

MINUTES OF 40TH MEETING OF DARGUES REEF COMMUNITY CONSULTATIVE COMMITTEE MEETING
AT MAJOR'S CREEK RECREATION RESERVE HALL

ON MONDAY JUNE 21 2021 AT 1.45PM.

PRESENT: B. Weir (Chair), Dr K. Waddell, P. Owen, M. Darwon, S. Needham, P. Cormick, Cr. P Harrison (QPRC), A. Robertson (ESC).

A. Wyllie, C. Dingle, S. Lloyd representing Aurelia.

IN ATTENDANCE: J. Woolford.

1. Welcome and Introductions:

The Chair acknowledged the Traditional Owners of the land, the Walbanga Yuin people, and paid his respects to Elders past, present and emerging.

The Chair welcomed to the meeting all those in attendance.

Before commencing the meeting, as per the Agenda, (Attachment A), the Chair asked the Members whether there were any issues arising from the just concluded Inspection which they wished to discuss at this meeting. No issues were raised.

2. Apologies:

Apologies were received from B. Waterhouse and B. Royds.

3 . Pecuniary Interest or Conflict of Interest:

Other than the customary pecuniary interest of the staff present and the Chair (meeting fee) there was no other declaration.

4. Minutes of the last meeting- matters arising:

At the Chair's request for "matters arising" from the minutes of the previous meeting, Mr Cormick referred to the absence of a response to his email of 24/4/21 to Mr Dingle, copied to all members, in which Mr Cormick took issue with the way the CCC Minutes were being handled. That email referred to the Chair's apparent non-compliance with the requirements of the "independent chairperson", set out at section 4.3 of the Community Consultative Guidelines- as far as minutes of the 39th meeting, at least, were concerned.

During the discussion with the Chair, Mr Cormick read excerpts from the Guidelines and stated that having the draft minutes distributed by the company, with feedback to be made to the company, a perception of a lack of independence by the Chair, was created. Mr Needham and Mr Darwon agreed with Mr Cormick on this and spoke on the matter themselves.

The Chair replied that he regretted that that was the perception as he must be, and be perceived to be, independent. He stated that he was still evaluating the Committee's operations, that he was operating in the same manner as with his other appointments whereby he used the proponent's office as the distribution point for the agendas and minutes, and that he was mindful not to be taking sides with the various emails which he had received over the last three months. He apologised for the last minutes going out late but he had been very mindful of, and considerate of, the operational difficulties the staff were operating under with the new ownership arrangements, the complexity of the data integration and the numerous General Managers on site since his appointment. He said that employing a note taker was an additional cost, was someone else he had

to monitor and ultimately he was still responsible for the minutes. He concluded by stating that he was careful to ensure the accuracy of the minutes but, since there were many technical terms and specific descriptors used during the meeting, of which he was not yet familiar, and, as was his custom elsewhere, he initially forwarded his draft minutes to the proponent to check his accuracy regarding the draft minutes.

5. Correspondence:

The Chair stated that the only formal correspondence received since the last meeting was the resignation email from Mr. Lever and he had replied to that.

6. Presentation (Report distributed 11/6/21): Attachment B.

The Chair advised the meeting that he was well aware of the requirements of the Guidelines with respect to the need for detailed reports to be distributed seven days prior to the meeting. He was not comfortable with the existing reporting process whereby there was a lengthy power point presentation followed by a question and answer session. He stated that some matters were complex and he did not believe there was sufficient time for analysis and a focussed discussion on the key points under this existing format. Accordingly, he had requested that Mr. Dingle send out a summary report of the relevant matters, as covered by the agenda headings, seven days prior, so that Members could come to the meeting well prepared and discuss those issues of interest to them.

..Progress of the Project

The new General Manager, Mr. Wyllie, introduced himself and the Members introduced themselves to him and explained which community they represented.

Re the mine development, Mr Wyllie replied to Mr. Needham that “we are aiming for 500 level and expect to do that by early 2023”.

..Monitoring and Environmental Performance

Mr. Needham asked for more information in the future regarding the mine’s performance and would like more specific water quality data. He added that Aurelia seemed to be supplying more limited data than the previous owner.

M/s Lloyd responded that the data is now up and running on the new system but she was now looking for input from the CCC Members as to which specific data (analytes) is of interest to the Members. She stated that she would like the list to be kept to between 10-15 analytes.

After some discussion, it was agreed that Mr. Needham would consult various organisations and persons and come back to M/s Lloyd with suggestions.

Mr. Robertson stated that “we can only hold the mine responsible at the downstream point directly below the mine, with reference to the upstream results”.

Mr. Dingle added that the mine is monitoring upstream-“that is critical for us” and they are monitoring “events based impacts”.

AGREED: Mr. Needham to consult relevant parties and Members and get back to M/s Lloyd.

