



Dargues Reef

Community Consultative Committee

Minutes of Thirty-first Meeting

The DRCCC held its 31st meeting on 19 March 2019 at the Majors Creek Hall.

Meeting

Attendance: Brendan Blakeley Chairperson, Bill Waterhouse, Rebecca Bigg, David Lever, Matt Darwon, Belinda Royds, Peter Cormick, Kathleen Waddell (Alternate Member), Karis Sanderson (Alternate Member), Mahendram Manoharan (ESC), Pete Harrison (QPRC), Len Sharp (Dargues Gold Mine), Paul Rouse (Dargues Gold Mine), Shannon Green (Dargues Gold Mine), Hannah Bubb (Elton Consulting – minutes)

Observers: Jeff Wolford, Randall Lemin, Nick Woolrych, Linda Clipperton, James Dornan

Not present: Richard Roberts

Apologies were received from: Richard Roberts

Site visit

CCC members undertook a site visit prior to the meeting.

Pecuniary and other interests

In keeping with the *Community Consultative Committee Guidelines – State Significant Projects* (Department of Planning and Environment, 2016) all members are asked to declare any pecuniary or other interests. No changes were reported by members present.

CCC members requested a register of interests declared.

Minutes

The minutes of the CCC meetings are available to the public at the Braidwood office of the Queanbeyan-Palerang Regional Council and via the Company's website (www.divminerals.com.au).

Matters arising

None noted.

Correspondence

The Chair stated that Richard Roberts had resigned from the CCC and, at Bill Waterhouse's request, Richard's letter of resignation was read aloud by the chair. The Chair noted correspondence received via David Lever, Kathleen Waddell and Rebecca Bigg. Bill and Matt Darwon tabled correspondence at the

meeting. Bill tabled a letter from the Braidwood Community Association requesting membership on the CCC. Correspondence is provided in Attachment 1.

Presentation

Len Sharp presented the committee with a project status report which also included the company's response to matters raised by David and Kathleen, on the compensatory flow program and climate risks as they relate to the project, respectively. The presentation slides are provided as Attachment 2. The following component of the minutes notes questions, responses and information provided additionally to the slides.

Modification 4 update

James Dornan stated that DPE is currently assessing Mod 4 post submissions and the mine has been issued with draft conditions. James added that a determination is expected in the next few weeks.

Belinda Royds asked whether construction for the crossing is already occurring on site?

Len responded that no, the relocated crossing road has only been marked pending approval.

Compensatory Flow Program

David had provided questions on the Compensatory Flow Program (CFP) which are included in Attachment 1.

Len offered to take David on site to respond to technical monitoring questions.

Regarding the 3.2L baseflow trigger, David raised that the Water Management Plan (WMP) requires that if an initial reading of baseflow is below 3.2L the proponent will check that reading at the earliest opportunity. If the second reading confirms a flow below 3.2L the proponent will notify various bodies and commence or increase water flows under the CFP.

Len responded that once the mine has used groundwater and impacted baseflow, the CFP will be engaged. Len added that the mine has not removed enough groundwater to reduce the level in the groundwater monitoring bores.

Len clarified when the CFP will commence. Len stated that there is insufficient detail on the CFP in the WMP and that water quality objectives will build on this. He added that the underground mine is quite dry and consequently dewatering volumes are quite low, noting that 16ML had been dewatered in total since the commencement of dewatering.

David added that he is pleased that harvestable rights dams are being designed and that at least three will be built. He requested that data on the flows in Majors Creek are placed on the website.

Len responded that the mine does not have a requirement to report flows, which is why the information is not on the website. Len added that the mine is required to monitor environmental flows and keep data available for relevant authorities.

Bec Bigg stated that environmental flow readings need to be meaningful, particularly with seasonal variation.

Community members raised that flows in Majors and Spring Creeks are a big issue for the community downstream and that ongoing feedback on the flows would be good. Len responded that he could include a higher level update on flows at CCC meetings. He added that the mine is investigating options for monitoring flows at Majors and Spring Creeks including automated weir gauges.

Questions related to water licenses and climate change risk

The CCC discussed the mine's water licences. Kathleen stated the combined size of WAL for Dargues Gold Mine Pty Ltd is approximately 33 per cent of the total water allocation for the whole of the Lachlan Fold Belt Coast Ground Water Source. David noted that the Water Sharing Plan allows for around 2700ML of unlicensed usage annually for domestic and stock use, reducing the portion of water potentially used by the mine to 10%. He added that the Long Term Annual Average Extraction Limit for water use in the Lachlan Fold Belt groundwater source under the Plan which ends 2026 was 20,000ML, of which the mine's licences comprise just 0.02%. Kathleen responded that this does not adequately account for the supposed decreased recharge of groundwater in this source.

James Dornan clarified that future forecasting of weather patterns has been integrated into the design of infrastructure including the TSF and process plant. James added that sediment erosion control was considered on shorter term weather data.

James Dornan corrected the original power point presentation and said that climate risk had been taken into account for the TSF. Kathleen asked how has this been incorporated and what sort of methodology had been used? James Dornan took the question on notice. Matt Darwon expressed the view that climate risk is an important issue which should be considered at an extraordinary CCC meeting with an independent expert to be present. Matt's proposal was supported by other CCC members. Shannon Green stated that the company would provide information on this subject to the CCC.

The Chair undertook to put Matt's proposal to the standing Chair.

Climate change risk and impacts were discussed noting that it is predicted there will be greater variability in the area with prolonged dry periods as well as intensive wet periods. It was also stated that there will be an impact on groundwater as there is a reduction expected in groundwater recharge. David noted that NarClim, whose research in 2011 suggested reduced groundwater recharge in the NSW South Coast, also suggested increased recharge in NSW more generally.

The Chair noted that the existing approvals and licences allow the mine to extract and manage water in line with its conditions of consent.

Kathleen advised that project approvals are subject to judicial review.

Community engagement

Bec provided questions related to community engagement and Matt tabled items 3 and 4 from his letter.

Bec encouraged more transparency at a community level from the company. She stated that the purpose of the committee is an advisory and consultative role. She added that the CCC is a great opportunity to raise certain issues, but that meetings are bogged down in technical information and the focus on

environmental issues at the expense of discussion around social and economic issues related to the mine. She stated that she would like to see better communication of environmental and community issues with and through the CCC and with the community.

All CCC community members felt that better communication is required.

Shannon responded that the company is committed to improving how it works with the community. He stated he would like to hear and do more in the community and would like more balanced feedback from the CCC. He added that DGM needs to know what is working and what's not working well in the community.

Matt responded that the CCC should act as a conduit to the community, adding that at the moment it is hard to see the mine's good work, particularly when the CCC isn't fully informed about what is happening at the mine.

Shannon responded that DGM is trying to make a positive impact. He added that there are opportunities for DGM to head in a direction in line with CCC expectations and guidelines. It was added that regulators are working to review performance of the mine.

Matt raised that the CCC was concerned that Mod 4 was not shared with the CCC earlier and that the same process with the DA for the caravan park for Braidwood had occurred. Matt continued, as CCC members are not informed about what is happening, community enquiries can't be responded to.

The Chair noted that the CCC is seeking proactive discussion prior to lodgment.

Bill Waterhouse raised that the CCC has suggested communication options including a newsletter and Facebook page to the company.

Belinda Royds advised that members of the community have requested better engagement and information over a long period. She noted that Len has been very responsive and that the community would like more information proactively. Belinda added that the community's impression of the CCC is that it isn't working as CCC members don't know what's happening. Belinda noted that CCC discussions should move from technical discussions about project approvals to socio economic issues when the mine is operating.

Matt stated that professional people that live in the area can provide services that can assist the mine.

Peter stated that the CCC is grateful for Len's work in particular and that he felt that the company is not consciously withholding information from the CCC but, rather, it doesn't properly appreciate the need for and importance of proactive release of information to the CCC. Peter added that information sharing shouldn't only occur at meetings and emphasized the importance of genuine consultation, referring the company to relevant parts of the CCC guidelines. He reiterated the need for the company to inform and consult with the CCC prior to approaching the DPE and expressed the view that with an open flow of relevant information, the CCC and the company can work well together. Peter added that while he appreciated the presentation by Len, the document really should have been provided to the CCC a week ahead of the meeting.

