Minutes of Twenty-Fourth Meeting

The DRCCC held its 24th meeting on 28 June 2017 at the Dargues Gold Mine Site at Majors Creek Road.

Meeting

Attendance: Brian Elton Chairperson, David Lever, Belinda Royds, Peter Cormick, Tom Wells, Kathleen Waddell, Karis Sanderson (Alternate Member – Matt Darwon), Pete Harrison (QPRC), James Dornan (Diversified Minerals), Len Sharp (Diversified Minerals), Mick South (PYBAR), Paul Rouse (Diversified Minerals), Hannah Bubb (Elton Consulting – minutes), David Carswell (Manager Land Use Planning, QPRC), Jane-Marie Crouch (Environmental Health Officer, QPRC), Natasha Abbott (Manager Landscapes and Health, QPRC)

Apologies

Apologies were received from Matt Darwon, Bill Waterhouse, Brett Corven and Richard Roberts.

Site inspection

Through the induction Len Sharp reminded members that he is the contact on site and provided the 24hr contact number, 1800 732 002. Len added that he can respond to questions between CCC meetings.

Pecuniary and other interests

In keeping with the guidelines for establishing and operating CCCs for mining projects (Dept. of Planning and Infrastructure 2007) all members are asked to declare any pecuniary or other interests. No changes were reported by members present. Kathleen, as new member, declared no conflict of interest.

It was clarified that there is an existing list of pecuniary interests of CCC members and that no changes have occurred. It was agreed that this would take place in future.

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).

Tom Wells requested that minutes identify who responds to questions, in addition to who raises the question.

Correspondence

No correspondence since the last meeting.
New CCC members and alternate members

The Chair introduced new member, Kathleen Waddell, and alternate member, Karis Sanderson and noted Rebecca Bigg is also a new alternate member. A representative from Coastwatchers, Richard Roberts, was also appointed as a member of the CCC. These members have been appointed by the Secretary of the Department of Planning and Environment NSW.

CCC membership was discussed. It was noted that the Company, Queanbeyan-Palerang Regional Council and Eurobodalla Shire Council are members of the CCC. The CCC also comprises community members and an environmental group representative.

The process for alternate members attending in place of community members was described. The Chair noted that when a community member is unable to attend a meeting they will provide an apology to the Chair and then contact an alternate member to attend in their place.

Part 4 Planning Agreement

David Carswell, Manager of Land Use Planning from Queanbeyan-Palerang Regional Council attended the meeting to discuss proposed changes to the planning agreement.

David Carswell described the planning agreement which had been originally signed between Big Island Mining and Palerang Council. The agreement included contributions for roads, line marking and public facilities at Braidwood. In December 2016, the Company asked for some of the terms of the planning agreement, including the timing of contributions, to be revised. David noted he asked to attend the CCC meeting for a preliminary understanding of community feedback to the changes.

James Dornan noted that most of the proposed changes are administrative or clarify the dates of contributions. James added the biggest change is to the funds for a community improvement project in Braidwood. The Company proposed that some of the funds dedicated to a community benefit project and currently earmarked as a contribution to the Braidwood Recreation Ground upgrade project could be dedicated to a community benefit project in Majors Creek. It was proposed that $75,000 be provided to a project in Majors Creek. The total contribution for the community benefit project is $375,300. Overall, there are no modifications proposed to the general terms and total funds in the agreement. The Company sought feedback from the CCC on whether they believe the changes to the division of funds is beneficial.

In response to a question from the Chair, David Carswell provided the components of the existing planning agreement, listed below.

- $550k for route upgrades including Majors Creek – completed
- $15k for line marking – completed
- $78k for pavement upkeep during construction – completed
- Annual payment for route maintenance
- $375,300 for a community benefit project
- Payment for waste disposal at Braidwood landfill
David Carswell explained that the changes would be made by either replacing the planning agreement in whole or a deed of variation through Council. David added there will be a minimum for 28 days for formal community feedback on the proposed agreement and Council will review the response to submissions. There will be a few consultation steps as part of this process.

The Chair asked whether the changes in contribution would impact the completion of the Braidwood project. David took the question on notice. Following the meeting David Carswell contacted the CCC, noting:

> Since our last community consultation committee meeting for Dargues Gold Mine recent information has become available which indicates that the Braidwood Recreational Ground project is likely to require the entire amount allocated to it under the original Planning Agreement. Consequently there will be insufficient funds to fund another project at Majors Creek as suggested to the meeting.

Peter Harrison commented that the Recreation Ground upgrade was a staged project and, as he understood it, not dependent on funds from Dargues Gold Mine. Peter added the Company’s funds were mostly dedicated to extending the playing surface. It was noted that this extension is still intended and included in the next stage of the project, because it is currently not certain when sufficient Council funds would become available.

