

# For Sale – Expressions of Interest

**Walkerston Quarry**

**Lot 52 Silingardies Road, Walkerston**

**Sold as Freehold Title and as a Going  
Concern Business Operation**

**Presented to Market by**

**Vella's Quarries – A Division of Vella's  
Plant Hire Pty Ltd**



*Vella's Plant Hire Pty Ltd*  
ABN 50 103 957 820

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## Executive Summary

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Vella's Quarries, a division of Vella's Plant Hire Pty Ltd are placing the property styled as Walkerston Quarry located on Lot 52 Silingardies Road Walkerston, on the market by way of for sale expressions of interest. The sale basis will be by way of sale as a going concern including both the freehold property and the quarrying business.

### The Quarry

The Walkerston operation is situated 1.3km directly south of Walkerston and 13km west of Mackay, within the Local Government Area (LGA) of Mackay in Queensland (QLD). The extractive activity situated on Lot 52 SP185587 covers a combined area of 9.7ha and is accessed from Silingardies Road.

Currently, the key market for the site is the Mackay Regional Council, Department of Transport and Main Roads, construction and civil engineering companies.

The land supporting the Walkerston operation is currently zoned as Rural, administered by the Mackay Regional Council. The Development Approval No ENRE00812608 and Environmental Authority No EPPR00201513 permits for the subject property approved use:

- ERA 16 Extractive and screen activities, Threshold 2(b) – extracting other than dredging, in a year, 5,000t to 100,000t of material.
- ERA 16 Extractive and screening activities, Threshold 3(a) – screening, in a year, 5,000t to 100,000t of material.

Vellas are currently in the planning stage of negotiating with MRC for a 250000TPA increase to the existing 100000 TPA.

The estimated remaining in-situ Hornfels resource of 2.2 million tonnes is suitable to produce a wide range of constructive materials. These indicators demonstrate that the resource is sufficient to support a 23 year operational life.







*Rock Description*



*Processing Road Base*

## Quarry Particulars

### 1.1. Resource

A quarry assessment indicates that the hard rock resource at the quarry site has been calculated based on:

- Bench heights of 10 metres approximately.
- A 40 metre buffer between extraction area and Silingardies Road Reserve;
- A minimum buffer of 20 metres is maintained between the eastern quarry boundary and the extraction area;
- The access ramp is along the eastern side of the lower benches;
- The lower bench has been drilled and recorded by the drillers to determine depth of resource;
- The density of the rock has been estimated at 2.7 tonnes per cubic metre, with a zero wastage factor;
- Any faulted or brecciated sections assumed not to affect the resource calculation.

Since January 2018, the operator extracted approximately 150,000 tonnes. After depletion or extracted material, the remaining resource is estimated to be 2,217,612 tonnes as at the date of this report.





### *1.2 Location and Access*

The subject site is situated approximately 13km directly west of Mackay central business district and 1.3 km south of Walkerston, in the Mackay Regional Council of Queensland (QLD). It is accessed from Silingardies Road, which is connected to the Peak Downs Highway to the north via Bold Street. The Peak Downs Highway is the main route that connects Mackay with Walkerston and Moranbah in the central QLD coal mining district.

Walkerston is the nearest town with a population of approximately 3,000 people situated in the rural sugar cane farming region. The settlement was first known as Scrubby Creek as far back as 1866. The region lies within the Pioneer River flood plain, one of Australia's prominent sugar cane growing areas with several small mills in the region.

Located 19km directly south of Mackay is the Port of Hay Point. It is one of the world's largest coal export ports and is comprised of two separate coal terminals, Dalrymple Bay Coal Terminal and Hay Point Services Coal Terminal (owned and operated by BHP Billiton Mitsubishi Alliance) that operate alongside each other. The terminals operate around the clock exporting thermal and metallurgical coal from Central Queensland's Bowen Basin mines to ports around the world.

### *1.3 Description and Layout*

The subject site comprises Lot 52 on SP185587 which is an irregular shared lot. Lot 52 has road frontage with Silingardies Road and cover a total area of 9.7ha.

The site is situated between 20 metres and 40 metres above sea level. The extraction area is situated in the norther half of the subject property while processing the stockpiling takes place in the southern area. A berm stretches along the western boundary to screen the operation from the neighbouring property to the west.

A plan illustrating the location and layout is presented in the appendix of this report.

### *1.4 Current Zoning*

The Mackay Regional Council Planning Scheme 2017 subdivides the region into zones that facilitates the location of preferred or acceptable land use. The subject property is situated within an area zoned as rural. A copy of the zone map is presented in appendix D.

The rural zone code allows the land to be used for Extractive Industry that include complementary activities such as concrete batching and asphalt manufacture. As such, the valuer is satisfied that the subject property is situated in an appropriate land use zone.

### *1.5 Development Approval*

The valuer has been provided with a copy of Development Approval ENRE00812608 issued as a "Registered Certificate" under section 73F of the Environmental Protection Act 1994 and authorises the registered operator to undertake the following activities:

- ERA 16 Extractive and screen activities, Threshold 2(b) – extracting other than dredging, in a year, 5,000t to 100,000t of material.
- ERA 16 Extractive and screen activities, Threshold 3(a) – screening, in a year, 5,000t to 100,000t of material.