Paul Rouse responded that he was aware of the resistance to the project when he came in and thought that this sentiment had turned around as the company has been honest with the community. Paul let the CCC know the company wants to hear about responses in the community. He added that DGM has had public meetings and open days and continues to sponsor local events. He accepted criticism that the DA process may have seemed secretive, adding that the negotiations with council over the past 12 months had made it difficult to have CCC input on the DA. Paul added that once a decision was made about how the proposal should proceed it had to be lodged within the given timeframes. He stated that the proposal was based on an existing village run by the company in Cobar and added that it was an error not involving people, stating that it seemed like a waste of time for the CCC to hear about the number of iterations in finding accommodation. He said that the company is trying to realise the economic benefits locally and that the proposal offers a safer option for workers close to the site. Paul noted that he had met with the Braidwood Community Association that afternoon.

Matt expressed the view that rumours in the community could be headed off if CCC members could have informed the community or there had been a community post about the DA process. He added that talking to neighbours first regarding development proposals is usually received better. Len said that information sharing via Facebook has created difficulties in some instances.

Bec said that the community is interested in the mine and would like more information. She added that residents are having a hard time finding information, for example, the online newsletter sign up link doesn't work, and that a google search for Dargues Gold Mine does not bring up the company's website.

Bill added that the CCC had discussed initially where the workers would be housed and that this would be shared with the CCC when it was considered.

The CCC advised that difficulties the mine experiences, such as the accommodation shortage, can be shared with the CCC.

Bill stated that local employment is good and that there is substantial ground support for the mine as many staff have been immediately embedded in the community. He expressed concern for people in the camp, adding that FIFO isn't a great life for people, and that the community want to see integration into Braidwood and Majors Creek.

Paul responded that there are a couple of stages to build the mine which require accommodation. He said that the village is designed to cover the shortfall of accommodation during construction and act as a smaller camp for transit workers and to ensure fitness for work requirements are met during operations. Paul added it was the most sensible option.

Belinda stated that it would be beneficial if the CCC can be provided with more information and that community members have two-way communication with the mine.

David added that the presentation provided in printed form for this meeting was a very helpful way of informing the wider community, not available at recent meetings, and he hoped it would continue. .

Nick Woolrych advised that Bec's questions provide a good framework for the company to consider for engagement. He added the company is committed internally to engaging with the community and needs to

communicate this. Shannon and Nick noted they would consider DGM's approach to engagement over the next month.

Kathleen added that communities outside Majors Creek and Braidwood are impacted by the mine, including Araluen.

Shannon queried whether community information sessions would be a suitable format for locals. Bill suggested that questions should be answered publicly.

In relation to the DA process, Pete Harrison advised that Council encourages proponents to talk with neighbours first. He added that it is easier to maintain control at community meetings if an independent facilitator is available and that consistent communication makes things easier.

Bill suggested communication with the community could include tours for interested community members and a newsletter. He added that the meeting and open day were positive.

Matters which community representatives wish to raise with Diversified Minerals

Matters raised by David, Kathleen and Bec (CFP, water licences and climate risk, community engagement) were considered in Len's presentation.

Matters which Diversified Minerals wishes to raise with the community representatives

None raised.

Other business

In response to a question from Pete, Nick Woolrych stated that the mine will start testing the plant and extracting ore in November.

Regarding accommodation shortages, Matt asked whether the company was looking at options in the community (e.g. spare rooms).

Paul responded the company is looking at options, adding that workers expect a certain lifestyle.

Bec added that the benefit of a village is that there is less of an impact to the current rental market and locals aren't displaced.

Regarding applications for apprenticeships, Bill suggested that Shannon speak to schools and career advisors.

Bill shared a question received from a local resident:

I would like the mine to give an inservice on safe driving on country roads. As we know the road from the mine to Braidwood is not designed for fast large or heavy vehicles. I leave for work @0530hrs and quite often I'm hit with high powered lights in my eyes, and large trucks going far too fast and "hogging" the road. I will be lodging a complaint directly with mine and suggest any other community members experiencing the same issue do so also.

In response, Shannon noted that traffic and management of heavy vehicles is being discussed onsite and have been addressed (e.g. curfew breaches). Shannon added that the company is working with subcontractors to address traffic management options including options around the school bus and within curfew hours.

Belinda suggested that DGM clarify how long this solution would be proposed for and how it would work.

James noted that following the determination of Mod 4 Water Management Plan and Biodiversity Management Plan will be reviewed with minor changes. He asked whether two weeks is sufficient review time for the CCC. CCC agreed with two weeks for review.

Matt tabled items 1 and 2 from his letter.

Peter supported the extraordinary meeting proposed by Matt regarding noise.

David stated that a major reason given by Len for not proceeding to construct harvestable rights dams (HRD) to date has been that these dams would need to be rehabilitated, post mining. He noted that this is not supported in the Mining Operations Plan, where most HRDs are anticipated to be retained post mining as farm infrastructure.

Len responded that rehabilitation requirements depend on the final land use which needs to be agreed with the regulator and land owner. Len added DGM need to make provision for what the final use is.

Belinda stated that the mine should look into a 24 hour noise monitor at Matt's property.

Next Meeting

There was brief discussion on meeting days with Bill suggesting that Monday or Saturday would be appropriate. Matt supported longer meeting times and Peter supported an earlier meeting start. It was raised that with more information available additional meeting time may not be required. The Chair proposed to put the meeting time and day suggestion to the standing Chair.

The below dates are provided as tentative days and times for a future meeting.

- Monday, 17 June 2019 at 2.30pm
- Monday, 16 September 2019 at 2.30pm

The Chair will negotiate the dates and times for the balance of the year between meetings, and will endeavor to give at least 10 working days' notice if any additional meetings are to be held.

These minutes are endorsed by



Brendan Blakeley

Independent Chairperson

Dargues Reef Community Consultative Committee

Attachment 1: Correspondence

David Lever

1. Len says that "ultimately the baseflow is set as a trigger [for commencement of, or additional compensatory water] and aims to maintain environmental flows, however baseflow alone should not be looked at in isolation we need to be able to understand the receiving environment as a whole".

I trust that this doesn't mean that if the baseflow trigger of 3.2L/sec in Majors Creek is reached, but the 'receiving environment' shows no sign of stress, that the company would not necessarily comply with the 3.2L/sec trigger for additional water under the CFP? There is no suggestion on page 84 of the Water Management Plan that regard may be had to factors other than the trigger baseflow rate in determining whether to increase compensatory water flow.

LEN: 3.2L/sec is the trigger level not the limit of the baseline range. The trigger level is used as an indicator of reduced flow. Water will not be released until there is a measured and sustained reduction in baseflow, taking into account temporal variation.

ME: The trigger level is not just an indicator of reduced flow, according to the Water Management Plan (WMP).

Section 7.9.2 of the WMP states that "following receipt of all base flow monitoring results, the company will, within 3 business days, review that data against the trigger value [3.2L/sec]. In the event that the measured flow rate together with the CFP is lower than the trigger value, the Company will immediately arrange for further check sampling to be undertaken to confirm the initial monitoring result. ... Should the check sampling indicate that Majors Creek baseflow volumes remain lower than the trigger value identified, the Company will immediately increase the rate at which water is discharged as part of the CFP to achieve the identified base flow trigger value".

The WMP does therefore not require a 'measured and sustained reduction' in baseflow, for the trigger to be activated.

2. Under 'Baseflow Measurement', Len says that "weirs in both Majors Creek and Spring Creek are regularly monitored to establish baseflow and seasonal trends. The determined baseflow for Majors Creek and Spring Creek are 3-4L/sec and 0.25-0.5L/sec respectively. Average flows have been ... 3.55L/sec in Majors Creek. Measurements are based on manual weir readings."

Are the manual readings taken at uniform intervals? If so, what is the interval? If not, what is the average period between readings and what criteria are used in determining when to take the readings? Given the importance of the CFP trigger of 3.2L/sec (currently) in Majors Creek, it is imperative that the weir readings are accurate and transparent. Would the company therefore be willing to invite representative(s) of downstream users, eg from the Upper Deua Catchment Landcare Group or Eurobodalla Council, to be present at such readings, and for the readings to be published, just as it publishes other indicators of environmental health?