CCC members discussed the possible community benefit project at Majors Creek. Belinda Royds that an educational scholarship would be excellent project.

In response to a question from a community member, David Carswell noted that there are a variety of options for the potential funds, which are open to what the community would like. David added the project selected would be determined through a consultation process.

James Dornan added that the decision to change the allocation of the funds had not been made and that there are many steps to go through.

Peter Cormick considered that diverting funds to Majors Creek was a good proposal and sought the rationale on the proportion of funds proposed to be provided to the project.

David Carswell responded that the Braidwood Recreation Ground upgrade is a big project, requiring the majority of the funds, and in light of that the split seems reasonable.

Paul Rouse added that Majors Creek is an important area in relation to the mine, because residents had seemed more interested to attend the company-sponsored public meetings.

Len Sharp raised that he had met with the Majors Creek Progress Association. Len shared that the Association was supportive of the proposed change and community consultation with Majors Creek.

Karis Sanderson raised that the Majors Creek community more broadly had not heard any information about the proposed changes. The Chair added a good process for consultation will benefit the Company.
CCC members were curious about the proposed changes’ impact on the Braidwood project’s feasibility, particularly noting that it may not be acceptable to the broader community if the Braidwood project could not proceed without the funds. David Carswell responded that no alteration to the funding is available at the moment and that Council had asked the Company to bring the discussion to the CCC.

Belinda Royds supported proposed educational scholarships, adding that the existing Braidwood District Education Foundation could facilitate this, and provided some contact details.

Peter Harrison raised that the planning agreement was created before the CCC and there probably was not extensive consultation about the funding at the time.

David Lever raised that going forward it would be good for all communities to have opportunities to put projects forward to the Company. David requested that the Company provide a mechanism to put projects forward.

David Carswell noted a number of matters he would return to Council with. Firstly, that the community should understand that changes to the planning agreement do not compromise the existing agreement. Secondly, a proposed project at Majors Creek should be widely supported. It was agreed that Mine funds intended for Majors Creek would be publicised, and that a village meeting open to all locals would then agree upon how best to allocate and help administer it jointly with the Mine and the Council. Thirdly, there should be an understanding of the funding status for the next stage of the Braidwood Recreation Ground upgrade.

Belinda Royds noted that Council should not rush to spend the money just because it is there, if waiting for an opportune project would deliver better long term impact.

**Matters which community representatives wish to raise with Diversified Minerals**

Questions received from CCC members prior to the meeting were responded to at the meeting. Responses have been provided in Attachment A.

Additionally, there was a discussion about pest management onsite and opportunities for the Company to work with neighbours.

Following the main questions Tom Wells queried, what is the estimated cost of post mining rehabilitation and is the bond adequate?

James Dornan responded that the bond is assessed and approved by the Division of Resources and Energy and is calculated using the standard cost calculation tool. The figure is included in the Mine Operations Plan and an appendix of the Plan includes the calculations. Len Sharp added that the figure is independently verified by the Department of Resources and Energy.

David Lever asked, which major management plans are not finalised?

James Dornan responded that the Water Management Plan and Environmental Management Strategy are the two remaining plans required to be updated. The Pollution Incident Response Management Plan will also be finalised within a week or two of the meeting and would then be made available to CCC members.
James Dornan added that the Mine Operations Plan includes a rehabilitation plan. James informed the CCC that there has been a change in regulations for Mine Operations Plans (MOP), as such MOPs now focus on rehabilitation plan rather than repeating information provided in other plans and documentation.

**Matters which Diversified Minerals wishes to raise with the community representatives**

Len Sharp informed the CCC that the draft Wombat Management Plan would be tabled before the next meeting, adding it will be reviewed internally first. Len will be discussing the plan with Bill Waterhouse prior to sharing it with the CCC.

**Other business**

No matters raised.

**Next Meeting**

The Chair provided the below dates as a tentative day for a future meeting.

- Tuesday, 12 September 2017

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**

[Signature]

Brian Elton

Independent Chairperson

Dargues Reef Community Consultative Committee
Attachment A: Questions received from members before 24th CCC Meeting

Questions received from Kathleen Waddell

1. What are your plans for monitoring and containing the tailings and other debris after the mining is finished and the site is closed down? World wide this has been a problem with sites being left to deteriorate and leaking damaging substances into waterways. This particular site is very vulnerable as it is at the edge of a steep drop into a major river and there have already been spillages.

