



Dargues Reef

Community Consultative Committee

Minutes of Thirty-six Meeting

The DRCCC held its 36th meeting on 22 June 2020 at the Braidwood Servicemen's Club.

Meeting

Attendance:

- Members – Brian Elton Chairperson, Peter Cormick, Belinda Royds, Philip Owen, David Lever, Bill Waterhouse, Matt Darwon, Kathleen Waddell, Stewart Needham, Pete Harrison (QPRC), Paul Rouse (Dargues Gold Mine), Chase Dingle (Dargues Gold Mine), Shannon Green (Dargues Gold Mine)
- Steve O'Donoghue (DPIE) and Katrina O'Reilly (DPIE)
- Observers – Andrew Jackson (Dargues Gold Mine), Nick Woolrych (Dargues Gold Mine), James Dornan (Dargues Gold Mine), Kylie Coe, Randall Lemin, Jeff Wolford, Sophie Lee and Narelle Watts
- Hannah Bubb (Elton Consulting – minutes)

Not present: Karis Sanderson, Rebecca Bigg and Brett Corven (ESC)

Welcome and introductions

CCC members introduced themselves. It was noted that the meeting was conducted with appropriate social distancing and in accordance with health advisory recommendations.

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.

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 raised.

Correspondence

The Chair noted correspondence shared with the CCC regarding noise, compensatory flow program and water trucking. See attachment 1 for correspondence.

Site visit

DGM proposed a site visit for interested CCC members, allowing for induction and other pre-visit measures. The CCC site visit is proposed for Friday 24 July, focusing on the processing plant. A future site visit will focus on the TSF.

Transition of Chair

The Chair stated his intention to transition from the position of CCC Chair, from July. The Chair added that the Department of Planning, Industry and Environment will nominate another Chair.

The Chair noted that he had written to Rebecca Bigg, declaring her position vacant given her failure to attend three consecutive meetings. A refresh of CCC membership was suggested, noting future membership vacancies.

Matt Darwon sought clarification on the CCC member nomination process. The Chair responded that there is a public application process, following which the Chair assesses applications and nominates members to the Department for appointment.

Regarding the positions, Matt noted his preference for a member from the Majors Creek area given Rebecca is from Majors Creek. Shannon Green provided an alternative view and believes that Braidwood is underrepresented on the CCC, with only one member. The Chair noted that the evaluation criteria includes consideration for having representatives from across the project area.

Department of Planning, Industry and Environment (Representative attended by conference call)

The Chair introduced Stephen O'Donoghue and Katrina O'Reilly from the Department of Planning, Industry and Environment. The Department provided an update on investigations into the compensatory flow program, truck movements and noise. Stephen noted the Department's support for the relationship between the CCC and DGM and the role of the CCC in sharing information.

Katrina O'Reilly updated the CCC on the Compensatory Flow Program investigation and reiterated comments in her response to David Lever, noting:

- the Department has reviewed the preliminary data available and believe the CFP hasn't been triggered
- the investigation is still underway
- the Department will be looking at all information available and is seeking more information from DGM.

David asked the DPIE representatives where, in the WMP, are groundwater levels given as a relevant consideration in determining whether the CFP had been triggered. The DPIE representatives acknowledged that groundwater levels are not specified in the WMP as a relevant consideration, but:

- the Department looks holistically at all available information, to determine possible factors contributing to surface water flows
- groundwater levels are not looked at in isolation, they provide part of the picture for water management

- the CFP condition was developed to consider the interconnectivity between groundwater and surface waters, in order to consider water take and activity.

Responding to Belinda Royds, Katrina noted that the Department's should be able to share its advice on the CFP by the second week in July, based on receipt of information from DGM.

Katrina O'Reilly updated the CCC on the truck movements, noting:

- the Department had received complaints regarding trucking and water use, which are still under investigation
- the Department is seeking more information from DGM
- the Department should be able to share its response by the second week in July

Shannon raised that there is an ongoing review of the site water balance.

Belinda asked, is DGM not working in accordance with the water management plan, and if so, what action will the Department take?

Katrina responded that the Department is still determining whether DGM is complying. Katrina added, if deemed not to comply, the Department's policies and procedures will determine the appropriate enforcement action.

Bill Waterhouse sought clarification on when DGM would respond to CCC questions regarding water trucking.

Chase Dingle responded that DGM is providing information to the Department and working with the regulatory authority, rather than responding to CCC member questions, at this time. Chase added that this is consistent with the CCC Guidelines as the CCC is not a decision making or regulatory body, rather it performs an advisory and consultative role.

Matt Darwon stated a preference that the Department representatives attend for the full duration of the CCC meeting.

A CCC member asked the Department whether drought conditions and current conditions would be considered in the responses regarding CFP and water trucking.

Katrina responded that the Department will look at the link between the water balance on site and other factors that have an impact on flows.

Stewart Needham stated that the Coastwatchers submission to the draft WMP had resulted in little modification to the final WMP. Stewart sought:

- a response to issues raised and discussion why issues were not considered
- access to other submissions on the WMP.

The Department representatives noted that management plans consider issues raised in submissions, but these submissions are generally not shared online.

Katrina O'Reilly updated the CCC on noise, noting:

- noise has been discussed with CCC members and the EPA
- DGM and the EPA have completed noise monitoring, with the EPA's recent monitoring report still to come
- a review of information received to date indicates that the site is compliant with its approval
- the Department's internal noise expert will be used to undertake monitoring in the next month and this is common practice with other projects.

Belinda queried the Department's monitoring approach. Katrina responded that it generally is unannounced monitoring, sometimes conducted over a number of hours and days with repeated monitoring a couple of weeks later.

Bill clarified that CCC questions around compliance to DGM which are then raised formally with the Department, become a regulatory issue with the Department.

The Department confirmed the role of the CCC with DGM to provide information about processes that are occurring, with some information shared back to the community. The purpose of the CCC is to provide a forum for discussion between the proponent and representatives from the community, stakeholder groups and the local council on issues directly relating to the project.

DGM Presentation

Shannon Green and Chase Dingle presented an update from DGM regarding the CFP. The presentation slides are provided as Attachment 2. The following component of the minutes notes questions, responses and information provided additionally to the slides.

Regarding the groundwater model, it was shared that:

- the groundwater model is currently under review, it will be updated incorporating real data on water flows
- the updated model will include the works schedule that is currently in place, with the previous model assuming a more condensed schedule of activity
- there are many variables in the groundwater modelling, now being validated with real time data collected during the early stages of the project
- current extraction is around 2L/s from underground, this is very low and is classified as a dry mine
- the model prediction was that more water would be extracted from underground than is occurring
- Groundwater is extracted from both the Granodiorite and Alluvial sources.

David Lever sought the total volume of water extracted to date in 2019-20. This question was taken on notice by DGM.

David queried whether the weir gauges installed in mid-2019 had been assessed for accuracy. James Dornan responded that the new loggers were a significant upgrade, improving the service and are not required to be assessed. In response, David noted a noted that surface water flows at SW4 and SW6 showed a quite different pattern in 2013 to those measured by the new loggers, that is, flows at SW4 often exceeded those at SW6. Chase undertook to examine this issue.

Belinda asked, given the extraction rate of 2L/s will the aquifer take a long time to recharge?

James responded, this is possible and will be considered in the remodelling.

David queried whether the results of the groundwater remodelling will be used to refine the CFP trigger, in Table 7.6 of the WMP.

Chase responded that this will be considered in the remodelling.

The Chair asked, will this information be fed back to the modellers?

DGM representatives responded that the same company is undertaking the modelling update and that the modelling approach had been relied on at other sites. Furthermore, the original modelling of groundwater impacts had been reviewed by a panel of experts during the Land & Environment Court proceedings as part of the Project Approval. It was added that Council had recently provided feedback that these results are representative of recent water exploration activities they had conducted in the area.

David stated that under the WMP (section 5.5.1.3), any variation from the rates of discharge set out in Table 5.17, under the CFP, should only be made in consultation with relevant government agencies. Given his assertion that there has already been a significant variation, David asked whether DGM had commenced the required consultation.

