

ASSESSMENT REPORT

Hillgrove Mine

Extension of Mine Life Modification (DA 98/35 MOD 4)

EXECUTIVE SUMMARY

The Hillgrove Mine is an underground gold and antimony mine located in the Armidale regional local government area. The mine is owned and operated by Hillgrove Mines Pty Ltd (HMPL). The existing Ministerial development consent allows HMPL to extract and process up to 250,000 tonnes of ore per annum until the end of December 2019. HMPL is seeking to modify this consent to allow the mine to operate until 31 December 2023.

The Department exhibited the modification application from 8 February 2018 to 22 February 2018. The Department received advice from five Government agencies, none of which objected to the proposed modification. No public submissions were received.

The Department's assessment found that the modification would not result in any significant impacts when compared to the approved project as the mine would continue to be strictly regulated in accordance with the existing conditions of consent. Nevertheless, the Department has recommended HMPL repeat the road safety audit required under the existing conditions to ensure that the mine continues to comply with relevant road safety requirements.

The proposal is likely to have social and economic benefits for the local community, including employment for approximately 100 people, and would stimulate flow-on economic benefits in the local and regional economies. Consequently, the Department believes the proposed modification is in the public interest and should be approved, subject to conditions.

1 BACKGROUND

The Hillgrove Mine is an underground gold and antimony mine, located approximately 30 kilometres (km) east of Armidale in the Armidale regional local government area (see **Figure 1**). The mine is owned and operated by Hillgrove Mines Pty Ltd (HMPL).

The mine operates under a Ministerial consent (DA 98/35) granted in November 1998, as well as a number of consents granted by Armidale Dumaresq Council (now Armidale Regional Council). These consents allow HMPL to develop several underground workings to extract and process up to 250,000 tonnes of ore per annum to produce antimony and gold concentrates. The layout of the existing infrastructure and mining operations is shown in **Figure 2**.

The Ministerial consent allows HMPL to carry out operations until the end of December 2019, including:

- development of the underground Brackins Spur Mine;
- construction and operation of surface facilities including a tailings storage facility (TSF2), processing plant, stockpile areas, office and amenity facilities and associated infrastructure; and
- construction of haulage roads that traverse Bakers Creek Gorge.

On 23 July 2015, the former Planning Assessment Commission (now the Independent Planning Commission for NSW) approved a modification to this consent (Modification 3), to allow the mine to continue to operate until 31 December 2019.

However, the mine was placed into care and maintenance in December 2015 due to a significant fall in the antimony commodity price, and consequently very little mining has taken place under the various consents over the duration of the approved extension period. While the mine has been in care and maintenance, HMPL has undertaken additional exploration drilling within approved mining areas to identify additional gold resources. These resources could be extracted to decrease future dependency on antimony and allow the mine to recommence operations.