LEN: Manual readings are taken to account for any drift in the level sensors, these are taken when the sensor data is downloaded. The manual measurement is used as a correction factor for the raw data. Sensors take a reading every six hours. The EPA is the responsible regulator for ensuring monitoring is undertaken as per the EPL.

ME: Are the sensor readings of the flow in Majors Creek at the measurement site and any manual readings made available to the regulator, as a matter of course? Isn't DPE the regulator of the quantity, rather than quality, of water provided under the CFP?

As requested before, will the company publish the sensor data (or a summary), to provide the community with some assurance of compliance with the CFP?

2(a). The website currently contains monitoring results for surface and groundwater QUALITY, only?

3. The statement on page 61 of the Water Management Plan that "releases to Majors Creek as part of the Compensatory Flow Program will commence at the same time as dewatering of the mine commences and will continue until the Secretary of Department of Planning and Environment determines that baseflow losses are negligible" is clearly incorrect/misleading, as dewatering has already commenced, on Len's advice, and Len makes the point that loss of baseflow in Majors and Spring Creeks is the main determinant. Will the above statement therefore be deleted or amended?

LEN: This wording in the Water Management Plan will need to be reviewed to align with the intent of the CFP. The next review of the WMP is due July this year.

ME: Good.

4. Len says that "harvestable rights dams (HRD) are yet to be constructed, however, it is still too early to determine how many, if any, will be required to provide compensatory flow".

Commitment 6.3 in Appendix 5 to the Project Approval states that the company will "release water sourced primarily from the harvestable rights dams at the rates identified in Table 4.20 of the Environmental Assessment into Majors Creek ...", from the commencement of mining operations. Table 4.20 shows the following rates of water release:

Year 1 33.1ML

Year 2 50.4ML

Year 3 59.9ML

Year 4 63.0ML

Year 5 66.2ML

Year 6 47.3ML

Year 7 28.3ML.

Commitments (even where made by previous owners of the mine) are effectively approval conditions, binding Diversified Minerals.

While I don't believe that the company should be held to the rates of release set out in Table 4.20, I do have concerns that the company is apparently no longer intending to meet CFP demands 'primarily from the HRDs'. Section 4.55 of the Environmental Assessment in 2010 indicates that sufficient water is

available from the eight HRDs envisaged in the Environmental Assessment to meet the expected maximum compensatory flow requirements for 97% of the 100 year period modelled, with additional water during periods of non-availability of water within the HRDs being sourced from the historic workings, under the relevant groundwater licences.

I note that the company is already consulting with the EPA, as required, on water quality objectives for the CFP water. I assume that the company is hoping that the groundwater quality in the historic workings will meet the EPA's requirements. What if it doesn't, with no HRD water available in reserve? Similarly, should the historic workings groundwater quality fall below the minimum required due to excessive use, how quickly can HRDs be constructed and filled from rainwater runoff? Has the EPA expressed a view as to whether HRDs are more likely to meet minimum water quality standards required for the CFP than groundwater from the historic workings?

LEN: Construction time of HRDs is dependent on size, material and topography. Filling dependent on rainfall, runoff and catchment. If at this point HRD water is not available water will need to be sourced from historic workings. As mentioned before the water released will have to meet set water quality objectives, these are still to be set. If this water in historic workings is found to be unsuitable there is 5ML of stored surface water which can be called upon for either direct release or blending. Where possible construction of HRDs will be minimised as any land disturbance will need to be rehabilitated at a later date.

ME: Will the DPE, as regulator, accede to a move away from the company's plans to provide water under the CFP primarily via the HRDs? Given the quantities of water originally planned for release under the CFP, the 5ML of stored surface water will not go far if the quality of water in the historic workings is deemed inadequate?

Given the definition of 'rehabilitation' in the Project Approval as 'the treatment or management of land disturbed by the project for the purpose of establishing a safe, stable and non-polluting environment, and includes remediation', would the company really need to destroy the HRDs after mining ends?

4(a). Does the company have a Rehabilitation Management Plan, as it is not on the website? If it does, what does the Plan say about rehabilitation of the HRDs?

5. Len may not have noticed a question at the end of the earlier document, as to whether the company had received any complaints, under Condition 23 of Schedule 3, allowing any owner of privately-owned land who believes his or her water entitlements have been adversely affected by the Mine to pursue their concerns with the company or with DPE.

LEN: No complaints have been received under Condition 23 of Schedule 3.

Bec Bigg

- 1) How does DGM plan on engaging with the local (Braidwood and Majors Creek) community over the next 12 months as they expand?
- 2) How can the committee support this engagement?
- 3) How will this information be publicly available?
- 4) What is the avenue for community organizations to apply for grants/funding within DGM support?
- 5) What will, and where will guidelines be available?
- 6) what activities will be funded or supported?
- 7) What kind of employment opportunities will be available for school leavers seeking apprenticeships/traineeships?
- 8) Are the section 355 funds allocated to the council or does the community have a say in how these funds are best spent in consideration of the community as a whole? (eg; new playgrounds or pool upgrades?)

Kathleen Waddell

The 19 March 2019 meeting of the DCCC is planned to address climate risk as one of the scheduled items. At the December 2018 meeting some members of the DCCC requested some background on 'climate risk' and its relevance to the Dargues Gold Mine. I provide this background information and documentation now to give members the opportunity to be familiar with the general requirements of climate risk, the elements of considering climate risk in a decision and some recent reports and decisions that require the consideration of climate risk. It is now widely recognised that climate-related impacts are not a future threat, there is a requirement to address the risk from climate variability and extreme events and climate-related adverse impacts now.

Generally climate risk includes:

- *physical risks* (including to people and assets) associated with rising aggregate global temperatures, the consequences such as dryer periods, severe weather events; and
- *transition risks* associated with developments that may (or may not) occur in the process of adjusting towards a lower-carbon economy – legal risks, financial risks.

These risks each give rise to tertiary risks, stemming from litigation including, liability for breach of directors duties – this is relevant for company directors under the Corporations Act; it is also relevant for governments when considering litigation risks in relation to planning appeals, public or private, nuisance, failure to exercise relevant consideration for decisions. The risks from climate change are simply an extension of risks that business, farmers and industry take into account in managing their operations. Until recently governments have only been considering historical meteorological data in making decisions regarding major infrastructure and other significant developments. Corporations are generally more

advanced and climate change risk management is afforded the same robust consideration as any other issue that may have a material impact on the financial performance and strategy of a company.

Further background reading:

1. My submission to the Dargues Mine Modification 4 (see attached) a public document, outlines requirements for the decision maker to take into account climate risks in decisions relating to the Dargues mine. These issues are also relevant to all developments not just mines.
2. The Murray Darling Basin Royal Commission (MDBRC) considered climate change in relation to the management of the Murray-Darling Basin. The MDBRC found it was unlawful for climate change not to be considered and that a reliance on historical climate data only was unlawful. The MDBRC Report is located here: <https://www.mdbrc.sa.gov.au/>
 - a. In particular Chapter 6 of the MDBRC Report deals with Climate Change, it is a relatively short easy read chapter that puts climate change into perspective. Some of the key findings of the MDB Royal Commission related to climate change are:
 - “In the ESLT Report,^[1] climate change was not considered or factored into the modelling at all. This decision was unlawful, as it meant the Basin Plan was not based on the best available scientific knowledge, and was done with total disregard for the principle of ESD.”^[2]
 - “Reliance on the historical climate data from 1895–2009 was not only unlawful and against the advice of the CSIRO in 2009, it was and remains an indefensible decision from a policy perspective.”^[3]
 - “The MDBA is required to take into account climate change to accord with Australia’s international obligations, satisfy the principles of ESD^[4] and to meet the requirement to draft the Basin Plan and exercise its other functions based on the best available scientific knowledge.”^[5]
 - “There is, today, no need for the MDBA to wait for the academic and scientific community to provide information as to the likely risks of climate change, how those risks could be accounted for in the Basin Plan, or whether the water recovery target is sufficient. That information is available now, and has been for many years. The MDBA has unfortunately shown an unwillingness to lead on climate change.”^[6]
3. Those who are interested in further reading the NSW Land and Environment in *Gloucester Resources Limited v Minister for Planning [2019] NSWLEC 7* of 8 February 2019 took into account the consequences of climate change and greenhouse gas emissions: <https://www.caselaw.nsw.gov.au/decision/5c59012ce4b02a5a800be47f> It is influential in the requirement for decisions on developments to take into account climate change issues. This decision has been widely reported in the news.
4. The Bureau of Meteorology and the CSIRO produce a biennial State of the Climate report which draws on the latest monitoring, science and projection information to describe variability and changes in Australia’s climate. Observations and climate modelling paint a consistent picture of ongoing, long term climate change interacting with underlying natural variability. <http://www.bom.gov.au/state-of-the-climate/>

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Dargues Reef
Community Consultative
Committee.