Chase responded that DGM are still obtaining the data over an appropriate timeframe to provide confidence to trigger this response.

Regarding flow data, David noted that DGM is required under section 10 of the WMP to include surface water flows in the monthly environmental monitoring report, made publicly available on the DGM website. David noted that the flow data now given on the DGM website is not a monthly report and there is no evidence DGM checks monthly whether the trigger flow given in Table 7.6 has been reached.

James responded that the data averaged over the month can be an inaccurate picture as the average can be offset by surface water inflows including significant rainfall events. James added that the assessment under section 10 of the Water Management Plan is completed internally but, in response to David's request, should be not reported publicly as it is not considered representative.

Peter Cormick queried whether the water issues impact the viability of the project.

Chase responded that the harvestable rights dams and other approaches will be put in place to address the 'dry mine.'

Peter Cormick requested that reports are provided ahead of the meeting. Chase responded that in accordance with the CCC Guidelines, the presentation is not considered a report. Chase added, DGM will endeavour to provide information in advance, adding that the purpose of the presentation is to update and develop a shared understanding of next steps.

David sought the level of inflow into the mine this financial year. David suggested that DGM should to provide an estimate of groundwater extracted from the mine in 19-20, given that the financial year ends in just 8 days. Chase responded that this information is captured in the Annual Review.

In response to a question from Peter Cormick, Shannon stated that the decline is 205m directly down and 1.4km from the portal.

In response to a question from Peter Cormick, Shannon stated that there are 110 employees onsite.

Bill queried whether wombats had been spotted on site. It was noted that there had been sightings.

Chase noted that the next CCC meeting would involve an update on Stage 2 of the TSF, likely commencing in September or October 2020.

Matt tabled correspondence to the CCC regarding the Water Management Plan and water trucking, provided in Attachment 2.

DGM took the questions in the correspondence on notice.

It was noted by some CCC members that truck movements and water management are significant issues in the community.

Belinda stated that waiting for a response to questions until the next CCC meeting is not satisfactory. Belinda added that the community needs confidence regarding the water source and CCC members require clear responses rather than general ones.

It was clarified by Shannon that:

- water is being trucked to site, including from Bungendore sewage treatment facility
- this water is supplementing the mine's daily raw water use

Paul Rouse stated, DGM believe all activities at the mine are undertaken in compliance with the approval.

Stewart added that the CCC is a forum to exchange views and information and that obfuscation of information sharing is not aligned to this purpose.

Chase noted that the CCC Guidelines have no stated period for responding to CCC correspondence, with most CCC's only discussing these matters on a quarterly function. Chase added that DGM is committed to 10 business days to respond to questions, where appropriate, but DGM need to be considerate with what information is shared. Furthermore, Chase requested that the CCC members understand that they are not the only stakeholders DGM is working with and all stakeholders are entitled to fair and equal representation.

Bill noted that the wider community network is reached through the CCC and clear responses from DGM support this communication.

David sought responses to his questions raised ahead of the March CCC meeting. Chase responded that as the matter is with the Department, DGM will provided further updates when possible, but noted that at the last CCC meeting we agreed to provide an update at this meeting, as we have.

Belinda sought clarification of next steps ahead of the September CCC meeting regarding questions for trucking of water and flow on affects to Water Management Plan, Environmental Approval and Traffic Management Plan.

The Chair noted that DPIE had provided a timetable for their response and that there could possibly be a meeting before September around that response.

Chase stated that the most appropriate authorities are being consulted throughout this process, adding that this consultation had informed DGM's activities.

The Chair suggested that timing of the Department's and DGM's responses should be aligned.

Belinda suggested that the Department be invited to the next CCC meeting.

Matt stated that communication regarding water trucking should have been more proactive.

Stewart noted that the link between the low dewatering rate and the need to truck water in would enable CCC members and the community to understand DGM's position.

The Chair noted that a response from the Department is pending regarding noise.

Belinda asked, what was the loud explosion a couple of months ago?

Bill responded that the noise came from Majors Creek, not the mine site.

Bill noted that the silence of the Majors Creek village had been broken with the constant sound of the mine. Bill added that while the mine is probably compliant, the issue is still annoying residents in the village who hear trucks and crushing. Bill encourages the community to report the noise to DGM to help manage noise onsite.

Matt provided tabled correspondence from Jembaicumbene residents to the CCC and from himself, provided in Attachment 2.

The Chair noted that should the Department find the mine compliant the issue becomes a matter of social licence and there is a need for negotiation.

Matters which Dargues Gold Mine wishes to raise with the community representatives

Shannon sought feedback on what DGM is doing well in the community.

Bill stated that there is general thanks regarding the support for community groups and locals, including school-based apprenticeship and employment.

Paul stated that DGM works to achieve compliance and where possible improve on this performance, to mitigate any impacts. Paul added that DGM is giving back to community, employing around 80 locals.

Peter stated that negative feedback is the product of its location next to a quiet village, rather than DGM's activity.

Shannon stated that DGM have a range of stakeholders to communicate with and seek to balance time devoted across stakeholders.

Other business

It was noted that this was the Chair's and James Dornan's last meeting. The Chair thanked the CCC on behalf of Elton Consulting for the opportunity to work with them and for their contribution to CCC meetings. CCC members thanked Brian and Hannah for their efforts on behalf of the CCC over the past four years.

Next meeting

The next CCC meeting was tentatively proposed for Monday 14 September. A site visit for CCC members is confirmed for Friday 24 July.

These minutes are endorsed by



Brian Elton

Independent Chairperson

Dargues Reef Community Consultative Committee

Attachment 1

The Secretary
Department of Planning, Industry and Environment
Locked Bag 5022
PARAMATTA NSW 2124

Dear Secretary

NON-COMPLIANCE OF DARGUES GOLD MINE WITH CONDITIONS OF PROJECT APPROVAL

I am writing to raise my concerns about what I consider serious non-compliance by Dargues Gold Mine, located in Majors Creek, with a number of conditions of its Project Approval, particularly relating to the Compensatory Flow Program (CFP), publishing of monitoring results and reviews of the numerical groundwater model. The Project Approval is in the name of Big Island Mining Pty Ltd, number 10_0054.

I have represented the Araluen community on the Dargues Community Consultative Committee (DCCC) since the Committee's inception in December 2011. The CFP was an important factor in my and – I think – many other Araluen residents' initial support for the mine.

The CFP was described in considerable detail in the original *Environmental Assessment* for the Project. It was designed to compensate for the expected reduction in baseflows of Majors and Spring Creeks due to reduced discharge of groundwater to these waterways because of the mining operation. It anticipated the release of 348 ML of water into Majors Creek over seven years, this water coming almost entirely from eight harvestable rights dams (HRDs) then planned for construction.

The CFP should have commenced in 2018 or 2019, following the commencement of mining operations on 22 May 2018, when a combination of reduced groundwater discharge caused by the mining operation and drought conditions led essentially to there being no visible flow in either Majors Creek or Spring Creek during certain periods. The company's failure to commence the CFP compounded stress on aquatic environments downstream of the mine as well as significantly disadvantaging the Araluen community, where a number of farmers who relied on water from Araluen Creek (into which Majors Creek flows) were issued with cease-to-pump notices due to that watercourse having no visible flow. While Majors, Spring and Araluen Creeks are all flowing reasonably strongly at present, a return to drier conditions will inevitably mean a recurrence of the difficulties faced downstream of the mine without assistance from water released under the CFP.

Condition 3(22) of the Project Approval requires the company to offset the combined loss of any baseflow caused by the Project, to the satisfaction of the Secretary.

Based on pre-mining monitoring of flows in Majors and Spring Creeks over four years from December 2012 and groundwater modelling, the Proponent set a trigger flow of 3.2L/second

in Majors Creek for the CFP, i.e. where a measured baseflow below 3.2L/second would trigger releases of water (see section 7.9 of the Water Management Plan (WMP)).