The approval is conditional on, but not limited to noise, dust emissions, storm water runoff, and rehabilitation of land.

## Business Operating Activity

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### 2.1 Current Activity

Currently, extraction is undertaken on roster and a campaign basis. Overburden of approximately 2 to 6 metres thick is removed by bulldozer push to expose the unweathered hard rock resource. The hard rock resource is then drilled and blasted forming benches of around 10 metres high.

An excavator loads an articulated dump truck that hauls the shot rock to the fixed plant sites and dumps into a feed bin. The raw material is fed from the bin into a jaw crusher. The material is then crushed, screened and conveyed for further crushing and screening before being stacked into piles.

Product from the fixed crushing and screening plant is moved and stacked in the stockpile area with a wheel loader. A wheel loader loads haul trucks for dispatch from the stockpile area.

There is also a pre-coat plant that is fed by a wheel loader from the stockpile area to produce pre-coat sealing aggregate.



The hard rock resource at the site is suitable to produce a wide range of construction materials that include:

- Armour Rock (100 to 400mm)
- Rip Rap (40/150mm, 150/300mm)
- Gabion (75 to 150mm)
- Rail Ballast (30 to 65mm)
- Scalps
- Crusher Dust
- Cover Aggregates (14, 10, 7mm)
- Concrete Aggregates (10mm, 20mm)
- Drainage Aggregate (20, 14, 10, 7, 5mm)
- Road Base (Type 2.5, 2.3, 2.2, 2.1)
- Select Fill

Figure 2: Products Produced



Stockpiled Material



Railway Ballast

Gabion



## 2.2 Site Improvements

The site improvements are not extensive. There are no permanent structures. At the entrance of the site are two demountable buildings that serve as the administration office, lunchroom and toilet. A 30,000 litre tank located at the entrance feeds the administration area with potable water by electric pump.

A weighbridge is located at the entrance of the site alongside the administration office.

A hardstand area at the entrance provide parking for employees and visitors.

A workshop comprising of two shipping containers is located at the fixed processing plant where maintenance and repairs are carried out on mobile plant and equipment.

*Figure 3: Site Improvements*





## 2.4 Plant and Equipment

Hard rock material is processing through a fixed crushing and screening plant. This plant is a series of equipment that includes feed bin, jaw crusher, tow cone crushers, two screens, BARMAC vertical shaft impactor (VSI) and several conveyors. There is also a pre-coat plant and two generators.

Figure 4: Processing Plant



Control Box

Conveyors



Fixed Crushing Plant

Precoating Plant

Figure 5: Mobile Equipment



## 2.5 Revenue and Production

Walkerston quarry has the scope to provide a large range of product that includes aggregates, road base and gabion rock. The price list of the products produced range from A\$13.75/tonne and A\$22.00 tonne ex-bin depending on the type of product.

## Market Commentary

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The quarry industry is essentially construction market driven with key factors influencing the economic viability of an operation including:

- Proximity to infrastructure due to the high costs involved in transporting the extracted material;
- Ability to obtain approvals given higher environmental and amenity standards being imposed by communities;
- Level of population growth and the consequent development of roads, large buildings and infrastructure;
- Competitiveness of industry, with price being the key differentiating factor;
- The ability to competitively supply quality hard rock and materials to key customers such as the QLD Department of Transport and Main Roads, Mackay Regional Council and civil sub-division contractors.

Mackay and surrounding districts population continues to grow mostly due to the demand for skilled workers to support the development in the region across a cross sector of industries. This drives demand for more housing developments along with associated major infrastructure, all of which increases the demand for extractive industry resources.

Crushed aggregates are generally derived from deposits of intrusive and extruded igneous and volcanic rocks, including granite, trachyte, rhyolite and basalt along with a variety of metamorphic rocks including greywacke, hornfels and quartzite. Walkerston quarry and its large hornfels resource is ideally situated to satisfy the potential demand for a range of construction materials in the region.

### 3.1 Mackay – Isaac Region Infrastructure Projects

In July 2018, the QLD government provided an update of the infrastructure plan that commits within the state budget a total of \$45.8 billion on infrastructure over 4 years. The Department of Transport and Main Roads Investment Program 2018-19 to 2021/22 has a budget for A\$21.7 billion in infrastructure over the next four years.

Major project activity in the Mackay-Isaac region is traditionally supported by significant resources projects, but has been supplemented in recent years with a burst of renewable energy projects including the Collinsville and Moranbah solar farms. Looking ahead, funded work in the pipeline is now heavily influenced by Adani's Carmichael coal mine project and related infrastructure across rail, water and electricity transmission.

Walkerston quarry can also benefit from LGA funding commitments for maintaining local roads and infrastructure which include:

- Mackay Regional Council;
- Isaac Regional Council;
- Whitsunday Regional Council.

From the projects that are coming on line the assessment would be such that there will be sufficient demand for construction materials from potential infrastructure development and maintenance in the region that Walkerston quarry can benefit from.