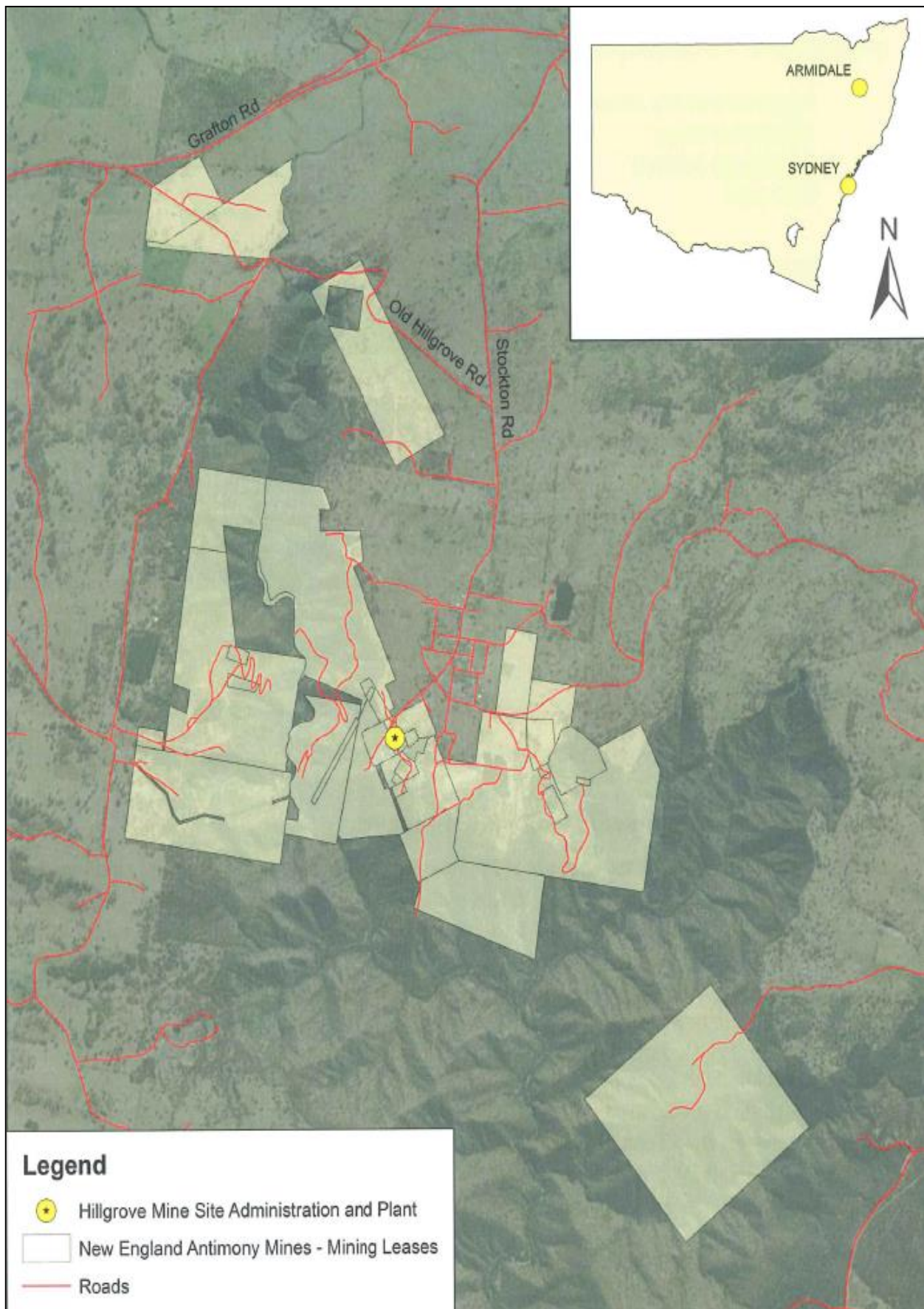


Figure 1: Location of the Hillgrove Mine

2 PROPOSED MODIFICATION

HMPL is seeking approval for a modification to its Ministerial development consent under Section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act) to allow the mine to operate until 31 December 2023¹.

This would allow sufficient time for HMPL to recommence mining operations whilst it submits a State Significant Development application to expand operations at the mine, and to consolidate its various approvals under a single contemporary development consent.

The proposed modification, including proposed timeframes for activities up to December 2023, is described in detail in the Environmental Assessment (EA) (see **Appendix C**). In this regard, HMPL proposes to recommence operations at the mine in approximately 2021.

This modification will not include any changes to existing mining operations or activities currently approved under the consent.

3 STATUTORY CONTEXT

The Department is satisfied that the proposal can be characterised as a modification as it would:

- not alter the approved mining footprint or methods;
- not alter maximum production rates;
- not alter the transportation methods; or
- not significantly increase the environmental impacts of the development.

Despite being granted by the Minister under Part 4 of the EP&A Act, the project is classified as a transitional Part 3A project, and must therefore be assessed and determined under the former Section 75W of the EP&A Act.

The power to modify transitional Part 3A projects under section 75W of the Act as in force immediately before its repeal on 1 October 2011 is being wound up – but as the request for this modification was made before the ‘cut-off date’ of 1 March 2018, the provisions of Schedule 2 (clause 3) continue to apply. Consequently, this report has been prepared in accordance with the requirements of Part 3A and associated regulations.

The Minister for Planning is the approval authority for the modification request, however the request may be determined by the Director, Resource and Energy Assessments, under the Minister’s delegation of 11 October 2017.

4 CONSULTATION

The Department exhibited the modification application from 8 February 2018 to 22 February 2018 and made the accompanying EA publicly available on its website, at Armidale Regional Council and the Nature Conservation Council. The Department also consulted with relevant government agencies and Armidale Regional Council.