Section 7.9.2 of the WMP sets out a clear and unambiguous process for determining whether the trigger baseflow has been reached. Should the measured flow at a specified gauging station in Majors Creek be lower than 3.2L/second for any period of the continuous monitoring regime, then a further check would be made to determine whether the flow remains below the trigger value. If it is so determined and there was no rainfall shortly before either measurement was made, i.e. measured flow equals baseflow, then the company is required immediately to take steps to notify your Department and a number of other authorities, and to consult with your Department on an appropriate release of water under the CFP.

Had this process been followed, the CFP would have commenced in 2018 or 2019, on the basis of the limited information on stream flows in Majors and Spring Creeks made available by the company: the data available from newly installed automated weir gauges at the two locations in Majors Creek and two in Spring Creek from September 2019 until March 2020 that was published on the website until recently removed (without explanation), which showed streamflows at or close to 0L/second most of the time; and words recently proposed by the company for insertion in section 7.3.3 of the WMP, which indicated that flows in both Majors and Spring Creeks had reached 0.0L/second.

The company has a considerable incentive to delay commencing or increasing flows under the CFP until it is forced to by the Department of Planning, Industry and Environment (DPIE), as the regulator: building harvestable rights dams and installing appropriate pumps and water meters to transfer water to Majors Creek would be costly; and the need to obtain DPIE's approval for proposed release volumes and the EPA's approval for the quality of water to be released may well divert resources from other, more lucrative activities.

Further, the company's failure to make surface water flow data publicly available on its website, as required, may be seen as increasing the chance of its non-compliance with the CFP provisions not being challenged by downstream water users and evading the attention of DPIE.

Of the eight harvestable rights dams that the Proponent originally committed to build, in order to meet the expected water requirements under the CFP, only one has been built – with a capacity of 6.1ML. Given the company's confirmation, in section 5.8 of the WMP, that “the CFP is the highest priority water demand and that water will be provided fully for that purpose before all other water demands are met”, the company must consider that the need to commence the CFP over the coming twelve months is unlikely. Otherwise it would risk failing to comply with condition 3(20) of the Project Approval, requiring the Proponent to ensure that it has sufficient water for all stages of the project and, if necessary, adjust the scale of mining operations to match supply of water.

In addition, given the association between the numerical groundwater model and expected baseflows in Majors and Spring Creeks, it is perhaps no accident that the last review of the model was undertaken in 2013, again in contravention of the Project Approval conditions.

Project Approval conditions and WMP provisions that are associated with the CFP and which have been breached by Diversified Minerals since taking over the Dargues Gold Mine in June

2016 are set out in the Attachment to this letter, along with my comments on the nature of the breach in each case.

Should a Departmental officer wish to contact me to discuss these issues further, my phone number is 0409 813045 and email address davidilever@gmail.com. Subject to any response I receive to this letter, I may request the Chair of the DCCC, Brian Elton, to ask the Department if they could send a representative to our next meeting on 22 June 2020 in Majors Creek. It was decided at our last meeting that the CFP would be a major agenda item for the June meeting.

I appreciate your consideration of the concerns I have expressed.

Yours sincerely,

David Lever

22 April 2020

CFP breaches

Condition 3(22) – Baseflow Offsets

“The Proponent shall offset the combined loss of any baseflow to Majors and Spring Creeks caused by the Project, to the satisfaction of the Secretary.”

Nature of breach

The trigger flow of 3.2L/second represents the Proponent’s estimation of the flow below which there is a combined loss of baseflow caused by the Project, and flows much lower than 3.2L/second have been recorded over 2018 and 2019, without release of compensatory water.

Section 7.9.2 of WMP

This provision sets out a process for determining whether CFP should commence or be increased, based on a trigger streamflow value.

Nature of breach

Despite measured flows considerably less than the trigger streamflow value of 3.2L/second, the company has not taken the actions set out in this section.

Section 5.5.1.2 of WMP

“Releases to Majors Creek as part of the CFP will commence at the same time as dewatering of the mine commences”

Nature of breach

The company’s Annual Environmental Management Report (AEMR) for 2018-19 states that dewatering in the vicinity of the mine commenced In July 2018, and that 30.4ML of groundwater was abstracted from the mine in 2018-19. Despite this, the CFP has not yet commenced.

Commitment 6.3 (in Appendix 5 to the Project Approval)

The Proponent committed to “release water sourced primarily from the HRDs at the rates identified in Table 4.20 of the *Environmental Assessment* into Majors Creek at the confluence of Majors and Spring Creeks”; and

Section 5.5.1.3 of WMP

“Releases as part of the CFP will initially be as identified in Table 5.17 [same as Table 4.20 in the *Environmental Assessment*]. However, as further information becomes available from observed baseflow in Majors Creek or revised groundwater modelling, the rate of discharge identified in Table 5.17 will be adjusted, in consultation with relevant government agencies, to match the measured or remodelled loss of groundwater baseflow.”

Nature of breach

It was anticipated in the *Environmental Assessment* in 2010 that 83.5ML of water would be released under the CFP in the first two years after commencement of mining operations. However, following commencement of mining operations in May 2018, no water has been released and there has apparently been no consultation with relevant government agencies.

Public reporting of streamflow breaches

Condition 3(29) of the Project Approval, relating to the WMP

“The Surface Water Monitoring Program must include ... (d) a program to undertake monthly monitoring of surface water flows ...”; and

Schedule 5, clause 10 of the Project Approval

“Prior to the commencement of construction on site, the Proponent shall (a) make copies of the following publicly available on its website: ... the monitoring results of the project, reported in accordance with the specifications in any conditions of this approval, or any approved plans and programs; ... (b) keep this information up-to-date ... to the satisfaction of the Secretary.”

Nature of breach

No surface water flow monitoring results were published on the company’s website from July 2014 until September 2019, and those from September 2019 until March 2020 have now been removed, without explanation.

Section 10 of WMP

“Water related monitoring data will be collected into a monthly environmental monitoring report, together with monitoring data relevant to other aspects of the surrounding environment. The report will provide ... an overview of whether any of the trigger values identified in Tables 7.4 to 9.4 have been exceeded and the status of the resulting actions, if any.”

Nature of breach

Table 7.6 sets the trigger value of 3.2L/second, and was therefore intended to be covered by section 10 of the WMP. However, there could be no discussion of whether it had been exceeded, as the report has not included surface water flow monitoring data since 2013-14.

Groundwater modelling breaches

Condition 3(30) of the Project Approval, relating to the WMP

“The Groundwater Monitoring Program must include ... (e) a program for the ongoing verification and refinement of the groundwater model”; and

Commitment 6.4e (in Appendix 5 to the Project Approval)

The Proponent committed to “undertake a review of the numerical groundwater model ... prior to the commencement of mining operations and every two years following commencement of those operations”.

Nature of breach

No review of the numerical groundwater model has been reported by the company on its website. Section 9.6 of the WMP alludes to a review undertaken in 2013, but with no details of this review in its AEMR for 2012-13, as suggested in section 9.6. There is no evidence of any subsequent review. Diversified Minerals has also breached the above commitment, in conducting no review since mining operations commenced in May 2018. Failure to conduct a review following commencement is significant, because mining operations have the potential to substantially affect groundwater baseflow.

Section 7.9.1 of the WMP

This section states that the trigger value (currently 3.2L/second) is to be reviewed annually based on revised groundwater modelling.

Nature of breach

The trigger value has apparently not been reviewed at all by the company, given the absence of any groundwater modelling since 2013.

The Secretary
Department of Planning, Industry and Environment
Locked Bag 5022
PARAMATTA NSW 2124

Dear Secretary

NON-COMPLIANCE OF DARGUES GOLD MINE WITH CONDITIONS OF PROJECT APPROVAL

I refer to my letter of 22 April 2020 on the same matter.

I note that the surface water flow data for Majors and Spring Creeks have now been restored to the Company's website, following receipt of a copy of my letter to you. However, inconsistent with the newly inserted statement in section 7.5 of the Water Management Plan (WMP), it does not appear to be published live to the Company's website. The most recent data on the website for flows in Majors Creek is for 7 April 2020, while for Spring Creek it is for 3 March 2020.