19th March 2019

To The Chairperson,
In this case Mr Brendan Blakeley,

I would like to table four (4) matters via Item 7 on the agenda, (matters which community representatives wish to raise with the Dargues Gold Mine)

Item 1. Relates to Noise Monitoring and discussions between Mr Darwon and the EPA

Discussions have been held between myself (Matt Darwon), and Mr Matthew Rizzuto and Ms Carlie Armstrong of the EPA. I would like to table correspondence between myself and Mr Rizzuto in the name of transparency on this issue. I have tried to keep Mr Len Sharp and Mr Shannon Green informed of progress on this matter and will continue to do so.

All will be well aware of my concerns regarding noise, and in particular, possible future noise emanating from the subject site during night-time hours.

On February 27th Mr Rizzuto and Ms Armstrong met with my wife and I at our property. Mr Rizzuto informed us at that time that baseline ambient noise level data for Majors Creek had been gathered at Mr Jeff Wolford's residence several years ago and that this data without doubt showed that night-time noise levels in Majors Creek were extremely low, in the order of as low as 22dba. It is the opinion of Mr Rizzuto that these levels are accurate and that no argument could be made against their validity. That being said, I have still pressed the point with Mr Rizzuto that I would like a logger installed at our property prior to the mine going 24hours.

Mr Rizzuto has informed me by phone yesterday that he is currently consulting with the (noise) technical advisors of the EPA and that he will get back to me shortly. I have mentioned I will be confirming our discussions in writing over the next couple of weeks. I will make all that correspondence available via the Chair to all concerned.

Item 2. Relates to the possible address of issues relating to Noise by the EPA to the CCC.

On the issue of noise I have spoken with my own Acoustic Engineering Consultant and the EPA in an attempt to get a clearer understanding of the EPA document Noise Policy for Industry, a document that I consider to be extremely complex.

The actual "process" of how residents and the mining company come together to work through this issue is one that I believe could benefit from having an independent technical expert address the CCC. I have spoken to Mr Rizzuto, on the possibility of addressing a CCC meeting as this is an issue that will possibly affect many residents of the Majors Creek township,

I am of the opinion it is within the scope of the CCC Guidelines (in particular section 4.5) that states:

“Members may ask the independent chairperson to invite non-committee members to attend meetings, either as observers or to provide advice to the committee.

This may include: (point 2) technical experts or consultants. “

My response from Mr Rizzuto was very positive and he and I both agree this would be a great forum for allowing the community to engage with the mining company and the CCC and gather information on this very important issue in an educational and meaningful way.

Could I also suggest that the meeting would benefit from having representatives from Spectrum Acoustics who prepared the 2011 DM Noise Management Plan in attendance.

I understand that a complex issue such as this, would require a longer CCC meeting, so could I formally suggest the possibly an extraordinary meeting be put forward at this time?

Item 3. Relates to the lack of consultation and transparency through this forum that allows the mining company to, in a meaningful and successful way, connect with, and hopefully eventually integrate with the community.

Be assured, it came as a major surprise to learn about the proposed DA submitted to Council for the Caravan Park to the majority of the community. I think the company will be quite amazed when it understands the number of submissions Council will receive on this application. If the Company in any way suggests that this DA is unrelated and unconnected to the mining operations, this CCC, and the requirement of the Company to meaningfully engage with the public on projects such as this, then I would respond with this statement.

Failure to include and inform the community representatives on the CCC at a meaningful and transparent level, is firstly an opportunity lost for the company, but more importantly hinders the maintenance or achievement of Social Licence to Operate. It's a one or two steps forward and one or two steps back approach, which is frustrating for community members, and only serves to divide the community.

I draw the committee's attention to the CCC Guidelines, specifically, Section 1) The Purpose of the Committee:

1. establish good working relationships and promote information sharing between the proponent, local community, stakeholder groups and councils on individual State significant projects;
2. allow the proponent to keep the community informed about projects, seek community views on projects, and respond to matters raised by the community; and
3. allow community members and local councils to seek information from the proponent and give the proponent feedback on the development and implementation of projects to assist with the delivery of balanced social, environmental and economic outcomes for the community, including:

- the development of new projects or proposed changes to approved projects;
- the implementation of any conditions of approval and management plans;
- the results of any monitoring, annual reviews or independent audits;
- community concerns about the project;
- the resolution of community complaints; and
- any community initiatives

Could I put it to the Committee here that this issue really needs to be taken in hand, right now, and addressed by this Committee, the proponent and all stakeholders. Failure to do so will erode the foundations of the Committee and in my opinion the actual ability of the company to comply with the Project Approval. If this is not resolved immediately, or at least a path to resolution to be identified and taken, then this surely is a matter for the Department of Planning and Environment.

Item 4. Relates to the socio-economic integration of the mining company into the existing community. I will table here correspondence from a restaurant business owner located in Wallace Street Braidwood to myself yesterday.

I wont read the correspondence attached, I have printed out multiple copies for everyone, but I suggest, in following on from my previous Item 3, a letter such as this, is of such grave concern, that it must be addressed immediately. I am working my hardest to engage with the company, transparently, meaningfully, intelligently, and most importantly, honestly. I, in no way, expect that this process will be an easy one, or one that is infallible, that there will not be mistakes made along the way, but it's a tried and proven method of approach, that the proper level of engagement and communication with all stakeholders involved will head off many problems before they rear their ugly heads.

I want everyone to understand that even though I have a very full and busy life, I see no choice but to step up my level of interaction in this forum. I feel there is a need and indeed a requirement to increase communication across the board. I will not stand by and continue at ground level to interact with Shannon, Len, and Mick when we as a body could be heading off these negative impacts upon the community.

I make a formal request here that the issue of "socio-economics" as an umbrella item be placed on the agenda for the next meeting. The appropriate social, cultural and economic integration of the Dargues Mine into this community is paramount to its success, and the future of this project.

Matthew Darwon

Attachment 2



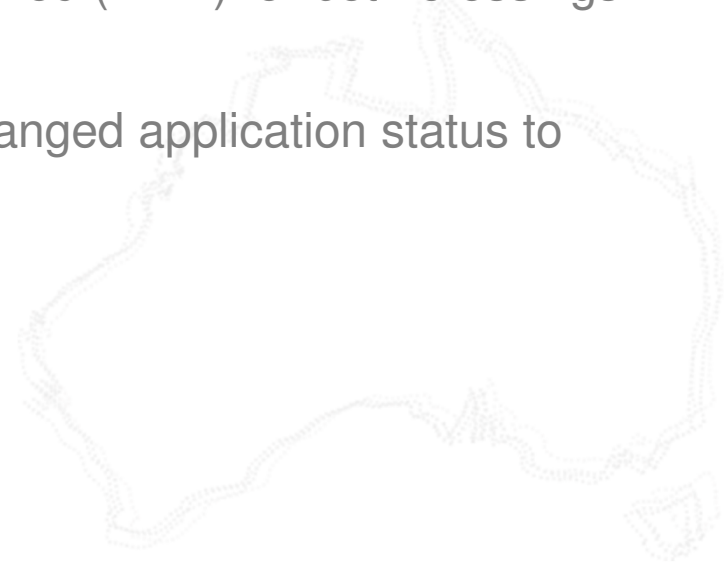
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Dargues Gold Mine