..Community Complaints

In reply to a question from Mr. Darwon, M/s Lloyd advised that the complaints were falling both day and night. She said that, in addition to the noise attenuation works carried out, there was much better awareness and discussion on site regarding the need to minimise noise.

Mr. Darwon replied there was definitely an improvement and the next noise issues are the crusher and the loading of the hopper.

..Information provided to the community and any feedback

Mr Darwon advised M/s Lloyd that it was most important to call a meeting at a time which was most convenient to the community and as such, a week-end meeting would be more successful and could attract 50 residents.

7. Matters which community representatives wish to raise with the DGM other than matters covered in “matters arising” in Item 4 and items listed in Item 8.

The Chair indicated that he had received a question from Dr Waddell regarding (i) the downstream water users register; and (ii) how does Aurelia Metals address climate change risk? (Attachment C).

Dr Waddell stated that she noted that notification to downstream users would be discussed in Item 8.

There was discussion re the most effective means of communication. The Members advised Mr. Dingle that the users wanted openness and information, particularly after significant weather events, including when there are no adverse impacts to report, such as the recent heavy rain event. Mr Needham pointed out that such “good news” reporting would help build confidence amongst the downstream community in the mine’s engineering design and environmental system.

Mr. Dingle undertook to report to the next CCC Meeting re a better process of communication especially in potential big event situations, to downstream users.

Regarding the question on Climate Change, Mr. Dingle advised that it is regarded as a business critical risk and is taken into account in all DGM modelling.

Mr. Wyllie added that Aurelia is working on a sustainability report to be made available to all shareholders.

8. Matters which the DGM wishes to raise with the community representatives. (Report distributed 11/6/21). Attachment D).

.. proposed modification for Turkey’s Nest and Water Trucking Update

Mr. Dingle advised that there is very little to report as the process has slowed down and a due diligence is underway.

Mr. Darwon asked that consideration be given to the impact of trucking, water and the community’s feelings.

.. Aurelia metals Website Update

M/s Lloyd advised that the website has become the hub and is the best avenue to ascertain the progress of the project.

.. Exploration Update

Mr. Dingle advised that a surface drilling program investigating possible extensions of the main ore body, with rigs sited between the portal and the TSF, is about to conclude. He further advised that the rig is no longer at the tailings dam and the other drill rig is likely to be finished by the end of June. He will advise when the next exploration project is scheduled. He informed Mr Needham that the exploration can go deeper and the next round of drilling will likely be underground.

.. Groundwater Modelling Assessment Update

Mr. Dingle stated that we are seeing a trend line of 1-2l/sec of groundwater inflows into the underground workings. Six weeks ago, when there was no hydraulic backfilling, it was between 1.5l/sec and 1l/sec. He said that he expects larger inflows as we go to a new production level. He will keep members informed of the progress of the groundwater impact model report. He said it is more of a dry mine than was expected. He added that in the next five years it will be about conserving water.

.. Noise Mitigation Project

M/s Lloyd spoke to this section of the report. She stated that the noise specialists will undertake sound power level measurements on each major piece of infrastructure. They would take readings onsite, and then progress out to Major's Creek. She said the day they visit the site will be the day which will enable the best results to be obtained. It may have to be scheduled over several days.

Mr. Dingle advised that DPIE and EPA had also been invited to be in attendance during the testing.

..Downstream Water Usage Register

M/s Lloyd stated that public notices were currently being distributed. (Attachment E). She said one was already on Facebook. She read out the notice. She said it was intended to publicise in the nearby towns including Braidwood where some of those downstream users visit to shop. It was also suggested that the notice be inserted in the Beagle and Bay Post newspapers in Batemans Bay and in the Moruya Newspaper. She advised Mr. Robertson that it would also be placed on the Aurelia website.

.. DGM Site Initiatives

Noted.

9. Other Business:

VPA: Mr. Dingle advised that the outstanding VPA contribution for the recreation ground will be paid a.s.a.p.

New Members: In reply to a question from Mr. Cormick, the Chair advised that the process would be commencing to appoint new Members.

Cr P. Harrison: The Chair, commented that this was Cr. Harrison's last CCC Meeting and paid tribute to his lengthy period of service and keen interest in the project and wished him well in the future. The Members supported the Chair's remarks.

Cr. Harrison responded and stated that he had had a keen interest and lengthy involvement in the project from the beginning – at the early exploration stage. He extended his best wishes to all.

10. Next Meeting:

Monday 20 September 2021 at 1.30pm.

Monday 6 December 2021 at 1.30pm.

Meeting Concluded 3.51pm.