I said in my previous letter to you that section 7.9.2 of the WMP provides a "clear and unambiguous process" for determining whether the trigger flow of 3.2L/second in Majors Creek had been reached. In one important way, this was incorrect.

There are two stations for measuring water flows on Majors Creek, called SW-4 (upstream) and SW-6 (downstream). Data for both stations from 18 June 2019 have now been restored to the Company's website. Measured flow rates at SW-4 are mostly around 1L/second, while those at SW-6 are commonly above 5L/second. Section 7.9.2 does not indicate which of the two stations should be used to determine whether trigger flows for the Compensatory Flow Program (CFP) have been reached. If SW-4 was intended, the trigger had been reached almost continuously during the period since June 2019; while if SW-6 was intended, it was seldom reached, if at all.

Two other considerations are relevant here.

Firstly, the Project Approval condition 3(22), which underlies the CFP, refers to combined loss of baseflow in Majors and Spring Creeks attributable to the mining operation – not only loss of baseflow in Majors Creek. This is the reason for the monitoring that has occurred at the two stations on Spring Creek, i.e SW-2 (upstream) and SW-11 (downstream). However, section 7.9.2 says nothing about how measured flows in Spring Creek are to be factored into determining whether the trigger flow has been reached.

Secondly, it is difficult to explain the consistently much greater flows at SW-6 than at SW-4, without evidence of other streams replenishing Majors Creek between the two stations (see Figure 5.2 of the WMP). Measured flows at SW-6 were not consistently greater than at SW-4 from December 2012 until June 2014, from the data published in the annual Environmental Management reports covering that period.

I believe it is important that your Department, as regulator of the CFP, takes a pro-active role to ensure that the Company complies with its obligations under the CFP and is seen to be compliant, not only by the regulator, but also local communities. As a first step, section 7.9.2 needs to be overhauled so that it can achieve what was apparently intended, i.e. to provide a robust and transparent process to determine whether the mining operation has caused a combined loss of baseflow in Majors and Spring Creeks. Secondly, the Company should be forced to comply with its reporting obligations in relation to surface water flows, including section 10 of the WMP, which requires the Company to report flows monthly and identify whether the trigger value identified in Table 7.6 of the WMP had been exceeded. Thirdly, the Company should be forced to comply with its obligations in relation to groundwater modelling, and to review the trigger value for the CFP annually, on the basis of that modelling.

Finally, the Company has a duty to explain why previous owners of the mine got their predictions of the need for releases of water under the CFP so badly wrong, if indeed they did so, as we now approach the second anniversary of the commencement of mining operations; and why the Company is now still so reluctant to construct the harvestable rights dams its predecessor company undertook to build some nine years ago, as the primary source of water for the CFP, if it is not just hoping it will be able to get away with doing little else on the CFP.

I thank you again, Secretary, for your attention to these issues.

Yours sincerely

David Lever

3 May 2020

Cc Shannon Green, CEO, Dargues Gold Mine

Mr David Lever

ARALUEN NSW 2622

Dear Mr Lever

**Alleged non-compliance of Dargues Gold Mine
with conditions of Project Approval MP10_0054**

Thank you for your letters of 22 April 2020 and 3 May 2020 regarding alleged non-compliance with conditions of approval (MP10_0054) for Dargues Gold Mine in respect to Compensatory Water Flows (CWF). The secretary has asked me to respond on his behalf. I apologise for the delay in responding.

The Department has preliminarily reviewed information and monitoring data to date, including the 2019 Independent Environment Audit and results from the 2017 to May 2020 groundwater monitoring bores within and surrounding the Mine. The review of this information shows no significant change from pre-mining levels as a result of mining activities, and as such The Department is of the view the project has not yet triggered the CWF condition at this time. The review of information indicates the current climatic conditions may have attributed to the impacts on the baseflows of Majors Creek.

The Department notes that there is a requirement for the harvestable rights dam (HRD) to be built on the project site to enable water harvesting to assist in meeting the water requirements for the project, including compensatory water requirements. As indicated in the Water Management Plan (WMP) April 2020, the Company anticipates that harvestable rights dams HRD-A and HRD-H will be constructed between now and December 2020.

The Department has been informed that the Compensatory Water Flow issue (as well as other issues) will be discussed in detail by the Company at the Dargues CCC meeting Monday 22 June 2020. I can assure you that further correspondence in regard to your letters will be sent after the Department has reviewed the information presented at the meeting.

I would also like to assure you the Department has raised your concerns with the Company in regard to ensuring the website is frequently updated including all monitoring required under the consent and management plans such as outlined in section 10 of the WMP.

Should you wish to discuss this matter further, please do not hesitate to contact Katrina O'Reilly, Team Leader South, on 02 6229 7909 or via compliance@planning.nsw.gov.au.

Yours sincerely,



Rob Sherry
Acting Director Compliance

18 June 2020

Attachment 2



Meeting – June 2020
Community Consultative Committee



Agenda – 22 June 2020

Agenda:

- Compensatory Flow Program.
- Complaints Register.
- Traffic.
- Project Update.
- Community Initiatives.



Compensatory Flow Program

- **Why the need for a compensatory flow program**

- Groundwater modelling completed during the original project application indicated that the extraction of groundwater as a result of mining activities would result in a loss of baseflow in Spring Creek and Majors Creek.

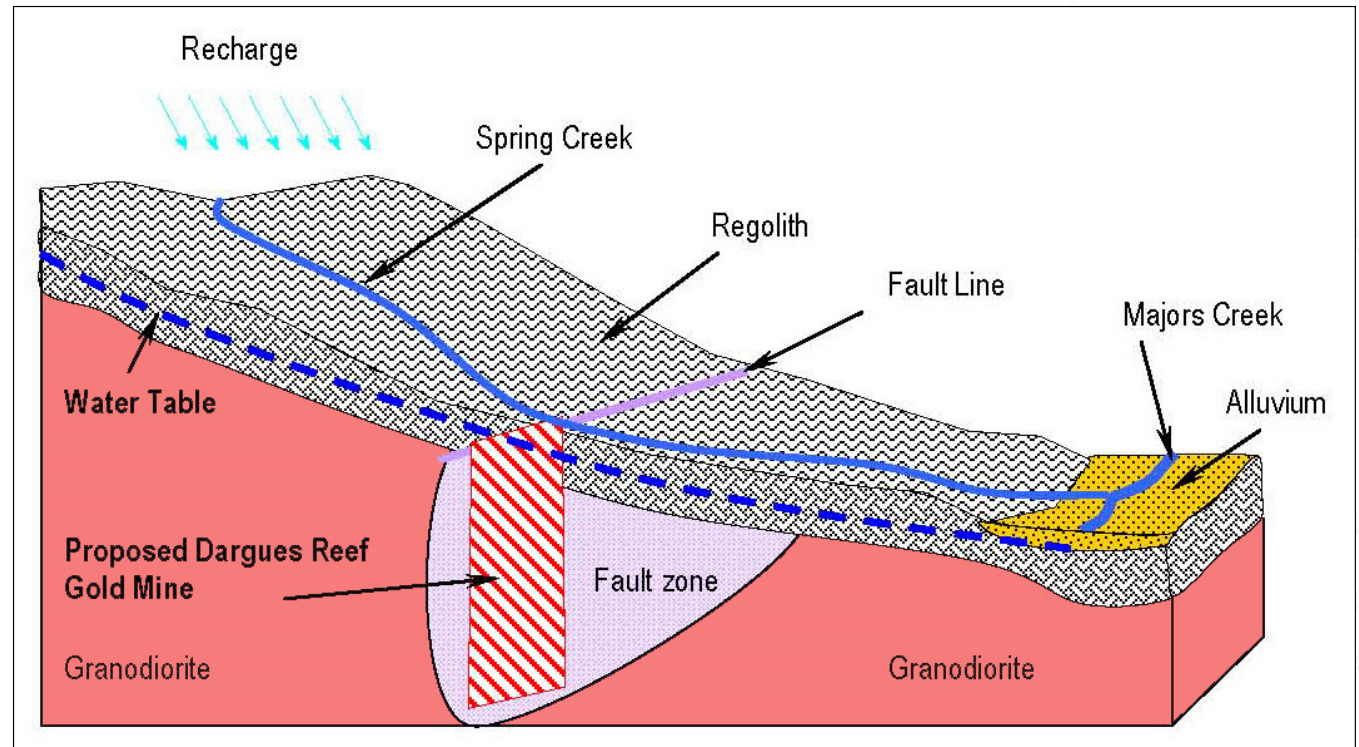
- **Objective of the Compensatory Flow Program**

- To compensate for the loss of baseflow in Spring Creek and Majors Creek as a result of extraction of water from the Dargues Gold Mine, Snobs Bore, Stewart and Mertons Bore and United Miners Bore.

