the 17-year mine life). Some permanent reduction in water levels is predicted for the water levels in the target coal seams.

A sensitivity analysis approach was adopted to assess the model uncertainty. Nine selected model parameters were assessed, and the changes in the predictions, both from a water balance and drawdown perspective, were assessed. Parameters sensitive for the underground mine inflow predictions included coal seam hydraulic conductivity, the alluvium hydraulic conductivity, and the streambed conductance. Parameters sensitive for the Nogoa River baseflow changes are the alluvium hydraulic conductivity (horizontal and vertical) and the streambed conductance. The predicted drawdown contours are most sensitive to the coal seam horizontal hydraulic conductivity. Field measurements of this parameter would be useful for further model iterations. Recharge and storage parameters were found not to be sensitive for the model predictions.

The groundwater model was then used to assess potential impacts on groundwater users. There was no predicted additional groundwater level drawdown within the alluvium in the Project Area. However, some additional drawdown is observed in the wider Study area, specifically east of the open-cut voids. There are no predicted water levels reductions of greater than 2 m in any of the landholder bores. Jamar and Winton Creek bores show the largest additional drawdown of 10 cm. The identified GDEs and the identified wetland are not predicted to be impacted by the additional groundwater extraction and drawdown. There are no additional impacts predicted on groundwater quality. There are no predicted impacts from predicted subsidence on groundwater. There were no predicted changes to Nogoa River stream losses and no leakage from the coal seams into the alluvium has been predicted.

A comprehensive groundwater monitoring program is currently in place for the open-cut and approved underground mining operations at Ensham Mine. This study recommends including five additional monitoring bores into the monitoring program after Project approval, two of which have already been installed in October / November 2019.

CONTENTS

1	INTRODUCTION	11
1.1	Overview	11
1.2	Project background	11
1.3	Existing infrastructure and mining operations	11
1.4	Proposed mining operations	15
1.5	Study objectives	15
2	REGULATORY FRAMEWORK	16
2.1	Queensland regulatory framework.....	16
2.1.1	Water Act 2000	16
2.1.2	Environmental Protection Act	16
2.1.3	Current Environmental Authority	19
2.2	Commonwealth	19
3	EXISTING CONDITIONS	25
3.1	Climate	25
3.2	Topography and drainage	27
3.3	Land use	30
3.3.1	Agriculture	30
3.3.2	Mining.....	32
3.3.2.1	Gregory Crinum and Kestrel	32
3.3.2.2	Wilton.....	33
3.3.2.3	Fairhill	33
3.3.3	Petroleum	34
4	GEOLOGY.....	35
4.1	Quaternary alluvium	39
4.2	Tertiary age sediments.....	39
4.3	Triassic age Rewan Group	39
4.4	Permian Rangal Coal Measures	39
4.5	Structural geology	40
5	HYDROGEOLOGY	41
5.1	Current groundwater monitoring	41
5.2	Groundwater levels, flow, recharge and discharge	44
5.2.1	Quaternary sediments (alluvium)	44
5.2.2	Rewan Group.....	48
5.2.3	Permian Coal Measures	48
5.2.4	Groundwater–surface water interactions	52

CONTENTS

5.3	Hydraulic properties.....	55
5.3.1	Hydrogeological units	55
5.3.2	Faults	57
5.4	Groundwater quality	59
5.4.1	Physiochemical parameters	59
5.4.1.1	Alluvium	60
5.4.1.2	Rewan Group.....	64
5.4.1.3	Rangal Coal Measures.....	67
5.4.2	Metals and metalloids.....	69
5.5	Groundwater use and management	69
5.5.1	Ecosystems.....	70
5.5.2	Springs	71
5.5.3	Wetlands.....	71
5.5.4	Irrigation, farm supply / use and stock water (private bores).....	71
5.6	Conceptual Groundwater Model	74
6	GROUNDWATER MODEL	76
6.1	Model objectives.....	76
6.2	Software	76
6.3	Model setup.....	76
6.3.1	Model grid and layers	77
6.3.2	Model properties.....	78
6.3.3	Boundary conditions.....	79
6.3.3.1	No flow boundary.....	79
6.3.3.2	General head boundary	79
6.3.3.3	Recharge and evaporation	80
6.3.3.4	Open-cut mining.....	82
6.3.3.5	Underground workings	82
6.3.3.6	Rivers	83
6.3.3.7	Other stresses	83
6.3.4	Temporal discretisation	84
6.3.5	Validation.....	84
6.4	Model predictions.....	87
6.4.1	Groundwater model water balance.....	87
6.4.2	Predicted groundwater interception	88
6.4.3	Predicted maximum drawdown	88
6.4.4	Incidental water impact	93
6.4.4.1	Influence on alluvium.....	93
6.4.4.2	Influence on baseflow.....	93
6.4.5	Post mining equilibrium	94
6.5	Sensitivity analysis	99