Dargues Reef

Community Consultative Committee

Monday, 21 June 2021, 1.30PM

Venue: Majors Creek Recreation Reserve Hall

Attendance

Chairperson	Brian Weir
Community Representatives	Bill Waterhouse, Belinda Royds, Matt Darwon, Kathleen Waddell, Philip Owen, Peter Cormick, Stewart Needham
Queanbeyan-Palerang Regional Council	Pete Harrison
Eurobodalla Council	Brett Corven/Alister Robertson
Dargues Gold Mine	Chase Dingle, Samantha Lloyd, Angus Wyllie

Agenda

1. Welcome and introductions	Chair
2. Apologies	Chair
3. Pecuniary or conflicts of interest – Members (if changed from last declaration)	Chair
4. Minutes of the last meeting – matters arising	Chair
5. Correspondence	Chair
6. Presentation	Dargues Gold Mine
<ul style="list-style-type: none">• Progress of the Project• Monitoring and Environmental Performance• Community Complaints• Information Provided to the Community and any feedback.	
7. Matters which community representatives wish to raise with the Dargues Gold Mine other than matters covered in “matters arising” in Item 4 and items listed in Item 8.	Chair
<ul style="list-style-type: none">• To be provided to the Chair prior to the meeting if possible	
8. Matters which the Dargues Gold Mine wishes to raise with the community representatives	Dargues Gold Mine
<ul style="list-style-type: none">• Proposed Modification for Turkeys Nest Dam and Water Trucking Update• Aurelia Metals Website Update• Exploration Update• Groundwater Modelling Assessment Update• Noise Mitigation Project• DGM Site Initiatives	
9. Other business	Chair
10. Next meeting. Proposed future meeting dates:	Chair
<ul style="list-style-type: none">• Monday, 20 September 2021 at 1:30pm• Monday, 6 December 2021 at 1:30pm	



Dargues Reef

Community Consultative Committee

Dargues Gold Mine - Project Update

Item 6.

Progress of the Project

- General Manager – Angus Wyllie
- Mine development at 390L
- Processing rate in accordance with annual throughputs Year to Date (YTD)
- Further local employment opportunities coming! For more information about employment opportunities, please refer to the following link: <https://www.aureliametals.com/careers>
- Local Emergency Management Committee (LEMC) site visit.
- Safety performance; 1-year recordable injury free in the Processing Department.

Monitoring and Environmental Performance

All environmental monitoring was completed in accordance with Dargues Gold Mine's (DGM) Environmental Protection Licence and Development Consent requirements. For access to DGM's monitoring data, please refer to the following link [Dargues | Monitoring - Aurelia Metals](#).

Community Complaints

During the last quarter, DGM received the following complaints. All complaints were in relation to noise and light issues.

Month	Number of Complaints
March	44
April	18
May	24

DGM continues to work on noise mitigation projects, as discussed in Item 8.

Information Provided to the Community and any feedback.

A Community Information Session was held on the 25th of May 2021 at the Majors Creek Recreation Reserve Hall. Approximately 15 community members attended the session. Key discussions were held on DGM's Water Security Option Analysis, Noise Mitigation Projects, and an update on the current Exploration Program. Overall, the feedback received from the community was positive.

Climate Risk Assessment and Climate Change Adaptation – Dargues Mine

In March 2018 **Diversified Minerals** was asked if climate risk had been taken into account in relation to the mine planning and meteorological projections. Diversified Minerals responded that baseline data has been generated from the previous 5-10 years, the projections incorporate this change as well as severity classification.¹

In relation to the Tailings Storage Facility and the incorporation of climate risk, Diversified Minerals has advised that "Given the short life of the facility, approximately five (5) years, no specific risks with regards to climate change have been assessed or are considered to be warranted to be assessed. Notwithstanding this, the water balance model for the TSF uses a data set of 74 years and includes an assessment of both Majors Creek and Braidwood sourced data."²

Dargues also noted in the original response to climate change from Environmental Assessment of 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."

This assessment by the Dargues Mine was repeated in the Modification 4 Response to Submissions on the issue of climate change.³

On 19 March 2019 at DRCCC 31st meeting the Dargues Mine advised in its presentation that "Climate risk has been taken into account for mine planning and associated infrastructure"⁴ Dargues Mine, James Dorman, agreed to provide the methodology for the Dargues climate risk assessment – this was never provided.

Aurelia Metals has noted "The Company acknowledges that the potential for climate change to impact our business. The highest priority climate related risks include the

¹ http://www.divminerals.com.au/wp-content/uploads/2018/06/27-DRCCC-Meeting-minutes-March-2018_final.pdf pg.3. NOTE: This response does not deal with assessment of climate risk – this is an assessment of local meteorological data and projections off a small base, not climate risk and projections. There is no evidence that climate risk assessment methodology required for infrastructure planning, mining and other significant developments, has been used as a part of risk assessment for Modification 4, for previous modifications and the original determination.