Conceptual Groundwater Model

The groundwater assessment for the project (AGE, 2010) indicates that the hydrogeological regime of the Project Site and surrounds consists of:

- a highly disturbed, shallow alluvial aquifer averaging about 100m wide and 2m to 3m deep along Majors Creek;
- a regolith (weathered granodiorite) aquifer extending to between 8m and 15m below the surface; and
- a fractured granodiorite aquifer characterized by “tight” massive granodiorite and localised permeable fracture systems



Predictive Numerical Modelling

Predictive numerical modelling for the Project estimates the following:

- Groundwater inflow to the Mine will vary between 2L/s and 12L/s during the initial two years of mining as the decline is driven to total depth. During the remaining years of mining operations, namely Years 3 to 5, inflow will decrease to approximately 7L/s.
- Extraction of groundwater from the historic Snobs, Stuart and Mertons and United Miners workings at a modelled rate of 2.5L/s or 78.9ML/yr would result in drawdown of water levels within the workings of approximately 70m, 28m and 23m respectively.
- The Project would result in drawdown of the piezometric surface or groundwater levels within and surrounding the Project Site, with the limit of that drawdown, as defined by the 1m drawdown contour, being a maximum of approximately 2.5km from the Dargues Reef Mine.
- The lowered groundwater levels would result in reduced rate of discharge from groundwater to Majors and Spring Creeks varying from nil to approximately 2.1L/s. This lost base flow would be replaced through the compensatory flow program during and following the life of the Project.

Groundwater Inflow

- Groundwater inflow into the underground mine was expected to be closely linked to depth mined and area exposed.
- Actual inflows have remained fairly static and averaging approximately 2L/s.
- Indicates that the granodiorite aquifer is materially tighter than modelled.

