



Evolution
MINING

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31 May 2021

Department of Planning, Industry and Environment
Locked Bag 5022
PARAMATTA NSW 2150

Attention: Mr Phillip Neville; Senior Environmental Assessment Officer

Dear Phil,

RE: SSD-10367 COWAL GOLD OPERATIONS UNDERGROUND DEVELOPMENT PROJECT

I refer to your recent letter to Mr Paul Freeman of EMM Consulting that acts on our behalf in relation to the approvals of this State-Significant Development and Modification 16 to DA14/98. The letter in question (dated 20 May 2021) requests a response in relation to the views of Forbes Shire Council regarding road upgrades and their wish to secure a Voluntary Planning Agreement with Evolution arising from Cowal Gold Operations' proposed Underground Development Project.

The Council's letter refers to three separate matters which I will deal with in turn.

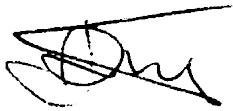
Upgrade of the West Plains Road and Newell Highway Intersection. The Traffic Impact Assessment (TIA) study included as part of the Underground Development Project EIS, is on the public record. We have also provided additional clarification in our letter of 9 April 2021. Evolution is prepared to fund the works and has called for a tender for that purpose. We note that Council now requires only the Basic Right treatment from the Newell Highway.

Sealing of West Plains Road and Bogies Island Road. The Council submission of 17 November 2020 stated a requirement to seal the entire length of these roads in both directions from the intersection of the Newell Highway; a distance of approximately 60km. Our traffic consultants advise that, at a rate of approximately \$1 million per kilometre, this would have a capital cost of \$60 million. The TIA included in the Underground Development Project EIS examined all roads used by the Project-related traffic, including Forbes Local Government Area (LGA) and showed that the design and condition of the roads is suitable to meet both existing and future traffic. In addition, this proposal would add approximately 20% to the capital cost of the Project and threaten the viability of the Project. This would have an adverse cascading effect on plans to extend the mine life of CGO and in turn the employment of staff and contractors that live in the region, including the Forbes LGA. As a result, Evolution strongly objects to any proposal to make this a condition of approval.

Voluntary Planning Agreement. Forbes Shire Council has stated its desire to enter into an agreement with Evolution yet has not made clear how the proposed Underground Development Project has resulted in impacts that might merit a VPA for up to 1% of total capital expenditure under the planning guidelines. Forbes Shire Council appears to be making a case for a VPA relating to the cumulative impacts of the CGO that occur in the Bland LGA, whereas the guidelines make clear it must be for the Project at hand. The only arguable increase in impact is for a very small number of vehicle movements (~11 across a 24-hour period), for which CGO already pays a road maintenance agreement. Evolution rejects the idea that the minor increase in traffic documented in the EIS merits a multi-million payment to Forbes Council.

In the last five years, Evolution has donated \$1,146,000 to groups and individuals in the Forbes LGA and to Council itself, across education, road maintenance, shared value projects and community partnering programs. These are ongoing, voluntary contributions that are part of Evolution's approach to supporting the communities in which we live and work. Evolution CGO continuously works towards a constructive relationship with all local Councils, balancing the need to operate a viable business that can continue to provide significant value for our community into the future.

Yours faithfully,
Evolution Mining (Cowal) Pty Limited



John Penhall
Cowal Gold Operations
General Manager