² DRCC Minutes 18 September 2018, Pg.13. <https://www.divminerals.com.au/dargues-gold-mine/community/community-consultative-committee/>

³ Dargues Gold Mine, Response to Submissions for the Dargues Gold Mine Modification 4, January 2019 pg. 8

⁴ DRCCC Minutes 19 March 2019, pg. 24 http://www.divminerals.com.au/wp-content/uploads/2019/04/31-DRCCC-Meeting-minutes-March-2019_FINAL.pdf

following: reduced water availability, changes to legislation and regulation, reputation risk, market changes and shareholder activism.”⁵

“The Company acknowledges the potential for climate change to impact our business. It is a key consideration in our day to day operations given energy consumption is a significant aspect of our business. Aurelia’s strategy for climate change is focussed on understanding and reducing our energy consumption. We continue to consider measures that manage our climate resilience strategies. A particular focus is our planning to ensure access to water, given water scarcity in western NSW.”⁶

The *Corporations Act 2001*⁷ requires the operating and financial review include a discussion of climate risk when it could affect the entity’s achievement of its financial performance or disclosed outcomes. Directors should also consider the requirement to include any relevant analytical comments and specify how risk factors that are within the control of management will be managed.

Recommendation 7.4 of the ASX Corporate Governance Principles requires a listed entity to disclose whether it has any material exposure⁸ to environmental or social risks and, if it does, how it manages or intends to manage those risks.

One particular source of environmental risk relates to climate change.

This includes:

- risks related to the transition to a lower-carbon economy, including policy and legal risks, technology risk, market risk and reputation risk; and
- physical risks, such as changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting an organisation’s premises, operations, supply chains, transport needs, and employee safety.

How does Aurelia Metals:

- identify, assess, and manage climate-related risks and manage for climate change adaptation at the Dargues Mine; and
- describe the processes for prioritising climate-related risks, including how materiality determinations are made.

If Aurelia Metals considers it does not have material exposure to climate change risks, what is the basis for that belief and how does it benchmark its disclosures in this regard against those made by their peers in the industry.

⁵ [Annual Reports - Aurelia Metals](#) 2020 Annual Report at paragraph 6.10

⁶ *Ibid* at page 23

⁷ Division 1 of Pt 2M.3 of the *Corporations Act 2001*

⁸ “Material exposure” in this context means a real possibility that the risk in question could materially impact the listed entity’s ability to create or preserve value for security holders over the short, medium or longer term.

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Item 8.

Proposed Modification for Turkeys Nest Dam and Water Trucking Update

Prior to DGM proceeding with any modifications, community consultation will be undertaken with neighbouring communities. It is expected communication will be undertaken via social media, the Aurelia website, Community Consultative Committee (CCC) meetings and Community Information Sessions.

Water Security Options Analysis specialists were engaged by DGM to investigate potential water sourcing options. Their recommendation was to proceed with a consent modification for the following:

- Building a ~100ML Turkeys Nest Dam
- Emergency trucking of water from either Braidwood or Bungendore Wastewater Treatment Facility (WTF).

DGM is awaiting the final report from the Groundwater Modelling Assessment (detailed below) and subsequent update to the Site Water Balance before finalising the scope of any modification application.

Aurelia Metals Website Update

Since the transition from Diversified Minerals to Aurelia Metals, efforts have continued on updating the company website. To date, all required information has been uploaded. To access the Dargues compliance page, please use the following link. [Dargues | Compliance - Aurelia Metals](#)

Exploration Update

In February 2021, Aurelia Metals commenced surface exploration drilling activities at DGM. The purpose of the drilling is to extend and increase confidence in the project's ore resources. The drilling program is expected to finish at the end of June 2021. DGM will communicate with the community when additional drilling is expected to be undertaken.

Groundwater Modelling Assessment Update

DGM is conducting a review of the groundwater model, with intent to have this completed by the end of June.

Australasian Groundwater and Environmental (AGE Consultants) have been engaged as suitable qualified experts to undertake a calibration of the groundwater model. The intent of the review is to update the model with observed data (since dewatering commenced) and compare this with modelling completed as part of the Environmental Assessment.

Figure 1 presents some of the modelling completed to date showing predicted inflows to the underground mine.

Dargues Gold Mine (DGM) Downstream Water User Register

DGM is in the process of recreating the register for the notification of downstream water users.

The intent of this register is to have a reference point, should DGM need to communicate with downstream water users.

If you have provided your details to DGM previously, please note these records no longer exist.

If you would like your details included in the Downstream Water User Register, please provide the following details via email to dgm.community@aureliametals.com.au;

- Full Name
- Phone Number (mobile and home number if applicable)
- Current Address Details
- Email Address

All information provided to DGM will be maintained in a confidential manner.

If you have any questions regarding the Downstream Water User Register, please phone 1800 732 002 or email dgm.community@aureliametals.com.au. |