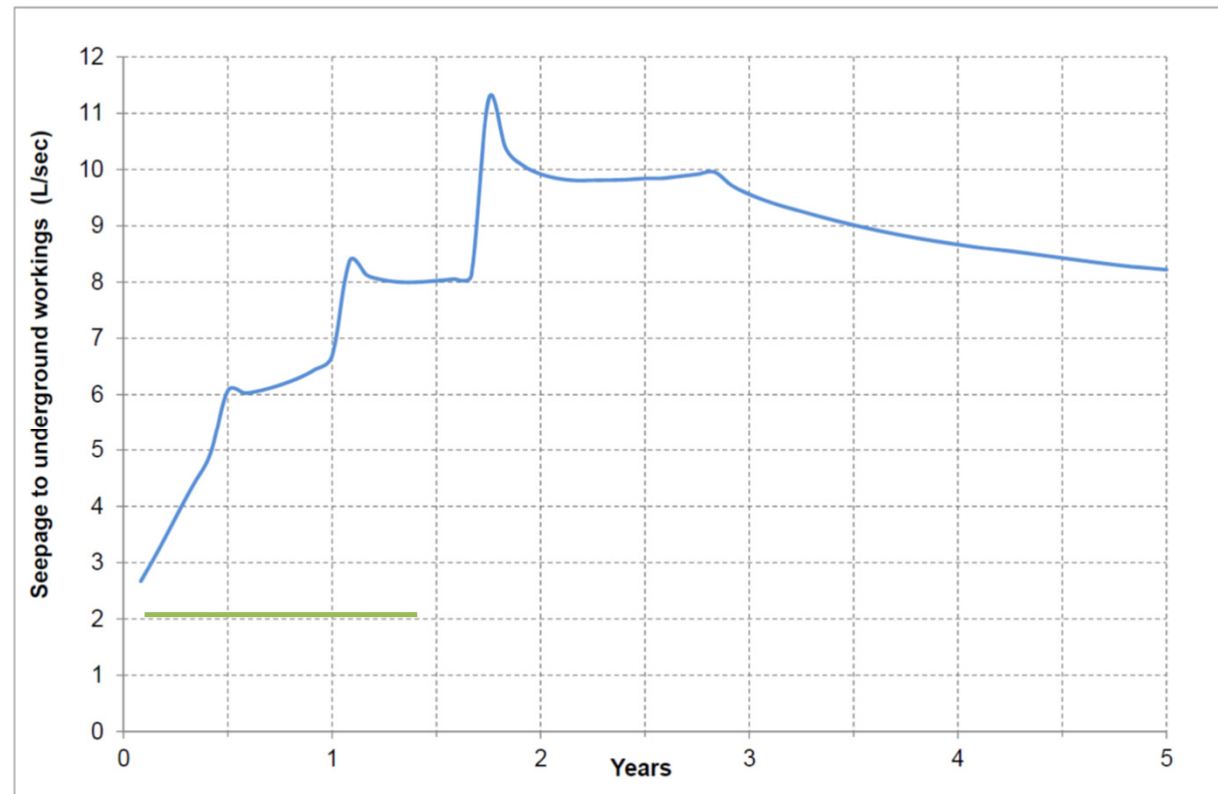


Figure 17: Predicted inflow to mine

Monitoring Program

- **Groundwater Levels**

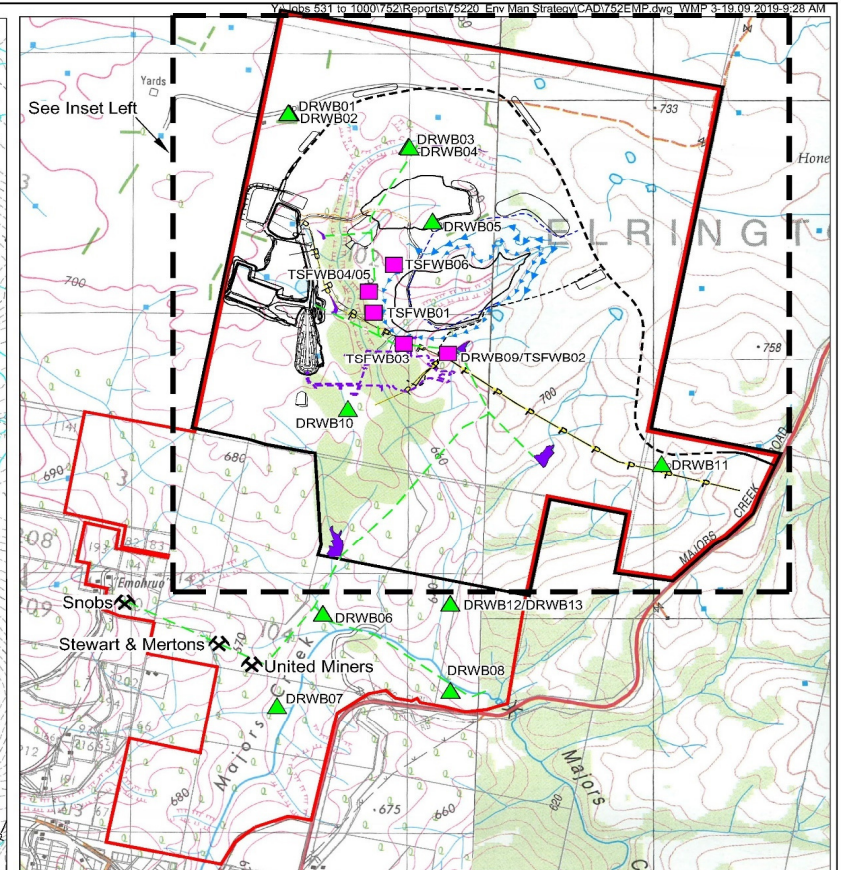
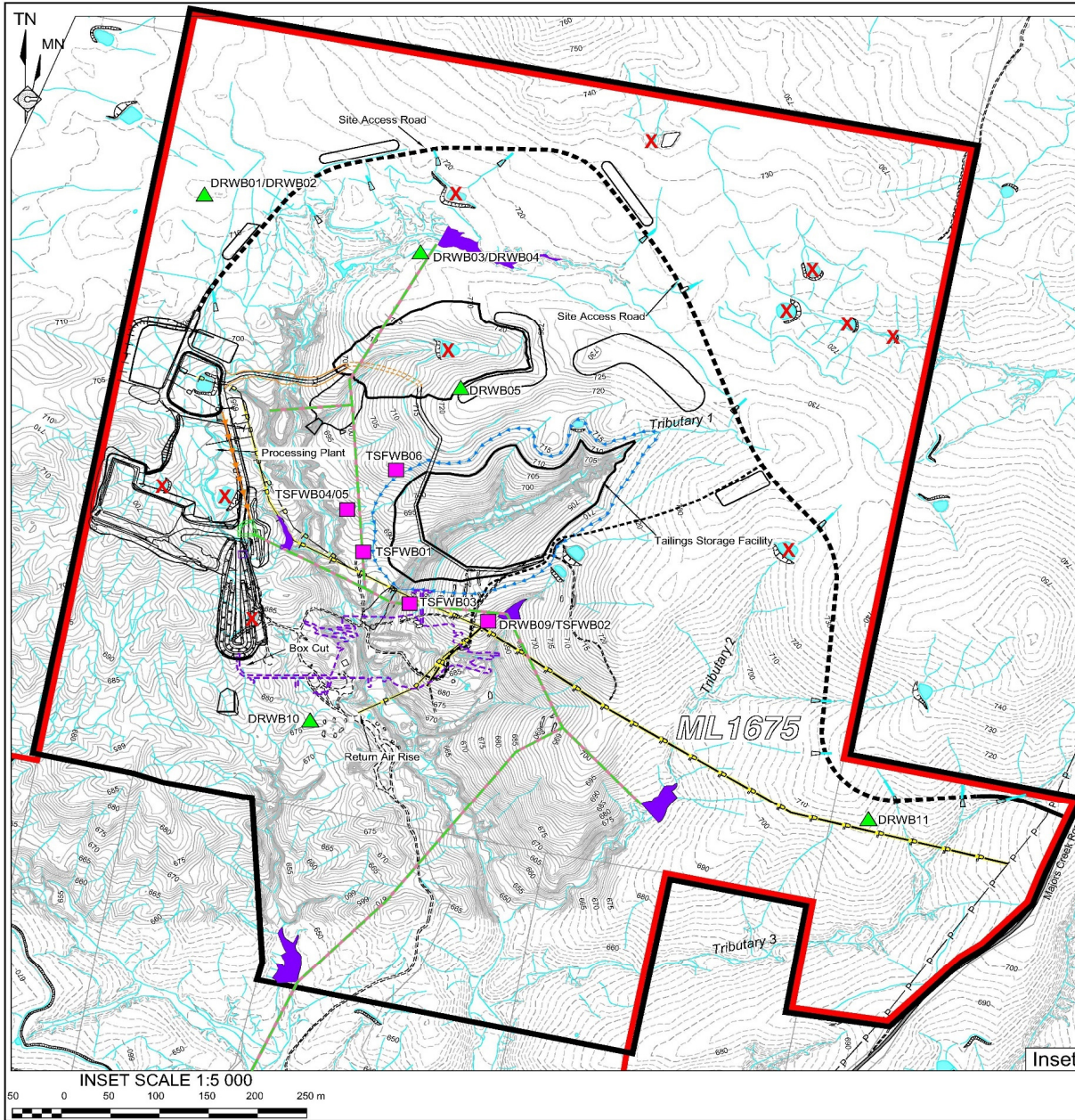
- Groundwater levels are measured at 13 locations surrounding the Dargues Gold Mine.
- These monitoring bores monitor water levels in the three different types of aquifer:
 - Regolith;
 - Alluvial; and
 - Hardrock (granodiorite).
- Extraction volumes

- **Surface Flow Monitoring**

- Two locations on Spring Creek. One above the mine and one below the mine before the confluence with Majors Creek.
- Two locations on Majors Creek. One upstream and one downstream of the confluence with Spring Creek.

- **Meteorological Monitoring**

- Weather station located within the Dargues Gold Mine Site (rainfall data).

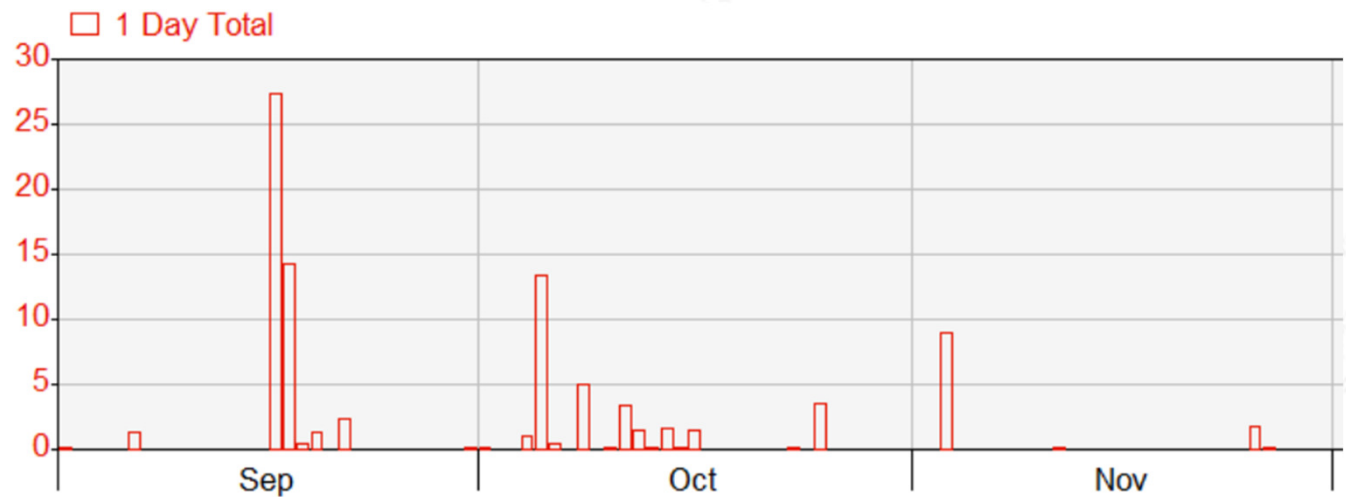
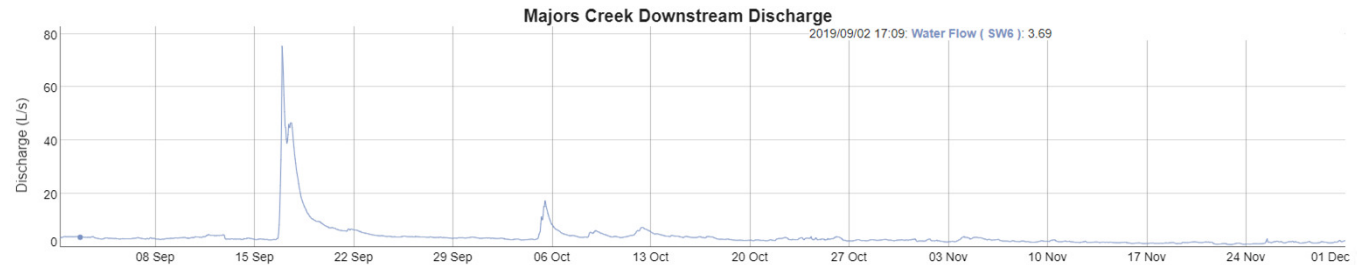