The Department received advice from 5 agencies (see **Appendix D**), none of which objected to the proposed modification. No public submissions were received.

No concerns about the modification were raised by Council, Roads and Maritime Services (RMS), the Environment Protection Authority (EPA) or the Division of Resources & Geoscience (DRG).

Hunter New England Local Health District (NSW Health) initially recommended requirements relating to the management of water, tailings and air quality.

The Department consulted further with NSW Health on these matters. Following this consultation, NSW Health advised that it had no residual concerns, but recommended HMPL inform the community on the management and continued operations of the mine (see **Appendix D**).

¹ The consent would continue to operate beyond this timeframe for the purposes of rehabilitation and other environmental management activities.

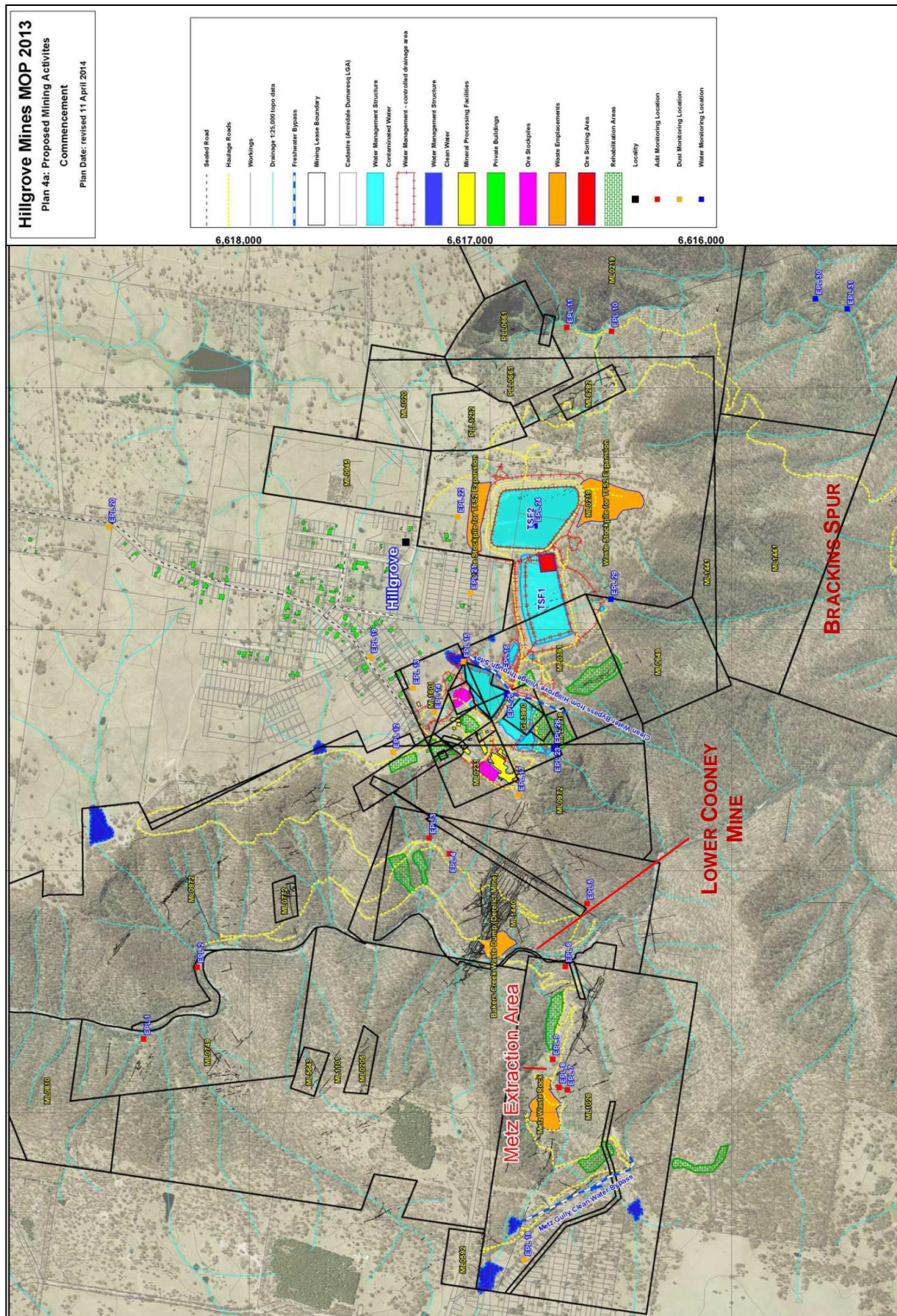


Figure 2: Layout of Hillgrove Mine

5 ASSESSMENT

In assessing the merits of the proposal, the Department has considered the:

- existing conditions of consent;
- previous EAs for the project, including previous modifications;
- the modification application and supporting information (see **Appendix C**);
- submissions (**Appendix D**);
- applicable government policies and guidelines; and
- requirements of the EP&A Act.