CONTENTS

6.5.1	Scenario selection.....	99
6.5.2	Results	100
6.5.2.1	Drawdowns	100
6.5.2.2	Water fluxes	100
6.6	Model confidence	102
6.7	Model limitations.....	105
7	POTENTIAL IMPACTS	108
7.1	Assessment framework.....	108
7.2	Water licensing	108
7.3	Potential impact on aquatic and terrestrial ecosystems.....	108
7.4	Potential impact on private bores	109
7.5	Impact on groundwater quality	109
7.6	Other potential impacts	111
8	MANAGEMENT AND MITIGATION	113
8.1	Mine affected water.....	113
8.2	Subsidence.....	113
8.3	Groundwater users	114
8.4	Groundwater monitoring program	114
8.4.1	Monitoring location	114
8.4.2	Contaminants of concern.....	118
8.4.3	Impact assessment criteria.....	118
8.4.4	Data management and reporting	119
8.4.5	Future modelling	119
9	CONCLUSIONS	120
10	RECOMMENDATIONS	121
11	REFERENCES	122

DOCUMENT REFERENCES

TABLES

Table 1	Requirement for site-specific and amendment applications – underground water rights.....	16
Table 2	IESC information requirements checklist.....	20
Table 3	Priority agricultural land use in the Central Queensland regional plan area.....	30
Table 4	Proposed and current mining operations within 50 km from the Project.....	32
Table 5	Predicted drawdown at private bores from the Wilton Coal Project.....	33

CONTENTS

Table 6	Exploration permits across the Project Area.....	34
Table 7	Summary of stratigraphy in the Study Area.....	36
Table 8	Monitoring network	41
Table 9	Groundwater expression field observation	53
Table 10	Summary of adopted hydraulic properties from other Bowen Basin studies	55
Table 11	Summary statistics of pH observations.....	59
Table 12	Summary statistics of EC observations.....	60
Table 13	Existent private groundwater bores.....	72
Table 14	Stratigraphy - model layer summary	77
Table 15	Simulated aquifer properties (adopted from HydroSimulations, 2018).....	78
Table 16	Adopted properties relative to field data ranges.....	79
Table 17	Recharge values.....	80
Table 18	Open-cut modelled water management	82
Table 19	Models and stress periods	84
Table 20	Average simulated water balance during the prediction period (2020 to 2039).....	87
Table 21	Sensitivity analysis – overview of scenarios.....	99
Table 22	Sensitivity analysis – changes to mining inflow and stream flow losses	101
Table 23	Groundwater model classification.....	103
Table 24	Groundwater model and data limitations	105
Table 25	Impact assessment framework for each environmental value.....	108
Table 26	Predicted maximum additional drawdown at private bores due to the Project	111
Table 27	Qualitative assessment of other potential impacts.....	112
Table 28	Release points and source water conditions (Table C2 of EPML00732813).....	113
Table 29	Current and proposed groundwater monitoring network	115

FIGURES

Figure 1	Project location and surrounding mine tenements.....	12
Figure 2	Underground mine plan (Approved and the Project).....	13
Figure 3	Project mine tenements, pit shell boundaries and underground mining areas	14
Figure 4	Average monthly rainfall and evaporation at Emerald Post office (1900-2019)	25
Figure 5	Long-term annual rainfall statistics and CRD for Emerald Post office (1900-2019)	26
Figure 6	Monthly rainfall at Ensham Mine and Emerald Post office (2007-2019)	27
Figure 7	Maximum monthly level for Nogoa River plotted against CRD	28
Figure 8	Topography and drainage	29
Figure 9	Priority Agricultural Areas and Strategic Cropping Land in the vicinity of the project.....	31
Figure 10	Surface geology	37
Figure 11	Solid geology	38
Figure 12	Coal seam stratigraphy of the Rangal Coal Measures	40
Figure 13	Location of EA monitoring and existing mine monitoring bores.....	43
Figure 14	Conceptual cross section through Nogoa River and quaternary sediments.....	44
Figure 15	Hydrographs for EC bores showing groundwater level in bore and CRD	45
Figure 16	Groundwater contours in the alluvium (2019)	47
Figure 17	Hydrographs for Rewan bores compared with RB04 (Coal measures)	48

