

[REDACTED]

From: Graeme Bourke <graeme.bourke@bogan.nsw.gov.au>
Sent: Friday, 3 May 2019 9:27 AM
To: [REDACTED]
Cc: Derek Francis
Subject: Hera Gold Project: Council Submission in Response to Proposed Modification Number 5

Follow Up Flag: Flag for follow up
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Dear [REDACTED],

Thank you for the opportunity for Bogan Shire Council ('Council') to respond to the SEE for the proposed Modification 5 to the Hera Gold Project.

1) Introduction

Council's understanding of the scope of the proposed Modification 5 that is most relevant to Council is as follows:

- a) Proposed increase in the rate of transportation of concentrate from the Mine to Hermidale Rail Siding from 50 000 t per calendar year to 60 000 t per calendar year. However, the approved daily vehicle movements, namely 8 movements/4 loads per day, averaged over a calendar month remain unchanged. It is noted the transport rate increased from 4 movements/2 loads per day averaged over a calendar month by agreement of the Secretary in a letter issued by the DPE on 3 February 2017. The letter states such transport must be in daylight hours only;
- b) Production amount remains unchanged (that is, process up to 505 000 tpa of metalliferous ore to produce gold and silver doré (unrefined bars) and a zinc/lead concentrate; and
- c) Mine closure date remains the same, that is, 31 December 2022.

From Council's perspective there are a few matters that it would appreciate some discussion on/resolution before approval for Modification 5 is contemplated. They are listed below.

2) Hera Mine - Traffic and Transportation

Council notes the proposed Modification will not result in changes to the maximum number of daily concentrate vehicle movements - including 36 m road trains - (namely 8 movements/4 loads per day, seven days per week, averaged over a calendar month) nor the route, that is the Nymagee- Hermidale Road.

However, Council notes the DPE letter dated 3 February 2017 only permits vehicle movements during daylight hours – presumably on both the primary and secondary routes.

Given 60 kms of the haulage route for the ore concentrate is within Bogan LGA, Council seeks a financial contribution from the Proponent to address ongoing road maintenance costs, including periodic reseals and road safety improvements. Council notes and appreciates that the Proponent did make financial contributions during the period when some of the road was unsealed and assisted in funding the upgrade to seal.

Moving forward, Council is keen to ensure it derives direct and appropriate financial recompense as regards the proposed modification, consistent with its needs to provide the infrastructure necessary to support all within the Shire and to avoid the transfer of Project-related costs to local ratepayers.

To this end Council notes Cobar Shire Council and Aurelia have a Voluntary Planning Agreement (VPA) whereby that council receives, inter alia, \$60,000 pa + CPI for road maintenance. That sum equates to \$3,000/km for the portion of the route within its LGA. Council thus seeks urgent discussions with the Aurelia with the aim of securing a similar agreement that will enable the delivery of road repair, maintenance and renewal in the Bogan LGA. The sum envisaged is \$3,000 x 60 kms = \$180,000 pa + CPI.

This issue is very important to Council and it requests that the DPE defer the issuing of any consent to Modification 5 until this matter is settled.

3) The Life of Hera Mine

Council seeks more definitive information from the Proponent as to its intentions regarding the future life of the Hera Gold Mine. Council notes the Mining Leases run until mid-2034 (ML 1686) and end 2037 (ML 1746), yet the current development consent only runs until December 2022. Council seeks discussions with the Proponent on this matter as soon as possible to gain a greater understanding of what is planned and the implications for Council's hard and soft infrastructure planning.

4) Plans for the Disused Nymagee Copper Mine

Council understands from the SEE that the Proponent wishes to explore and further develop the adjacent Nymagee Copper Mine that closed in 1975 - nearly 45 years ago. Council would thus like a briefing from Aurelia so as to assist Council in its strategic planning.

We look forward to your response and ongoing dialogue.

If there are any queries please don't hesitate to contact the undersigned on telephone 0268359021 or by return email.

Regards

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