DCCC No. 31– 19 March 2019

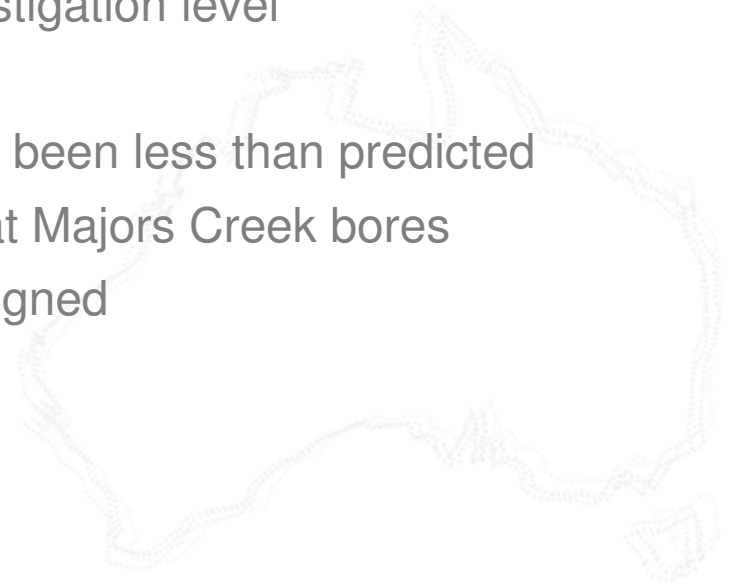
Mod 4 update

- OEH requested biodiversity assessment method (BAM) for both crossings
- BAM has been submitted to Planning
- Planning have acknowledged receipt and changed application status to “Assessment”.



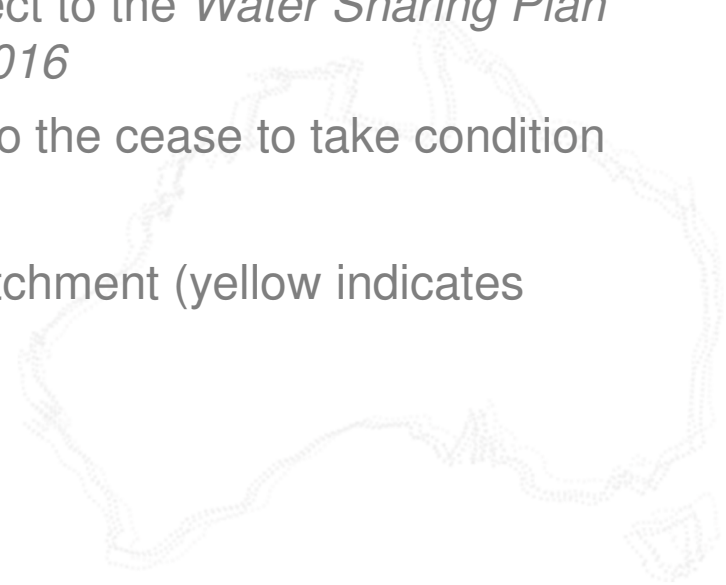
Compensatory Flow

- The trigger level 3.2L/sec is used as an investigation level
- Weir readings taken by in-situ loggers
- Dewatering volumes from underground have been less than predicted
- Still no measured reduction in groundwater at Majors Creek bores
- Harvestable Rights Dams (HRDs) being designed
- No complaints under Condition 23

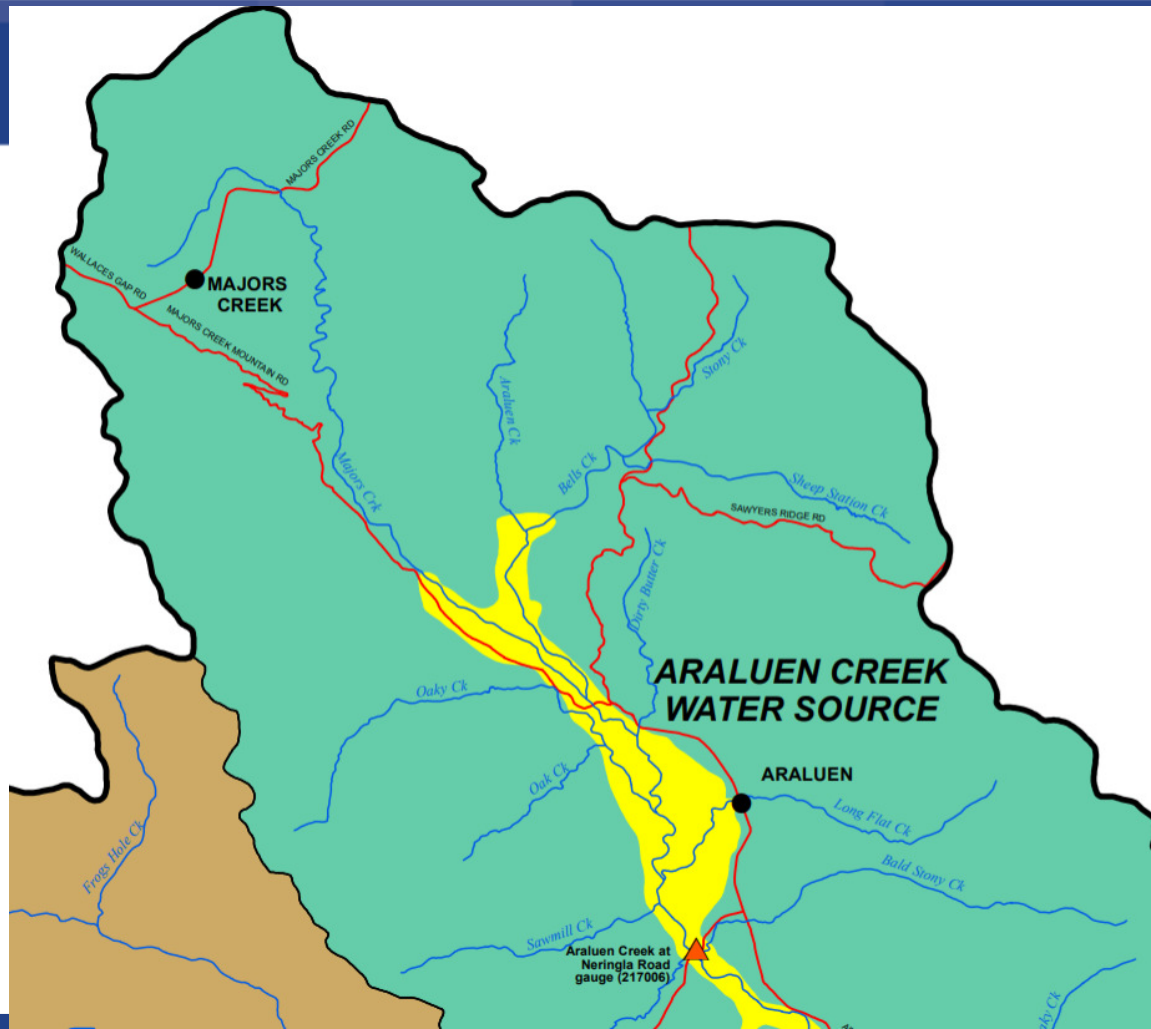


Water Licence – water sharing plan

- Water access licences for the mine are subject to the *Water Sharing Plan for the South Coast Groundwater Sources 2016*
- The WALs held by the mine are not subject to the cease to take condition
- Refer to map; location of Majors Creek in catchment (yellow indicates Araluen alluvial aquifer)



Water Licence



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Water Licence

- The water extraction licences are issued by DPI Water (Department of Industry Lands and Water) they are the regulator

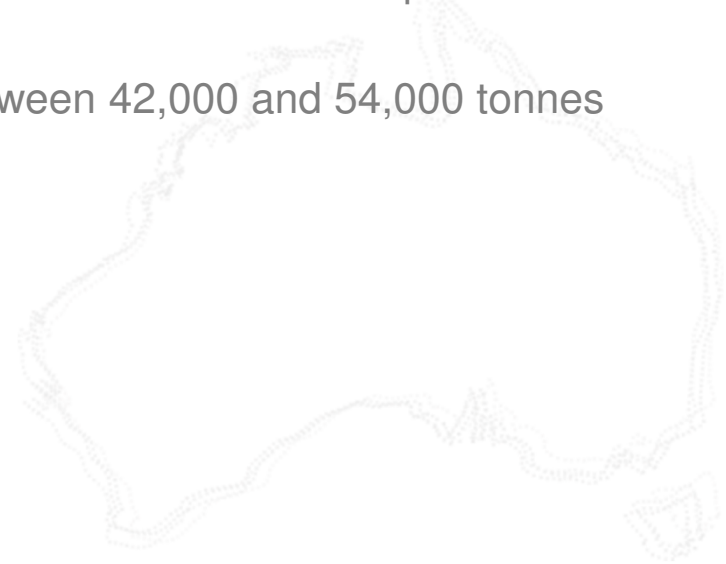


Climate Risk Discussion

- Climate risk has been taken into account for mine planning and associated infrastructure
- Project life is 6 years including infrastructure
- TSF design criteria are sourced from ANCOLD “Guidelines on Tailings Dams”
- Original response to climate change from EA December 2010:
 - “A number of respondents questioned why climate change was not explicitly incorporated into the assessment of the Project. The Proponent notes that the Project would result in a 5 year mining operation, followed by a brief period for rehabilitation operations. As climate change is likely to result in a gradual change in climate pattern over decades to centuries, potential impacts on the Project assessment of such changes are not considered to be significant. In addition, the Proponent notes that long-term rainfall data has been used to assess the surface water impacts of the Project and that the 100-year data set used is likely to contain significantly more variability than will be produced by climate change.