CONTENTS

Figure 18	Hydrograph for Karanga Bore, RB06, WSMB3D and WSMB3S	49
Figure 19	Hydrographs for bores RB02, RB03 and RB04.....	50
Figure 20	Hydrographs for bores WSMB2D, WSMB2S, WSMB3D and RB05	51
Figure 21	Water level elevations at groundwater bores EC03 and EC04 and at river gauge station 130219A	54
Figure 22	Electrical conductivity measured at EC03, EC04 and station 130219A	54
Figure 23	Local faults	58
Figure 24	Durov diagram - alluvium.....	61
Figure 25	Lab EC - alluvium	62
Figure 26	Field EC - alluvium	62
Figure 27	Electrical conductivity (Lab) - EC04, EC06, EC16, EC17 and EC19	63
Figure 28	Field pH - alluvium.....	64
Figure 29	Durov diagram - Rewan Group.....	65
Figure 30	Field EC - Rewan Group.....	65
Figure 31	Electrical conductivity (Lab) - Rewan Group	66
Figure 32	Field pH - Rewan Group	66
Figure 33	Durov diagram - Rangal Coal Measures.....	67
Figure 34	Field EC - Rangal Coal Measures.....	68
Figure 35	Field pH - Rangal Coal Measures	68
Figure 36	Number of bores with 80th percentile above ANZECC guidelines for aquatic ecosystem protection (95%) in the main hydrogeological units.....	69
Figure 37	Groundwater Dependent Ecosystems and Private bores.....	73
Figure 38	Conceptual hydrogeological section of the Project Area and surroundings.....	75
Figure 39	Model grid, boundary conditions and mine plan	81
Figure 40	Observed vs computed target water levels	85
Figure 41	Maps of average residuals	86
Figure 42	Predicted mine inflow.....	88
Figure 43	Maximum additional drawdown due to the Project in the unconsolidated (L2)	90
Figure 44	Maximum additional drawdown due to Project in the Aries and Castor seam (L8).....	91
Figure 45	Maximum additional drawdown due to the Project (water table)	92
Figure 46	Alluvial take	93
Figure 47	Net baseflow in Nogoa River	94
Figure 48	Recovery times series for two selected bores	95
Figure 49	Equilibrium groundwater level (2260) in the alluvium and regolith (L2).....	97
Figure 50	Equilibrium groundwater level (2260) in the Aries and Castor seam (L8)	98
Figure 51	Underground mine inflow (sensitivity analysis)	102
Figure 52	Nogoa River stream flow losses (sensitivity analysis).....	102
Figure 53	Maximum drawdown in the alluvium and GDEs	110
Figure 54	Existing monitoring network and proposed new monitoring bores for the Project Area.....	117

CONTENTS

APPENDICES

- Appendix A Current Water quality trigger thresholds for annually reviewed triggers
- Appendix B Layer extents and thickness
- Appendix C Summary statistic of EA water quality parameters
- Appendix D Water quality compared to regional and national guidelines - Boxplots
- Appendix E Water Quality Parameters - Time Series
- Appendix F Hydrographs
- Appendix G Calibration Hydrographs
- Appendix H Hydraulic properties zones
- Appendix I Maps of waterlevels
- Appendix J Maps of drawdowns
- Appendix K Prediction Hydrographs
- Appendix L Sensitivity Analysis Maps
- Appendix M WetlandInfo Report
- Appendix N Alluvial bore reports

1 Introduction

1.1 Overview

SLR Consulting Australia Pty Ltd (SLR) was engaged by AECOM Australia Pty Ltd (AECOM), on behalf of Ensham Resources Pty Ltd (Ensham Resources) to assess the potential impacts of the proposed Ensham Life of Mine Extension Project (the Project) on groundwater values, in support of the impact assessment for the Project.

The scope of this study is to:

- describe the existing hydrogeological environment of the Project Area and surrounds
- assess the potential impacts of mining on the groundwater related environment
- propose measures to manage or mitigate impacts on groundwater environmental values.

The study area for the purpose of this assessment is the extent of the groundwater model domain, which includes the Project Area and surrounds. The scope of this groundwater impact assessment is limited to the underground mining operations proposed within the Project Area.

1.2 Project background

Ensham Mine is an existing open-cut and underground bord and pillar coal mine located approximately 35 kilometres (km) east of Emerald in Queensland (Figure 1). The Project proposes to increase the life of the existing underground operations by extending the underground bord and pillar mine into an area identified as the Project Area (zones 1, 2, and 3) commencing from within Mining Lease (ML) 7459, ML70326, ML70365, and ML70366 to an area west of ML70365 within part of MDL 217 (Figure 2). The Project will produce at up to approximately 4.5 million tonnes per annum and would extend the Ensham Life of Mine (LOM) by up to nine years to approximately 2037. The extension of the underground operation using existing infrastructure means that no surface construction or surface disturbance will be required to facilitate the Project.

1.3 Existing infrastructure and mining operations

The Ensham Mine currently produces up to 5.3 Million tonnes per annum (Mtpa) of coal for both the open-cut and underground operations. The open-cut operation is scheduled to continue to approximately 2024, followed by further rehabilitation of the open-cut mine. Current approved underground operations are due to cease in 2028.

The existing mine has been operating since 1993 and covers a strike length of over 20 km, from Pit A in the south to Pit Y (Yongala) in the north. Pit A South, A North and B are located south of the Nogoa River, with pits C, D, E, F and Y all located north of the Nogoa River (Figure 3).

Open-cut operations are decreasing due to increasing strip ratios, as the coal seams have been followed down-dip to increasing depths. Underground operations commenced in 2011, as a small trial bord and pillar mine. The main working seam followed through a portal from Pit C, progressing in a westerly direction underneath the Nogoa River floodplain. The current bord and pillar underground operation is located on ML 7459 and ML 70365 and targets the combined Aries / Castor seam plies. This will be referred to as the Approved Case in this report.