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SINCE 1963

ALCOA ANGLESEA POWER STATION

MINE WORK PLAN

September 2011

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Introduction

This Work Plan has been developed to outline the strategy for the continuing operation of the Anglesea Coal Mine by Alcoa of Australia Limited (Alcoa) to 2061 and to meet the intent and legislative requirements outlined in the Mineral Resources (Sustainable Development) Act 1990 to the extent that they apply to the Anglesea Coal Mine operations under the Mines (Aluminium Agreement) Act 1961.

1.1 Site Description

The Anglesea site is situated predominantly on unreserved Crown Land, 41 kilometres southwest of Geelong, and north of the town of Anglesea.

The site consists of Alcoa freehold and a 7097-ha area of Crown Land leased under provisions of the *Mines (Aluminium Agreement) Act 1961*, which grants Alcoa exclusive right to explore and extract coal found within the area for 50 years, until 2011, with the right of 50 years renewal.

Alcoa extracts brown coal in an open cut mine to fuel the adjacent 150-MW Anglesea Power Station, owned and operated by Alcoa.

Since 1969 Alcoa has mined approximately 1.1 million tonnes of brown coal each year from the main upper seam within the open cut.

1.2 Legal and Other Requirements

Under the terms of the agreement contained in the [Mines \(Aluminium Agreement\) Act \(1961\)](#) Alcoa has sole right to explore for and mine brown coal until 2011 and has the right to extend the lease by a further 50 years until 2061.

[Anglesea Heath Agreement \(2000\)](#) was prepared under part 8, section 69 of the *Conservation, Forests and Lands Act (1987)*, and provides for the co-management of the Anglesea Heath by Alcoa and Parks Victoria, to protect the Anglesea Heath's natural and cultural values, whilst providing access for appropriate recreation and industry use. The Agreement led to the development of the Anglesea Heath Management Plan (2002) which is attached as Appendix H.

[Exemption of certain freehold land](#): Historically and as a result of continuity of mining activities, Alcoa has mined through an area of freehold land outside and adjacent to the mining lease boundary which was the subject of a minerals exemption granted pursuant to section 293 of the Mines Act 1958 on or about 19 August 1985. Mining Coal Royalties were not required to be paid against the coal won from this area. The freehold land is described as:

- (a) certificate of title volume 8230 folio 618 known as Lot 1 on Title Plan 408603H (formerly known as part of crown allotment 10 Parish of Angahook); and
- (b) certificate of title volume 8489 folio 766 know as Lot 2 on Plan of Subdivision 061660 (formerly known as part of crown allotment 10 Parish of Angahook);

Although the coal has now been completely mined from the area and it is outside the mining lease boundary, the freehold area has been included within the Work Plan boundary and will be managed accordingly as per the Work Plan principles.

1.3 Mine Extension Process and Specified Area

Alcoa's rights to explore for and mine brown coal are set out in, and subject to, the terms of the agreement contained in the Mines (Aluminium Agreement) Act (1961) (the Agreement).

Clause 21D of the Agreement sets out the Mine Extension Process which applies if the Company proposes to extend its mining operations outside the stage 1 area, or outside the area in which operations are being conducted in accordance with a mine extension plan previously approved under clause 21D, but within the specified area. Any such mine extension requires the approval of a mine extension plan by the Secretary or his or her delegate in accordance with the approval process specified in clause 21D and this work plan.

The area within the Work Plan Boundary is also referred to as the 'specified area'.