Climate Risk Discussion

- Greenhouse gas emissions for NSW 2014: 130.1 million tonnes CO2 equivalent (OEH, 2016)
- Predicted GHG emissions for the mine ranges between 42,000 and 54,000 tonnes per annum



Climate Risk Discussion – DPI forecast

- <https://www.dpi.nsw.gov.au/content/research/topics/climate-change/mining>

Climate change and its effect on water use

Even if emissions are capped at today's levels, some further warming is expected due to the lagged effects of past greenhouse gas emissions. Impacts on rainfall are much harder to assess but current projections suggest that it is likely to be reduced in the highly populated areas of Australia and zones of major agricultural and forestry production. Climate change is predicted to increase average temperatures in NSW by 0.7-6.4°C by 2070, with greatest increase in the west of the State. Rainfall is likely to decrease other than in the North East. Projections suggest a reduction in frosts and an increased incidence of hot days, bushfire and intense storms. Drought frequency may increase, especially in winter and spring. Reduced rainfall will lead to an even greater reduction in runoff, increasing pressure on water resources. These predicted impacts of climate change are likely to have serious negative impacts on all NSW primary industries, and consequently on the NSW economy.

Climate Risk Discussion – future controls

Emissions trading

Emissions trading is considered an effective and cost-efficient means of providing an incentive for industries to efficiently reduce greenhouse gas emissions. The NSW Greenhouse Gas Abatement Scheme (GGAS) was the first mandatory emissions trading scheme in the world. The National Emissions Trading Taskforce, established by First Ministers of State and Territory Governments, has released a proposal for a national emissions trading scheme. The proposed scheme includes incentives for sequestration through reforestation and carbon capture and storage. Sequestration through soil carbon management in agricultural systems and management of existing forests are flagged for future inclusion. An emissions trading scheme will be important in providing the incentive for industry to adopt solutions developed through further research. However, further research is also required to underpin the effective operation of the emissions trading scheme itself.

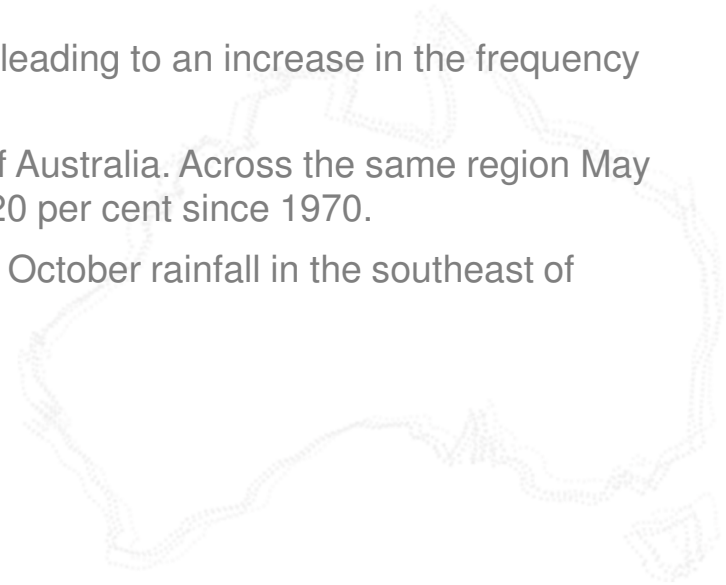
Climate Risk Discussion – TSF design criteria

HYDRAULIC DESIGN	
Diversion channel capacity	<ul style="list-style-type: none"> Stages 1 to 3 – final stage diversion channel constructed at Stage 1 Final stage – PMP
TSF storm storage capacity	<p>The more onerous of the following scenarios apply:</p> <ul style="list-style-type: none"> 1:100 AEP, 72 hour storm event in addition to the maximum pond operating volume for average climatic conditions without the emergency spillway operating. 1:100,000 AEP, critical duration storm event in addition to the maximum pond operating volume for average climatic conditions without exceeding the capacity of the emergency spillway.
TSF spillway	<ul style="list-style-type: none"> Operation – 1:100,000 AEP Closure - TSF basin will be graded to be free-draining and the emergency spillway will be designed for a PMF storm event.
EMBANKMENT STABILITY/EARTHQUAKE CRITERIA	
Earthquake Loading - Operating Basis Earthquake (OBE) - Maximum Design Earthquake (MDE)	<ul style="list-style-type: none"> 0.11g (1,000 yr event) Maximum Credible Earthquake (MCE) – 0.34g
Stability Factors of Safety - Static - Seismic (OBE) - Seismic (MDE)	<ul style="list-style-type: none"> 1.5 (minimum) (ANCOLD Guidelines (2012)) 1.1 (minimum) (ANCOLD Guidelines (2012)) Damage and deformation allowed (<freeboard allowance) No release of tailings or water



Climate Risk Discussion – state of the climate

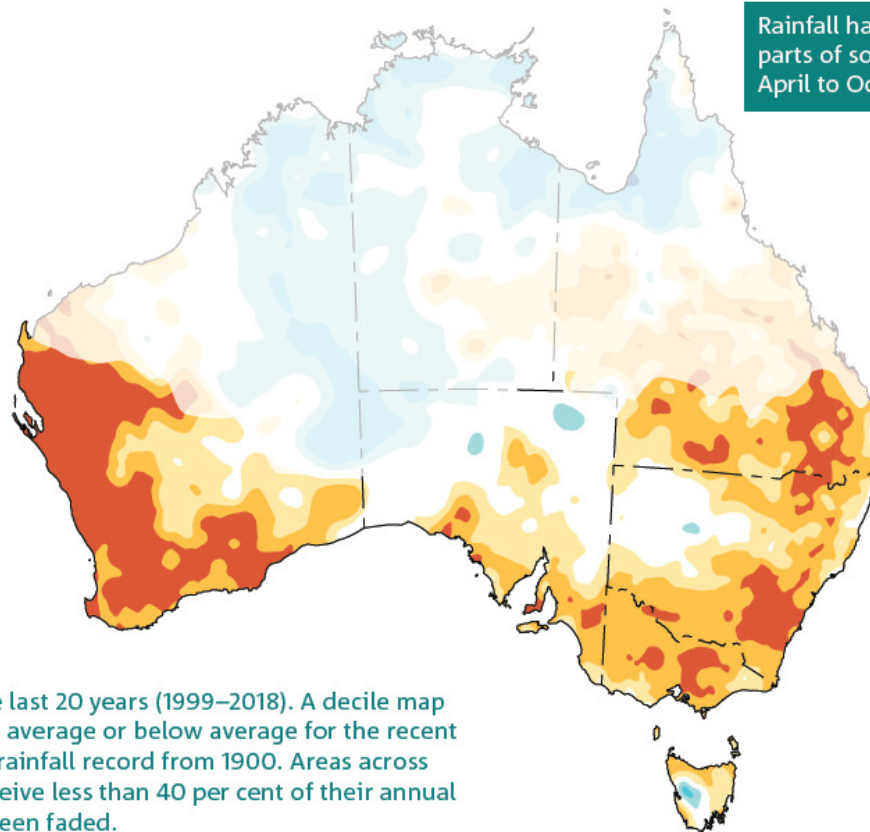
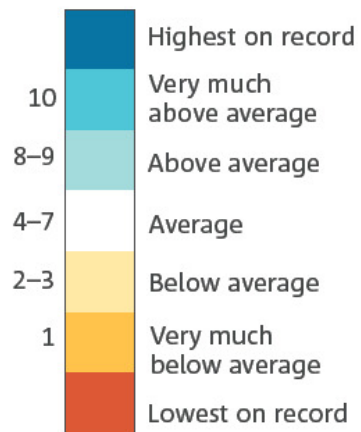
- <http://www.bom.gov.au/state-of-the-climate/>
- Australia's climate has warmed just over 1 °C since 1910 leading to an increase in the frequency of extreme heat events.
- April to October rainfall has decreased in the southwest of Australia. Across the same region May to July rainfall has seen the largest decrease, by around 20 per cent since 1970.
- There has been a decline of around 11 per cent in April to October rainfall in the southeast of Australia since the late 1990s.
- Streamflow has decreased across southern Australia.



