



Evolution
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21 August 2020

Secretary, Department of Planning, Industry and Environment
Attention Phil Nevill, Senior Planner
Department of Planning, Industry and Environment
4 Parramatta Square
12 Darcy Street
Parramatta NSW 2150

www.evolutionmining.com.au

Re: Cowal Gold Mine (DA 14/98) - Request for an extension of time to comply with conditions in Project Approval

Dear Mr Nevill,

Evolution Mining (Cowal) Pty Limited (Evolution) requests an extension of time to comply with Condition 3.4(b) of the Development Consent for the Cowal Gold Mine (DA 14/98). The background to this request is provided below.

Evolution Mining (Cowal) Pty Limited has approval (DA 14/98) to operate the Cowal Gold Mine, located approximately 38 kilometres (km) north-east of West Wyalong in New South Wales. The Project was modified under Modification 14 (MOD14) to the Development Consent, with approval received in October 2018. The project has also been subject most recently to Modification 15; however, MOD14 is the subject of this letter.

A biodiversity assessment was undertaken for MOD14 by AMBS Ecology and Heritage (AMBS 2018) and Resource Strategies Australia (RSA 2018a, 2018b) under the former NSW *Threatened Species Conservation Act 1995* (TSC Act) and associated biodiversity assessment framework. This included an assessment of impacts and associated offset requirements under the *Framework for Biodiversity Assessment* (FBA, OEH 2014a), as well as assessment of several offset areas, proposed to fulfill this offset requirement, under the *BioBanking Assessment Methodology* (BBAM, OEH 2014b). This work demonstrated that the proposed offset areas were sufficient to meet the offset requirements for the project, with the offset areas able to meet all credit requirements with 2,069 residual credits remaining (Table 31 of RSA 2018a). Evolution's intent was to secure these areas under a BioBanking Agreement, in accordance with the requirements of the TSC Act.

Offset requirements were conditioned as a part of their Development Consent. Condition 3.4(b1) requires the offset areas shown in Appendix 3 of the Development Consent to be secured by entering into a Stewardship Agreement "*within two years of commencing the construction activities associated with Modification 14*", while Condition 3.4(b2) requires the biodiversity credits required by the project to be retired "*within two years of commencing the construction activities associated with Modification 14*". Condition 3.4(b3) requires the use of the credits generated by the offset areas to be used to meet the offset requirements of the project. Construction activities associated with the MOD14 commenced in October 2018.

Since the Development Consent was granted the NSW *Biodiversity Conservation Act 2016* (BC Act) has commenced operation. This has included the introduction of the Biodiversity Assessment Method (BAM, OEH 2017). Evolution has been advised that, rather than securing these offset areas under a BioBanking Agreement as proposed, they will need to secure them under a Stewardship Agreement in accordance with the BC Act; this is conditioned in Condition 3.4(b1). Securing these areas under a Stewardship Agreement will necessitate re-assessment of these areas in accordance with the BAM (OEH 2017). It is recognised that the credits generated at the offset site under the BAM (OEH 2017)

will differ from the number generated under the BBAM (OEH 2014) due to differences in the methods, with BAM generating few credits across the same area.

Further work was undertaken by AMBS in 2019 to collect data from the offset areas in accordance with the BAM (OEH 2017). This data was analysed using the calculator associated with the BAM (OEH 2017) to understand the number and type of credits generated under this new assessment framework. Concurrent with this, Evolution also sought an assessment of reasonable equivalence from the NSW Biodiversity Conservation Division (BCD) to convert the credits required under Condition 3.4(b2) to an equivalent number under the BAM. This request was submitted to BCD on 3 March 2020 with a response received on 7 April 2020.

Together, these two steps have demonstrated that due to the change in the assessment method, and associated changes in how credits are generated, there is now a significant deficit that has arisen. The offset areas proposed as a part of MOD14 are no longer sufficient to meet the offset requirements for the project.

Evolution and EMM are currently engaging with John Seidel from the Ecosystem Assessments team at BCD on this matter. John Seidel has advised that this team is considering several options to resolve this matter, but that the release of an updated BAM in July 2020 will change the number of credits generated from the offset areas. This team is also reconsidering the assessment of reasonable equivalence.

As a result of the above Evolution is now no longer on schedule to meet the requirements of Condition 3.4 (b1) and (b2), being securing the offset areas under a Stewardship Agreement and retiring of credits within two years. It is estimated that, once the items listed above are resolved with BCD, Evolution will need 12 months to complete and submit the Stewardship Agreement and retire the credits. Evolution kindly requests a 12-month extension from the date of this letter to meet the requirements specified in Condition 3.4(b1) and (b2).

If you wish to discuss this matter further, please feel free to reach out to Nathan Garvey, Associate Director at EMM consulting who is providing technical support/ advice on this matter. Nathan can be contacted via telephone on 0477 717 010 or via email on: ngarvey@emmconsulting.com.au

Failing Nathan in the first instant, please contact the undersigned on the details provided.

Yours sincerely,

Evolution Mining (Cowal) Pty Limited



Simon Coates

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References

AMBS 2018, Cowal Gold Operations Processing Rate Modification - Flora and Fauna Survey Report, prepared for Evolution Mining (Cowal) Pty Limited by AMBS Ecology & Heritage.

OEEH 2014a, Framework for Biodiversity Assessment, Office of Environment and Heritage, Sydney.

OEH 2014b, BioBanking Assessment Methodology, Office of Environment and Heritage, Sydney.

OEH 2017, Biodiversity Assessment Method, Office of Environment and Heritage, Sydney.

RSA 2018a, Cowal Gold Operations Processing Rate Modification: Biodiversity Assessment Report and Biodiversity Offset Strategy, prepared for Evolution Mining (Cowal) Pty Limited by Resource Strategies Australia.

RSA 2018b, Cowal Gold Operations Processing Rate Modification: Addendum To The Biodiversity Assessment Report and Biodiversity Offset Strategy, prepared for Evolution Mining (Cowal) Pty Limited by Resource Strategies Australia.