



# MACH Energy

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Japan Coal Development Australia

Mount Pleasant Operation

## Attachment 10

Capital Investment Value Estimate Report

MACH ENERGY

## **Capital Investment Value Report**

### **Mount Pleasant Optimisation Project**

10278-REP-001

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**Goeldner Consulting Pty Ltd**

02 4047 2350

PO Box 460

KOTARA NSW 2289

[info@goeldnerconsulting.com.au](mailto:info@goeldnerconsulting.com.au)

[www.goeldnerconsulting.com.au](http://www.goeldnerconsulting.com.au)

ABN: 24 610 718 824

## PREAMBLE

This document has been prepared to support the development of the Capital Investment Value (CIV) for the Mount Pleasant Optimisation Project (MPOP) in accordance with the definition contained in the Environmental Planning Assessment Regulation 2000.

Capital investment value of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs—

- (a) amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 7.1 or 7.2 of the Act or a planning agreement under that Division,
- (b) costs relating to any part of the development or project that is the subject of a separate development consent or project approval,
- (c) land costs (including any costs of marketing and selling land),
- (d) GST (within the meaning of A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).

This report has been prepared on behalf of and for the exclusive use of MACH Energy for the purpose of determining the CIV, and is subject to and issued in accordance with the agreement between MACH Energy and Goeldner Consulting Pty Ltd. Goeldner Consulting Pty Ltd accepts no liability or responsibility whatsoever for it in respect of any use of or reliance upon this report for any other purpose. Copying this report without the permission of MACH Energy and Goeldner Consulting Pty Ltd is not permitted.

REV	DESCRIPTION	ORIG	REVIEWER	APPROVER	DATE
0	Internal Review	C Goeldner	D Simone	C Goeldner	09-11-20
1	Issued for Use	C Goeldner	D Simone	C Goeldner	11-11-20

## 1 ESTIMATE SUMMARY

The total Capital Investment Value (CIV) for the Mount Pleasant Optimisation Project (MPOP) is \$951,693,345. This amount is in Australian Dollars with base date of October 2020.

The CIV has been assessed based on

- NSW Government Planning circular PS10-008 'New definition of capital investment value', dated 10 May 2010
- NSW Government Planning & Infrastructure circular PS13-002 'Calculating the genuine estimated cost of development', dated 14 March 2013
- Prefeasibility level design, quantity take-off and estimation developed for the MPOP based on infrastructure engineering and mine planning studies.

The CIV estimate for the MPOP is summarised in Table 1 below.

**Table 1: Capital Investment Value Summary**

Description	Total AUD
<b>TOTAL PROJECT VALUE</b>	<b>951,693,345</b>
<b><u>DIRECT COSTS</u></b>	<b><u>849,406,297</u></b>
<b>MINE</b>	<b>29,125,640</b>
Go Line Facilities	2,250,000
Civil Works	26,875,640
<b>COAL HANDLING AND PREPARATION PLANT</b>	<b>419,514,644</b>
ROM Pad and ROM Bin	53,493,644
Crushing & Sizing	37,664,000
Coal Preparation Plant	99,300,000
Tailings and Reject	64,394,000
Product Coal Handling	57,717,000
Product Reclaim & TLO	31,837,000
Electrical (CHPP & TLO site wide)	72,568,000
CHPP Permanent Facilities	2,541,000
<b>UTILITIES AND ONSITE INFRASTRUCTURE</b>	<b>340,473,806</b>
Roads	5,869,005
Pads	10,764,187
Dams	240,682,918
Drainage	152,361
Site Water Reticulation	24,914,157
Site Wide Electrical Reticulation	12,166,395
MIA Utilities	5,953,832
MIA Ancillary	39,970,951
<b>OFF SITE INFRASTRUCTURE</b>	<b>27,349,518</b>
Public Roads	27,349,518
<b>DESIGN GROWTH</b>	<b>32,942,689</b>
<b><u>INDIRECT COSTS</u></b>	<b><u>102,287,048</u></b>
Engineering, Procurement, Construction Supervision and Project Management	80,050,733
Common Distributables	22,236,315

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## 2 QUALIFICATIONS AND ASSUMPTIONS

The following qualifications and assumptions were noted when assessing the CIV:

- The CIV base case includes the capital required for Stage 2A and 2B construction of the Mount Pleasant Optimisation Project based on truck and shovel methodology, and does not include sustaining capital costs associated with the existing Mount Pleasant Operation.
- The CIV is based on a contract mining strategy and therefore does not include capital investment in mining equipment.
- If MACH Energy were to owner-execute the mining operations using truck and shovel methodology, an additional capital investment of \$542,000,000 is required for the purchase of mining fleet.
- If MACH Energy were to execute the mining operations using a dragline methodology, an additional capital investment of \$120,000,000 is required for the purchase of the dragline. A further \$7,663,000 is required to construct dragline infrastructure such as HV power supply and dragline erection pads.
- Estimate base date is October 2020. No allowance for escalation is included beyond this date.
- The CIV is based on the following scope of work:
  - Go-Line facilities to support additional mining operations
  - Additional haul roads, laydown areas and Northern Bund
  - Stage 2A and 2B of coal handling and preparation plant
  - Roads (Mine access, MIA, CHPP and Light vehicle service roads)
  - Building pads, car parks, LV/HV pavements
  - Mine Water Dams 2 and 3
  - Highwall Dam 3
  - Sedimentation Dams 5, 6 and 7
  - Tailings storage facility stage 3-7
  - Administration building/Bathhouse
  - Workshop administration building/store
  - HV workshop
  - Washbays
  - Fuel and lube facilities
  - Tyre pad and storage area
  - Site wide services and utilities
  - Dorset Road upgrade
  - Castlerock/Dorset Rd Diversion

- Castlerock/Dorset Rd Intersection
- The CIV includes:
  - Temporary construction works
  - Earthworks
  - Demolition (where required)
  - Process and non-process infrastructure
  - Construction power and water
  - Engineering and construction management services
  - Temporary construction facilities and equipment
  - Labour including long service leave levies.

### **3 EXCLUSIONS**

- Amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the Environmental Planning and Assessment Act or a planning agreement under that division.
- Costs relating to any part of the development or project that is the subject of a separate development consent or project approval.
- Sustaining Capital.
- Land costs (including any costs of marketing or selling land).
- GST (as defined by a New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).
- Finance application fees.
- Interest payable on loans associated with the development.
- Stamp Duty.