Climate risk discussion - rainfall

Rainfall has been very low over parts of southern Australia during April to October in recent decades.

Rainfall decile ranges



Source: Bureau of Meteorology

April to October rainfall deciles for the last 20 years (1999–2018). A decile map shows where rainfall is above average, average or below average for the recent period, in comparison with the entire rainfall record from 1900. Areas across northern and central Australia that receive less than 40 per cent of their annual rainfall during April to October have been faded.

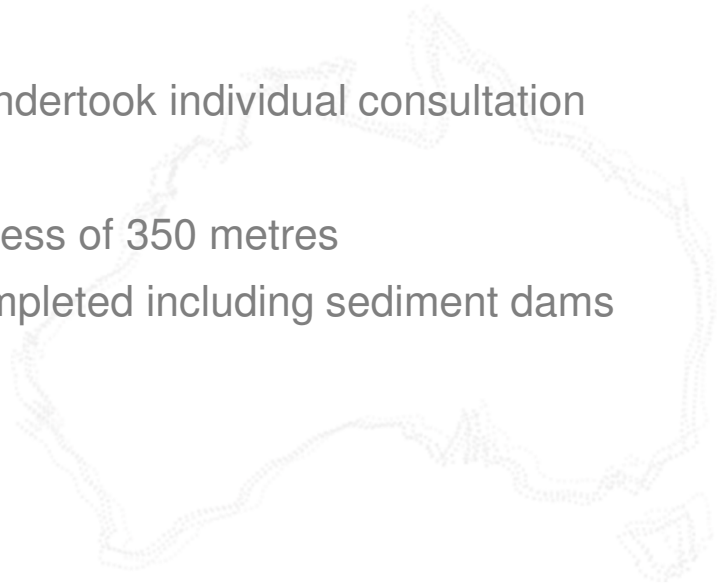
Community engagement questions

- 1) How does DGM plan on engaging with the local (Braidwood and Majors Creek) community over the next 12 months as they expand?
- 2) How can the committee support this engagement?
- 3) How will this information be publicly available?
- 4) What is the avenue for community organizations to apply for grants/funding within DGM support?
- 5) What will, and where will guidelines be available?
- 6) What activities will be funded or supported?
- 7) What kind of employment opportunities will be available for school leavers seeking apprenticeships/traineeships?
- 8) Are the section 355 funds allocated to the council or does the community have a say in how these funds are best spent in consideration of the community as a whole? (eg; new playgrounds or pool upgrades?)

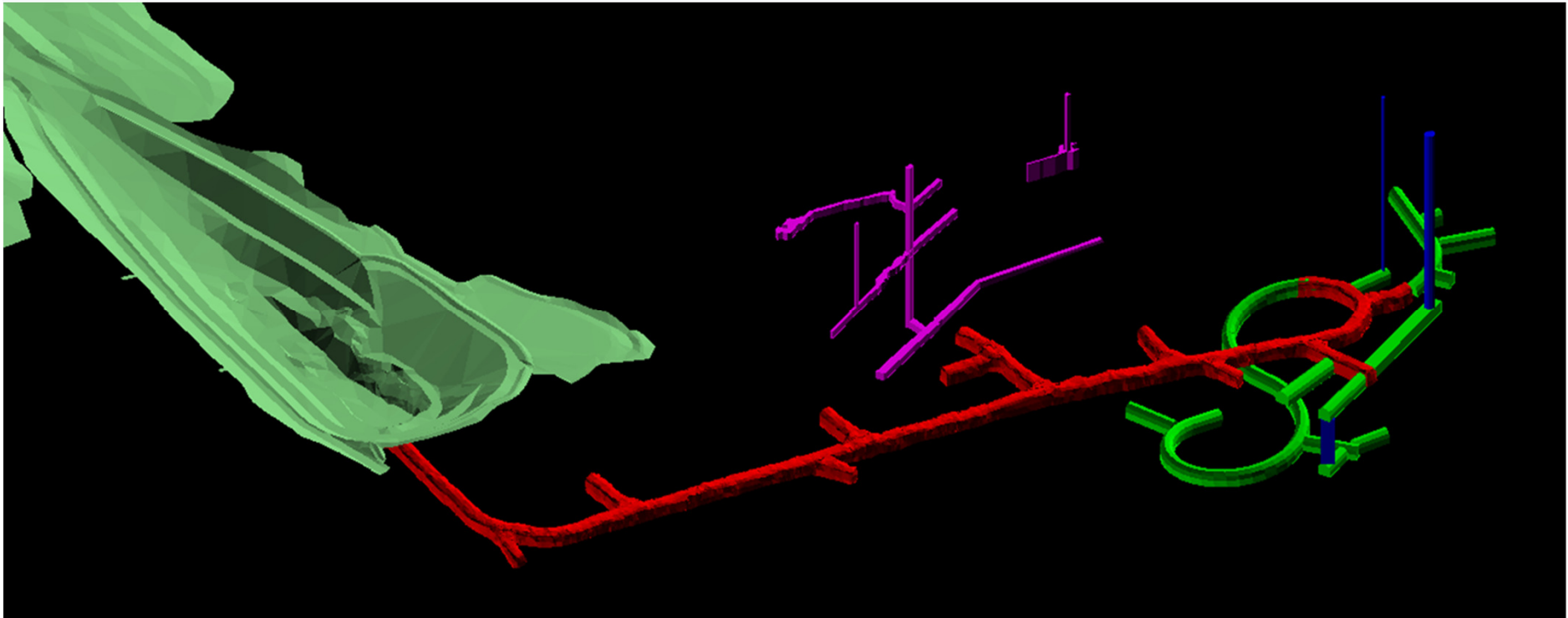


Achievement since last CCC – progress update

- Increased site employment by 9 new employees
- Undertook community information session and undertook individual consultation
- Sponsored the Braidwood Cup
- Underground development has proceeded in excess of 350 metres
- Waster Rock Emplacement Facility has been completed including sediment dams
- Processing Plant construction has commenced
- Commenced earthworks on shaft area
- Tendered Tailings Storage Facility
- Tendered Escapeway and Return Air Rise shafts



Project Status - Underground



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Project Status – Processing Plant



