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3 November 2021

Joe Fittell
Team Leader - Resource Assessments
Department of Planning, Industry and Environment (DPIE)

Dear Joe,

Glendell Continued Operations Project (GCOP) – Response to Request for Additional Information in Relation to Heritage

With reference to your Request for Additional Information dated 20 October 2021, generally in relation to heritage matters, please find the below responses.

.....we understand that any mine plan which avoids the Ravensworth Homestead would not be pursued by Glencore as it would not be economically viable. Please also provide further information regarding the potential impacts to the Mount Owen Complex as a whole should the proposed Project not proceed.

Glendell Response:

As stated previously, mine plan options that involve leaving the Ravensworth Homestead in situ (e.g. mining around the homestead to within 100m (or 200/300m) or standing off the homestead) are not economically viable (or reasonable and feasible) and would not be pursued by Glencore.

A scenario where the proposed Project does not proceed would result in a number of potential impacts to the Mount Owen Complex as a whole. Putting the socio-economic impacts (such as loss of employment opportunities, lost spend with suppliers, loss of government revenue through royalties and taxation etc) of the Project not proceeding aside, the potential impacts to the Mount Owen Complex include:

- Loss of economies of scale and synergies associated with existing major infrastructure such as the coal handling and preparation plant (CHPP) and associated train load-out facilities and rail loop resulting in inefficiencies and increased processing unit costs.
- Lost opportunity to optimise the Mount Owen Complex final landform including potential to improve final landform shape and drainage, particularly at Glendell Mine.
- Lost opportunity to relocate and refurbish the Ravensworth Homestead in order to provide it with a second life. Instead, the homestead would continue to remain vacant and disused for the duration of mining at the Mount Owen Complex (+15 years).
- Loss of coal blending opportunities.
- Loss of opportunities to share equipment and resources.

The Project is a logical brownfield continuation of Glendell Mine to the immediate north of the existing operation. The Project is located in an area with a long history of mining and has been designed to maximise resource recovery, operational efficiencies and synergies with existing operations whilst aiming to minimise environmental and social impacts. The extraction of this resource now is considered substantially more efficient than seeking to mine the resource at a

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future date and fits within the Mount Owen Complex's existing approved production limits and Glencore's emissions reduction commitments.

The Heritage Council have asked that Heritage NSW follow up with DPIE regarding the Ravensworth Homestead and the information provided by DPIE to address the following issues:

1. *The analysis of mining options does not provide a full analysis of an option for a 200m-300m buffer zone as proposed by Mine Craft Consulting.*

Glendell Response:

The option of mining within 200-300m of the homestead was addressed extensively in Glendell's response to the MineCraft Report (refer to Section 2.2.1 of 'Response to Minecraft Report' prepared Umwelt, August 2021). Similar to the 100m offset option, mining to within 200-300m of the homestead has inherent risks from blasting and technical complexities associated with geotechnical stability concerns. Narrowing of the mine in order to mine around the homestead, and the resulting shallower mining depth with reduced recovery of coal, results in this option not being economically viable. Even in the hypothetical scenario that this was feasible, the homestead would be required to remain vacant for the life of the mine, and the post-mining outlook and setting of the homestead under this mine around scenario would be greatly altered, diminishing some of the heritage values and post-mining uses of the homestead. As such this option is not considered reasonable and feasible.

Glencore seeks approval of the full mine plan, which includes the relocation of Ravensworth Homestead, in order to secure the economic viability of the Project. While the Project requires the relocation of the Ravensworth Homestead, significant heritage values will be realised as a result of the proposed archaeological site investigation and salvage program which will improve the already comprehensive knowledge of the use of the site. This archaeological investigation program would not proceed in the absence of the Project. Further, the Broke relocation option will provide immediate benefits to the local community while the Ravensworth Farm relocation option retains the local community connection to the Homestead and maximises retention of heritage fabric.

2. *Request an analysis of a staged approach that would:*
 - a. *Approve a mining plan with a less than 500m buffer zone, allowing coal to be accessed south and east of the homestead.*
 - b. *Add mitigation measures from blast and vibration, including a berm or blast barrier and structural vibration supports sufficient to preserve all the buildings.*
 - c. *Allow further stages to be revisited in 2030 - 35, that could access the resource on the north of the site should it prove economically viable at that time, to be valued as an option (with the relocation of the homestead)*

Glendell Response:

A staged-approval approach, as proposed by the NSW Heritage Council, is not considered practical and presents inherent financial risks that would result in Glencore not proceeding with the Project.

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As detailed in Glendell's response to the MineCraft Report (refer section 2.1 of the 'Response to Minecraft Report' prepared Umwelt, August 2021), mining to within 500m of the homestead provides around 10 years of mining and access to 57Mt of ROM coal, which represents approximately 40% of the preferred mine plan total resource.

Continuation of mining at Glendell Mine, regardless of whether the homestead is relocated or left in situ, will have similar mining costs and capital requirements for the first eight to ten years of mining. The early years of mining have high mining costs that are driven by the relatively high (unfavourable) ratio of overburden to coal (mining ratio) and the complexity of mining through the narrow zone between the current and proposed mining areas. The scenario of mining to within 500m of the homestead would be dominated by these high mining (and capital) costs and the economic viability of the mine would be particularly sensitive to coal price fluctuations. However, as mining progresses northwards through and beyond the location of the homestead, as proposed under the preferred mine plan, the mining ratio (and mining cost) declines making the preferred mine plan less sensitive to fluctuations in coal price.

Glencore takes a long term view when assessing projects of this nature as it represents a significant investment with decisions based on long run price projections that take into account supply and demand trends. Further, large projects such as the Glendell Continued Operations Project often require substantial upfront capital investment which tends to result in a long payback/breakeven period. Such mining projects require the development of a large resource area with a long mining lifetime in order to reduce its sensitivity to coal price fluctuations and achieve a suitable return on investment beyond the expected payback/breakeven point.

The economic viability of the Project requires certainty that the full mine plan can be developed. A staged-approval that initially only allows mining to within 500m of the homestead, and no guarantee of access to the remaining low mining ratio (and low mining cost) resource beneath and beyond the homestead, would pose a significant financial risk as there would be uncertainty in relation to Glencore's ability to recover the associated high upfront capital spend and high operating costs attached to the early years of mining if future approval to relocate the Ravensworth Homestead was not granted. As such, Glencore does not consider a staged-approval approach involving the initial granting of mining to within 500m of the homestead to be feasible and would not proceed with the Project in such an instance. For this reason, Glencore seeks approval of the full mine plan in order to secure the economic viability of the Project.

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3. *Request a masterplan for the Ravensworth Cultural Landscape after mining in 2035 - 2045 with two scenarios:*
 - a. *The future stages do not proceed, and the landform is remediated with Ravensworth in situ.*
 - b. *The second stage does proceed, Ravensworth is relocated 650m and the landform is remediated.*

Glendell Response:

As discussed above in item 2, Glendell does not consider a staged-approval approach that initially leaves Ravensworth Homestead in situ to be feasible given the financial uncertainty that it presents should approval to mine beneath and beyond the homestead not be granted at a later stage.

Notwithstanding, Glendell will continue to liaise with NSW DPIE in relation to the need to develop a Ravensworth Cultural Landscape Plan as part of any consent conditions developed for the full Project.

Please contact the undersigned should you wish to discuss the above responses further.

Yours sincerely,



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