

Press release

Kestrel Mine Extension project pushes on

5 January 2010

Over the past 12 months the site of Rio Tinto's \$1.3 billion Kestrel Mine Extension (KME) project has undergone a dramatic transformation.

Almost 400 people are working on the site, which now features the ongoing construction of two underground drifts, a ventilation shaft and major earthworks together with related sealed bitumen roads, power lines and offices.

The KME project is being built next to the Kestrel Mine near Emerald, and will extend the life of the mine to 2032, as well as generate significant economic benefits for the local community, Queensland and Australian economies.

A current major focus is the establishment of a water system, which involves the construction of three water management dams, which will have a combined total capacity of 575 megalitres of water.

Up to 90 people are working on this part of the project, using earthmoving equipment to shift nearly one million cubic metres of rock and dirt – the equivalent area of 50 football fields and holding capacity of 230 Olympic swimming pools. The dams are lined with a two stage system, comprising a geo-textile composite liner and a fully welded plastic liner to ensure they are watertight.

KME general manager Colin Farr said the dams are expected to be complete in the first half of 2010.

"The larger 500 megalitre dam is our holding dam and will store water that is recycled and used back in our process at the site," Mr Farr said.

"Embankments and drainage networks have been built to enable the two smaller sedimentation dams to collect all of our run-off water. This run-off water will contain silt and dust, but as this sinks to the bottom of the dam the clear water will be cascaded into the holding dam so that we can recycle it."

Mr Farr said the Kestrel Mine Extension project will manage its water onsite with the objective that it does not discharge water. However, if water was to be discharged it would only occur under strictly controlled conditions, and within the project's statutory approvals.

During 2009, other activities at the project site included:

- The commencement of construction of the drifts with more than 500 concrete sections moved into place to complete the two portal structures
- Offices erected on site
- Opening of the sealed seven kilometre bitumen access road which services the site and also the Gordon Downs station.
- Inseam dewatering

"In 2010, work is expected to focus on the start of construction of the conveyor that will transport coal to Kestrel Mine's facilities for processing and railing; an upgrade of the coal handling and preparation plant at Kestrel Mine, and associated infrastructure and services," Mr Farr said.

A recent audit of KME's health safety and environment management system revealed there have been no major non-conformances at the site, and also provided commendations for some of the training packages and the clean and tidy state of the site.

In early 2009, the project team implemented some changes in response to the current economic climate, however the project remains on track to meet its first coal shipment in 2012.

Media enquiries:

Alison Smith 0438 787 038