- REFERENCE**
- Project Site Boundary
 - ML 1675 Boundary (Offset for Clarity)
 - Extent of Underground Workings
 - 675 Existing Contour (m AHD)(Interval = 1m)
 - 675 Existing Contour (m AHD)(Interval = 2m)
 - Final Landform Contour (m AHD)(Interval = 1m)
 - Creek / Drainage Line
 - Sealed Road
 - Unsealed Road
 - ▲ DRWB10 Project Site Monitoring Bore (and ID)
 - TSFWB01 Tailings Storage Facility Monitoring Bore (and ID)
 - X Existing Dam/Water Storage (to be retained)
 - X Existing Dam/Water Storage (to be removed)
 - ▲ Harvestable Rights Dam and Identifier
 - ▲ Clean Water Diversion Structure
 - Seepage Cut-off Trench
 - Soil Stockpile
 - Transmission Line (Existing /Approved)
 - Proposed Road/Track (Sealed/Unsealed)
 - Proposed Pipeline (Indicative)
 - Fence
 - X Snobs Historic Workings (and ID)

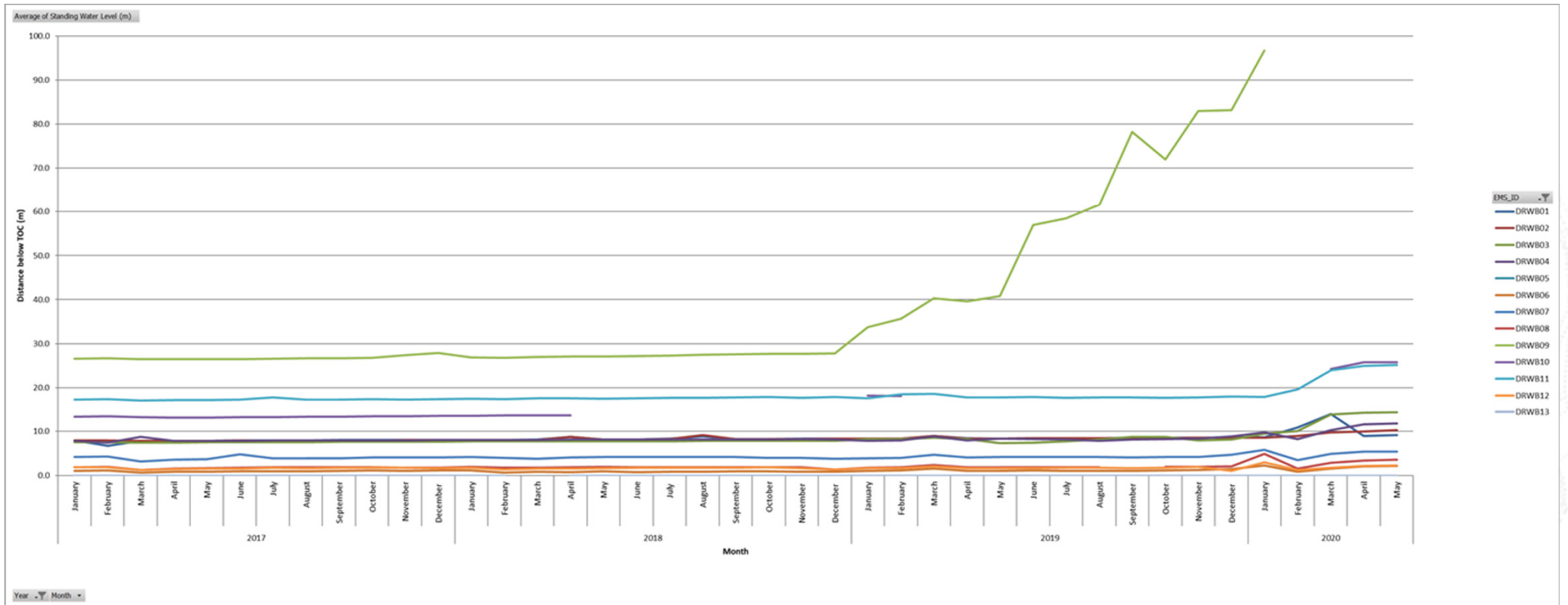
PROJECT SITE GROUNDWATER MONITORING LOCATIONS

Majors Creek Flow - Drought

- Stream flow in Majors Creek and Spring Creek is distinctively related to rainfall.
- Depleted state of the three aquifers following a long period of drought is seen in the low baseflow.
- Early September 2019 average flow of 3.5L/s.
- Late November 2019 average flows of approximately 1.0L/s

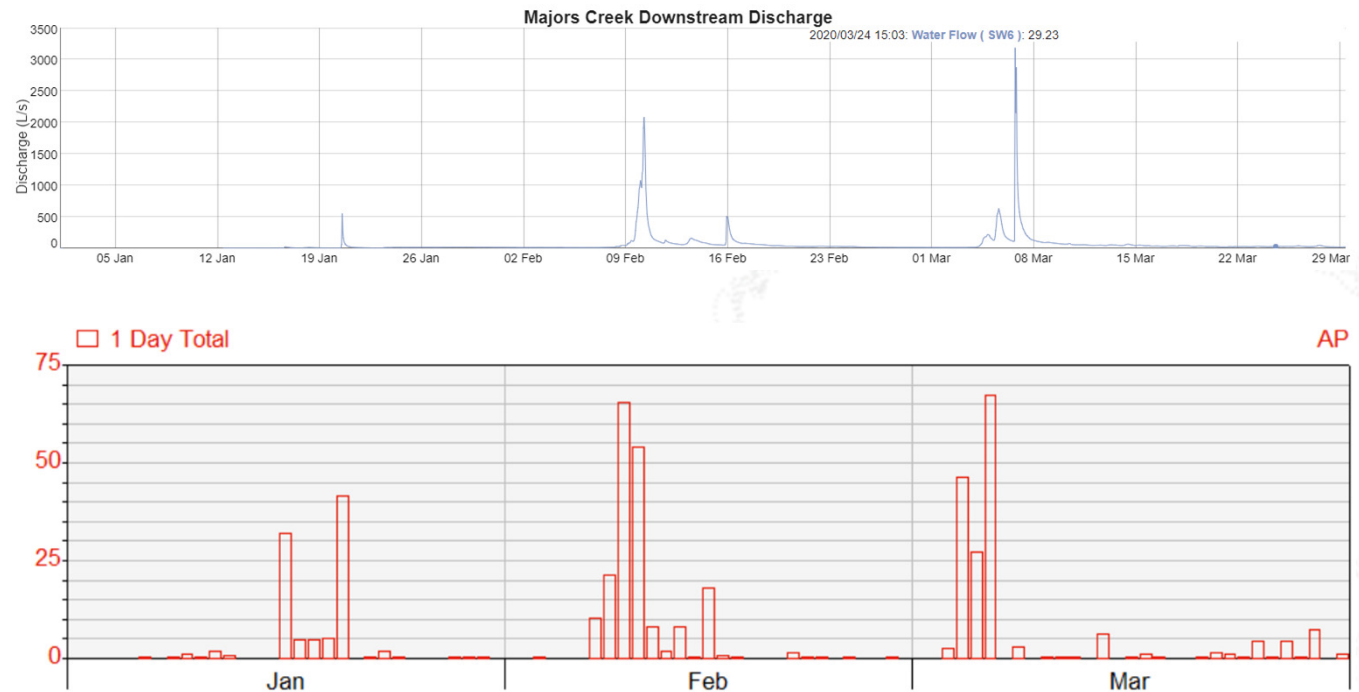


Groundwater Levels



Majors Creek Flow – Following a Period of High Rainfall

- Stream flow in Majors Creek and Spring Creek is closely related to rainfall.
- Any rainfall received following periods of consistent rainfall is discharged quickly to Spring Creek and Majors Creek.
- Average flows through the latter part of march over 25L/s.