The Department notes that the proposed modification would extend the approved impacts of the mine for up to four years. However, the Department notes that the proposal would not alter the approved mining operations, processing rates or transportation methods and would therefore be unlikely to result in any significant impacts beyond those previously assessed and approved.

On this basis, the Department considers that any impacts associated with the proposed modification would be adequately managed and mitigated under the existing conditions of consent. These conditions include a requirement for HMPL to prepare and implement an Environmental Management Plan for the mine including measures to monitor and manage any impacts associated with noise, water quality, air quality and the tailings storage facility, where relevant.

Notwithstanding the above, the Department has recommended HMPL repeat the road safety audit of the intersection of Stockton Road and Waterfall Way required under the existing conditions. The Department notes that no significant issues have been identified with this intersection in the past. Nevertheless, the Department considers that regular audits will ensure that the intersection and its approaches continue to operate at a sufficient level of service and in accordance with relevant road safety requirements. Consequently, the Department has recommended that this audit be repeated in 2020.

The Department acknowledges that the request by HMPL to extend operations has been largely due to a significant fall in the antimony commodity price, which resulted in the mine being placed into care and maintenance in December 2015. However, HMPL has made significant investment in the project, including investing approximately \$10 million undertaking additional exploration drilling and developing a sustainable operating future that is not reliant on the antimony commodity price.

The proposal is likely to have social and economic benefits for the local community, including employment for approximately 100 people, and would stimulate flow-on economic benefits in the local and regional economies. Based on its assessment, the Department considers that these benefits can be realised through extending the duration of operations without any significant increase in the environmental impacts that have already been assessed and approved as part of the existing consent.

The Department is satisfied that all other issues associated with the proposed modification are minor and would be adequately managed through the existing conditions of consent.

6 RECOMMENDED CONDITIONS

The Department has drafted a Notice of Modification (see **Appendix A**) and a consolidated version of the development consent as modified (see **Appendix B**), including some minor administrative changes to the conditions.

HMPL has reviewed the proposed conditions and has raised no concerns.

7 CONCLUSION

The Department has assessed the modification application and supporting information in accordance with the relevant requirements of the EP&A Act.

The Department recognises that extending the duration of operations would lead to a continuation of impacts associated with the operation of the mine. However, the Department's assessment has found that the modification would not result in any significant impacts when compared to the approved project.

The modification is also in the public interest, as it would allow HMPL to continue the extraction of minerals at the mine, and is likely to have social and economic benefits to the local community and the local, regional and State economies, including employment for approximately 100 people.


Consequently, the Department believes the proposed modification is approvable, subject to conditions.

RECOMMENDATION

It is recommended that the Director, Resource and Energy Assessments, as delegate of the Minister for Planning:

- **considers** the findings and recommendations of this report;
- **determines** that the request falls within the scope of section 75W of the EP&A Act;
- **modifies** the consent for the Hillgrove Mine (DA 98/35 MOD 4); and
- **signs** the attached notice of modification (**Appendix A**).

Recommended by:

 12/4/2018

Iwan Davies
Senior Environmental Assessment Officer
Resource and Energy Assessments

Recommended by:

 12/4/18

Matthew Riley
Team Leader
Resource and Energy Assessments

DECISION

The recommendation is: Approved / Not approved by:

 13/4/18

Clay Preshaw
Director, Resources and Energy Assessments
as delegate of the Minister for Planning.

APPENDIX A:
NOTICE OF MODIFICATION

APPENDIX B:
CONSOLIDATED APPROVAL

APPENDIX C:
ENVIRONMENTAL ASSESSMENT

See the Department's website at:

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=9061

APPENDIX D: SUBMISSIONS

See the Department's website at:

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=9061