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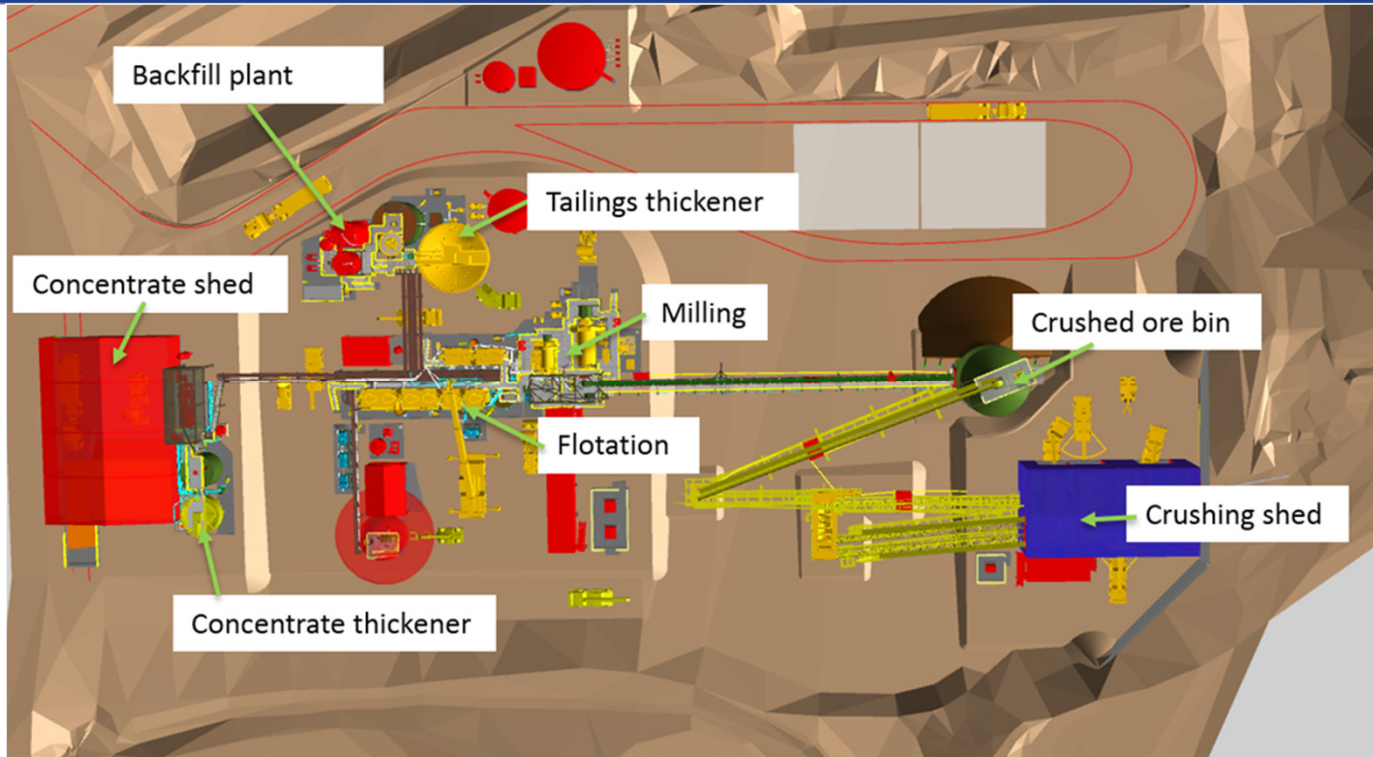
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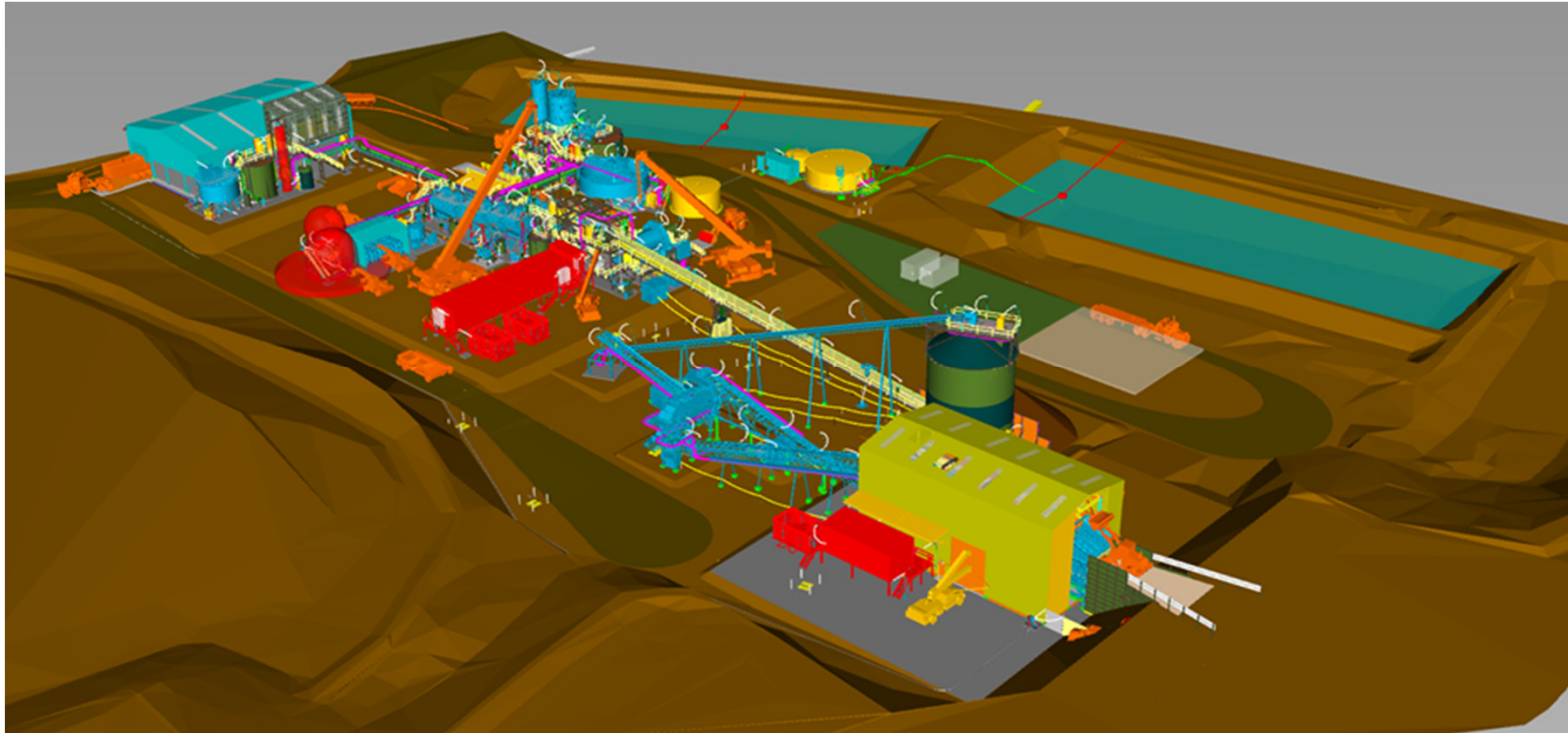
Processing Plant Construction

- Key dates – Construction commenced in February and is scheduled to be completed by December with commissioning completed by March 2020
- Peak activity period – Scheduled for September 2019
- Manning numbers – Currently in mid 30s, with manning up to 75 direct persons during peak activity period in addition to mining personnel
- Accommodation – The construction workforce will be housed locally and personnel will be transported by bus to site

Processing Plant



Processing Plant



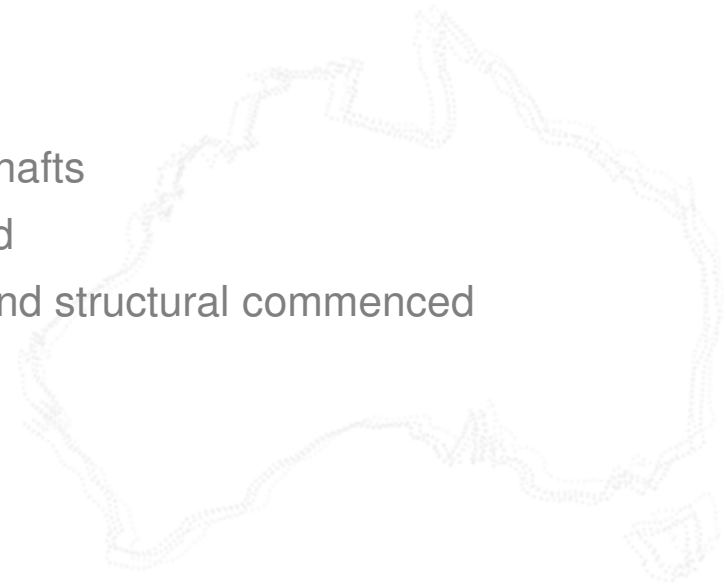
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GOLD MINE

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Look ahead - next 3 months

- Increased opportunities for local employment
- Further community engagement
- Completion of Escapeway and Return Air Rise shafts
- Relocation of surface ventilation fan underground
- Processing Plant construction civils completed and structural commenced
- Harvestable Rights Dams construction
- Spring Creek Crossing construction
- Tailings storage facility construction
- Continued environmental monitoring





Meeting close

