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30 July 2021

Mathew Sprott
Director - Resource Assessments
Department of Planning, Industry and Environment (DPIE)

Dear Matt,

Glendell Continued Operations Project - Status of Realignment of Hebden Rd Discussions with Singleton Council

Reference is made to your request (Request for Additional Information dated 27/05/2021) for Glencore to further liaise with Singleton Council (SC) in regard to the Realignment of Hebden Road for the Glendell Continued Operations Project (GCOP), the relevant extract is repeated below.

Realignment of Hebden Road – The Department understands that Glencore has commenced discussions with Council regarding the proposed closure of Hebden Road, subsequent acquisition of the land parcel created by its closure, and long-term maintenance costs of the new Hebden Road, however no agreement has been reached. The Department requests that Glencore undertake further consultation with Council and provides a further update on progress towards reaching an agreement regarding the closure and realignment of Hebden Road.

Realignment of Hebden Road is required to enable development of the proposed mining footprint associated with the GCOP. The old section of Hebden Road that will remain following the diversion needs to be formally closed in accordance with Singleton Council's Road Closure Process. A Road Closure Application Form for the section of Hebden Road to be bypassed was lodged with SC on 8 January 2021. SC's process requires the negotiation of an agreed sale price for the section of road to be closed (compensation amount), which then needs to be approved by the Elected Council. It is estimated that the closure process will take 18-24 months and includes land survey, public notification, drafting and signing of a Deed of Agreement and land transfers.

Prior to lodgement of the Application, a number of meetings were held with SC (12 June 2020, 27 August 2020 and 18 November 2020) to discuss the road closure process and the matter of compensation for the section of Hebden Road to be closed. An initial compensation offer was provided to SC on 18 June 2020. This was based on the previously agreed method adopted for the closure of part of Broke Road (Bulga Optimisation Project), which compensated SC for maintenance of the additional length of road over the life of mine. In an email dated 31 July 2020, SC indicated that they were not in a position to accept the compensation offer. No specific reasons were given for SC's refusal of the initial offer.

Subsequent to lodging the Road Closure Application additional meetings (3 February 2021 and 10 March 2021) were held with SC to further understand their compensation requirements. On 28 April 2021, Glendell provided SC with further, detailed written correspondence that put forward an increased compensation offer that had regard to SCs compensation requirements. SC then wrote to Glendell on 13 May 2021 rejecting the increased amount.

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Additional meetings were also held on 10 June 2021 and 1 July 2021 to further understand SCs concerns with the revised (increased) compensation amount, and at the time of writing an agreed compensation value for the closure of a section of Hebden Road is yet to be reached.

We acknowledge that the Wallaby Scrub Road compensation process, as part of the Mt Thorley Warkworth project, included a substantial compensation amount to SC in 2018 that appears to have set expectations for SC in future negotiations. However, it is important to note that the closure of Wallaby Scrub Road was unique in that no replacement road was provided as part of closing the existing alignment. In contrast, the section of Hebden Road for which closure is being sought as part of the GCOP will be replaced by a new section of road (of superior standard) that will divert traffic around the proposed mining area and maintain existing traffic flows in a similar manner to what was implemented for Broke Road (Bulga Optimisation Project).

Glendell will continue to negotiate with SC in good faith, however, it is highly unlikely that an agreement will be reached prior to the completion of DPIE's project Assessment Report.

We would avail ourselves to discuss the matter further with the DPIE, if considered appropriate.

Yours sincerely,

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