Planned Activities

- **Continue the monitoring program.**
- **Construct Harvestable Rights Dams A and H.**
 - Construction of HRD-A will commence this month or early next month (pending favorable weather conditions).
 - Construction of HRD-H expected to commence in the next three months.
- **Update the Groundwater Model**
 - Larger data set and more observations will allow better calibration of the groundwater model.
 - Findings from the groundwater model to be used to determine the monitoring program and future compensatory flow requirements.
- **Review the Water Management Plan**
 - Incorporate updated groundwater model.
 - Revise the monitoring program and Compensatory Flow Program, in consultation with the Department of Planning, Industry & Environment.

Links

- <http://www.divminerals.com.au/dargues-gold-mine/environment/monitoring/water/>
 - Surface Water Monitoring Data
 - Groundwater Monitoring Data and Reports
 - Surface Flow Monitoring Data – real time data
- <http://www.divminerals.com.au/dargues-gold-mine/environment/monitoring/meteorological/>
 - Access to real time data from the Dargues Gold Mine weather station
- <http://www.divminerals.com.au/dargues-gold-mine/project-approvals/nsw/>
 - Project Approval Conditions
 - Environmental Assessment
 - Environmental Assessments - Modifications 1 – 4
- <http://www.divminerals.com.au/dargues-gold-mine/operational-documents/management-plans/>
 - Environmental Management Plans

Complaints Register

- New Complaints Register format and data analytics has recently been rolled out in June 2020.
 - Improved reporting timeframes from 28 days to 1 – 14 days.
 - Greater analysis capabilities, including:
 - Number of complaints over a specific timeframe;
 - Number of complainants; and
 - Distribution of complaints by time, date and type (eg. Noise, light, biodiversity or traffic).
 - <http://www.divminerals.com.au/dargues-gold-mine/community/complaints-register/>
- Linked to our internal reporting system.
 - Ensures all department managers are aware of a complaint in a timely manner.
 - Company executives are able to review the complaint, response and timeliness of resolution.
 - Improved data capture, accuracy and reporting.

Complaints Register – Publicly Available



Community Information Line

- Critical importance that complaints are directed to the Dargues Gold Mine.
 - Information Line – 1800 732 002 (Callers to the Information Line can be completely anonymous); or
 - Email – DGM.Community@divminerals.com.au.
- The more information provided, the better our response to the complaint can be. The information provided should include:
 - Time and date;
 - Location;
 - Nature of complaint;
 - Description of the event;
 - Persons / company involved; and
 - Any other information the Complainant feels is relevant.

Traffic

- Governed by the *Traffic Management Plan*, including the *Drivers Code of Conduct*.
- Key Condition – Schedule 3, Condition 41:

The Proponent shall ensure that:

- a) a maximum of 4 concentrate trucks exit the site per hour;
- b) the dispatch of concentrate from the site is limited to between the hours of 7am to 10pm Monday to Saturday and 8am-10pm Sundays and Public Holidays;
- c) all heavy vehicle movements to or from the site are prohibited between the hours of 7am - 8.30am and 3pm-5pm on school days;
- d) a bus is operated from Braidwood to offer mine workers transport to and from the site each day; and
- e) all reasonable and feasible measures are implemented to minimise the project's contribution to the traffic on Majors Creek Road, Araluen Flat Road, Captains Flat Road, Coghill Street and Wallace Street.

This matter has been raised with the Department of Planning, Industry & Environment by the CCC, therefore, we are working directly with the Department to ensure we continue complying with the Consent.

Project Update – Processing Plant



RESPECT
RESULTS

BRISBANE
GOLD MINE

Project Update – Concentrate & Tailings



RESULTS



GOLD MINE

Community Initiatives

Applications for this round of Community Grants are now officially closed. We have received a large volume of applications from a strong and diverse field. We would like to thank all the applicants for their time and effort in preparing the high quality of submissions received.



Facebook posts

Diversified Minerals
Published by Katie Mc [?] · April 22 ·

Dargues Gold Mine recently commenced a phased commissioning process of the Processing Plant. The plant consists of two main parts: a 4-stage crushing circuit as well as a 3-stage concentrating circuit. During commissioning, the plant will produce gold concentrate, with continuous plant operations planned to commence in May 2020. Starting this week, we will see further concentrate production as well as road haulage of concentrate to the rail siding in Goulburn. All drivers hav... [See More](#)



Diversified Minerals
Published by Katie Mc [?] · April 23 ·

As part of the Dargues Gold Mine Processing Plant commissioning activities, our Sustainability Team have increased the frequency of real-time attended noise monitoring in and around Majors Creek.

Our friendly staff will be taking periodic noise readings at numerous locations within our community to ensure the project is complying with the stringent noise limits set in our Project Approval.

We will continue to ensure that all personnel at the site are aware of the sensitivity of the local community to noise emanating from the site and will continue to follow up any noise observations that the community makes us aware of. As always please feel free to get in touch with us by making contact via DGM.Community@divminerals.com.au or our Community Information Line (1800 732 002).



Diversified Minerals
Published by Chase Dingle [?] · May 2 ·

Our latest edition of the Dargues Gold Mine Community Newsletter is available on our website.

You can read all about the exciting new processing plant, our response to COVID-19, plus find out about some of our recent community initiatives.

As part of our transition from construction to commissioning and then operations, we have changed the frequency of newsletters to quarterly. ... [See More](#)

Dargues Gold Mine

08 NEWSLETTER Q2 2020

Processing Plant Commissioning

Over the past few months, construction personnel have been finalising work within the Processing Plant and operational staff have been brought onboard to initially develop the procedure to operate the plant and move to conduct the commissioning process. This is a significant milestone for us, as it not only signals us to transition from construction to an operating mine site, but it also transitions us to an operation which generates revenue from the concentrate we produce and sell at a time when the gold price is at record highs in Australian dollars.

The commissioning activities are being undertaken in a series of stages, with initial commissioning of components occurring during daytime hours only, before progressing to the 'Hot Commissioning' phase which is occurring day and night and comprises of running waste rock through the plant before moving onto ore.

The plant consists of two main parts:

- a four stage crushing and milling circuit to reduce the size of the rock mined from underground drives to a fine sandy powder; and
- a two stage concentrating circuit, which recovers the sulphides containing the gold (the black material in the balls in right hand photo) and leaves behind the waste rock.

Continuous plant operations are planned to commence in May 2020. Starting last week, we saw further concentrate production as well as road haulage of concentrate to the rail siding in Goulburn. All drivers have completed the mandatory driver side of conduct training and concentrate haulage will be undertaken in accordance with our Project Approval Conditions.

"We have been looking forward to this exciting phase of the project since breaking first ground at the Processing Plant site at the end of 2018," said Dargues Gold Mine General Manager Shannon Green. "While there is work to be done to achieve steady state production, the significant step of commissioning or commissioning on ore and first concentrate is a momentous milestone for the Dargues Gold Mine team."

The Dargues Gold Mine team and contractors engaged during the construction of the Processing Plant have performed a tremendous task over the past 15 months, as the work has been undertaken with numerous challenges including: builders, workers, high winds, snow and significant rain fall events.

Diversified Minerals
Published by Katie Mc [?] · June 2 at 2:14 PM ·

Another milestone achieved at Dargues Gold Mine with our 100th container of concentrate transported from site today. Well done to our 'oresome' team! Our first shipment of concentrate from Port Kembla is planned for later this month.



Diversified Minerals
Published by Katie Mc [?] · June 12 at 1:23 PM ·

Applications for this round of Community Grants are now officially closed. We have received a large volume of applications from a strong and diverse field. We would like to thank all the applicants for their time and effort in preparing the high quality of submissions received. We will be reviewing all submitted applications in the coming weeks and shall duly notify the outcomes of these applications in the not too distant future.





SAFETY
SERVICE
RESPECT
RESULTS



DARGUES
GOLD MINE