Len Sharp responded that water quality monitoring continues throughout the life of the mine and to meet established criteria as part of closure commitments. This is set within the Mine Operations Plan. Regarding the TSF, there will be a capped structure designed to cover the area so that water cannot infiltrate the ground below. All other infrastructure will be removed from the site, with the area returned to its pre-development state. The Company will provide a $2.9 million bond to the Government which will be held until the remediation is completed to a satisfactory standard.

2. Realistically, what percentage of workers would be local and what percentage would be fly in?

Len Sharp responded that at the moment it is hard to say. The Company aims to steer away from fly in fly out workers as much as possible, but this depends on skills available locally. For unskilled positions, it is expected that 100% of positions will be filled locally. For the moment the Company is not aware of what skills are available in the local area.

It was added that the Company has a fatigue management policy, which has requirement for travel time and night shift hours.

3. How long will the jobs last?

Len Sharp responded that the projected mine life is 5 years and that the majority of positions will be 5 years.

4. A few people have raised concern about the March 2017 rain event which was significant (some have indicated it was at a 30 year high) and how the mine is managing runoff during heavy rain events. The downstream effect of that one night in March was extraordinary and given the height and energy of the Majors Creek rush at the base of the Majors Creek and in the Araluen Creek what happened at the Dargues Mine site?

Len Sharp responded that prior to March CCC meeting the area had a significant high intensity rain fall event. Following a complaint made by a community member, the EPA attended onsite to complete an investigation which found that the mine site did not release any water.

5. Did the mine manage?

Yes.

6. Were they on top of it and what lessons were they able to learn and are they prepared adequately for future rain events as it often seems they are surprised in spite of many warnings?

Len Sharp responded that following the event, a new irrigation area was introduced. The purpose of the area is to increase capacity between events, this is a key result of the March event.
7. What plans are in place to stop anything from the mine entering the creeks during times of heavy, protracted rain?
Len responded that the criteria for dam construction ensures the dam is built to withstand the 20 day, 90th percentile rainfall event of 106mm.

8. Does the Dargues Mine have its plans for runoff management inspected and assessed by an independent body?
Yes. Once the TSF is constructed a number of regulations apply. The Dam Safety Committee oversees design and construction, and Knight Piesold have been engaged to design and construct the TSF. The Company has received the first stage from the Dam Safety Committee that the design is appropriate.

The following questions were provided by Peter Cormick on behalf of a resident of the Deua River Valley.

9. Will the Company advise downstream water users of any failures in the tailings dam or any other occurrence that may effect water quality?
Len Sharp responded that the Company would inform users depending on severity of the event. The Pollution Incident Response Management Plan – to be available ‘shortly’ – identifies when the users will be notified.

10. Does the Company have contact details for downstream water users, particularly in the case of an emergency, eg tailings dam failure?
James Dornan noted that prior to changes to the Company’s website there was an online form where individuals could add themselves to the notification register. This will again be implemented prior to processing operations commencing. CCC members are invited to inform their neighbours about the register when the opportunity to do so becomes available.

11. If not, how can we provide our contact details?
Once the online form is functioning correctly on the Diversified Minerals website, community members will be able to provide their details via the website. In the meantime, community members can provide their contact details to Len Sharp.

It was added that the EPA is the appropriate regulatory body for water issues. Diversified Minerals added they are happy to receive enquiries.

In response to a question from Belinda Royds, Diversified Minerals said that no one was notified following the rain event in March as none of the additional sediment in downstream watercourses came from the mine. Len Sharp added that had there been a breach the Company would have followed the Pollution Incident Response Management Plan. The EPA investigation found that sediment was from a neighbouring property.

12. Can we expect immediate contact in an emergency?
This is provided in the soon-to-be-finalised Pollution Incident Response Management Plan.

13. Where is the ore being taken for processing?
James Dornan responded that no decision has been made yet and a number of options for processing remain. James added that concentrate (sulphide component) will be trucked offsite and there is an approved transport route for the mine. Options include secondary processing offsite, sale at the gate (sell the concentrate to another party directly from the mine), and all options are currently being worked through.

The following questions were provided by Karis Sanderson.

14. Heron Resources has been negotiating with Pybar or Div. Minerals (HR web site.) If this could affect Dargues/ area around it, may we know details? Karis provided context regarding this question adding that the Heron Resources website states it is reopening a project in Woodlawn, NSW. Karis raised that Heron Resources were potentially looking for processing options which include trucking concentrates to ports for export.

Paul Rouse responded that conversations between PYBAR and Heron Resources were occurring prior to the Diversified Minerals becoming involved with Unity Mining. Paul added that Diversified Minerals and Heron Resources are competing for labour as they work in the same geographic area and look to see whether there are synergies with projects.

15. Has a port for exporting the concentrate (or other solution) been decided and finalised? James Dornan responded that no decision has been made yet and a number of options for processing remain.