

**McPhillamys Gold Project SSD-9505**  
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**Introduction**

1. This is the submission HPTP Superannuation Fund Pty Ltd (**HPTP**) in response to the McPhillamy Gold Project Environmental Impact Statement published on 12 September 2019 (**EIS**) by LFB Resources (**Proponent**).
2. HPTP is the registered owner of a grazing and farming property which is located on the Neville Road adjacent to the Belubula River at the head waters of Carcoar Dam. Whilst the property does not front immediately on the river (there is small parcel of Crown Land between the river and an established man made wet land on our boundary), our property is part of the catchment and the river is a very significant aspect of the environmental amenity and value of our property.
3. The EIS is a complex, detailed and technical document which is comprised of over 6600 pages and has been prepared over a long period, with considerable resources and money. With respect to the authors and accepting that it purports to comply with a largely technical process, the EIS is a largely impenetrable document to entities and individuals (such as us and most members of the community) without the resources and time available to the Proponent.
4. We do not accept that the information contained in the EIS sufficiently meets the transparency and fairness standards which should apply to such a significant state development. This approach to the process leaves the community at an inherent and unfair disadvantage. It also places an even greater burden on those charged with decision making on their behalf.
5. This submission should be received with the above qualification in mind. It should not be read as an acceptance that the obligations of transparency and fairness have been discharged by the publication of the EIS and the process which has been apparently taken to the assessment of this proposed project to date or that we have or are in a position to fully understand all of the details of the project.

## Key Features

6. With the above in mind, we understand that the proposed project has the following key features:
  - a. the Proponent is a special purpose entity which is a wholly owned and controlled entity of Regis Resources Limited (**Regis**);
  - b. it is proposed to build and operate a large open cut gold mine and related facilities in an area which the EIS describes as the upper reaches of the Belubula River catchment within the Greater Lachlan River Catchment;
  - c. it is acknowledged that there is insufficient water within the vicinity to operate the mine and this usually fatal impediment will be avoided by pumping waste water from another process more than 70 kilometres to the east of the site (which would otherwise potentially pollute an entirely different river catchment);
  - d. it is proposed that the toxic waste discarded from the mining process will be stored in a massive dam (described in the EIS as the Tailings Storage Facility (**TSF**)) which will be constructed over the head waters of the Belubula River. Only conceptual designs for the TSF have been provided and it appears that there has been no comprehensive detailed design or engineering sign-off. Significantly, the Proponent acknowledges that this aspect of the proposed project brings with it significant risk of failure. The EIS states:

*'For the purpose of this feasibility study to ensure a robust design, the consequence category of extreme has been assigned.'*

*'[the Proponent] has also indicated that based on the concerns for the community and business, they would maintain the standards for an Extreme Consequence Category.'*

7. There will be many risks and impacts from such a significant process including (in no particular order) the destruction and damage of the immediate environment, wildlife habitats and indigenous sites, the seepage of toxic waste water into the water table, the runoff of toxic waste water into the river catchment, noise and air pollution. All of these risks and impacts are of concern to us, others who rely upon, use or benefit directly or indirectly from the river and its surrounds downstream from the mine and more widely, to all citizens of New South Wales.

## Submissions

8. Whilst we expect all of these issues and impacts will be dealt with in the submissions of others and none of them should be underplayed or undervalued, this submission is focussed upon one issue and that is whether a toxic tailings dam of any kind should be permitted to be built on a river or in a river catchment.
9. Our submission on that question is as follows:
  - a. the answer is an unequivocal no;
  - b. the content of the TSF will be highly toxic and 'acid generating';
  - c. the failure of the tailings dam wall is recognised as having an extreme risk consequence. Whilst the Proponent will undoubtedly argue that it has assumed that categorisation of the risk simply for design purposes and to give comfort to the community, the reality is that it represents an appropriate acknowledgement that there is a risk of failure of the structure and the consequence of that failure is extreme. In short, a catastrophic failure of the wall would release a high volume of toxic waste resulting in death and environmental long term damage of enormous scale. It would devastate the Belubula River catchment and significantly impact on the greater Lachlan River catchment;
  - d. Australian and international experience with tailings dams demonstrates that the assessment of the risk is well placed and unsurprising. For example, since the collapse of the Brumadinho tailings dam in Brazil in January 2019 (which resulted in 230 deaths and long term environmental damage), a number of major Australian miners (including BHP, Rio Tinto and Glencore) undertook internal audits of their tailings dams - with the result that many were determined to be at high to extreme risk of failure;
  - e. it is not even necessary to look to overseas or interstate failure of tailings dams to appreciate the risk. In March 2018, a wall on the northern tailing dam at the nearby Cadia Gold Mine partially failed resulting in the movement of 1.3million cubic metres of mining waste material. The cause and ultimate fall out from that partial collapse remains opaque and yet to be finally determined;

- f. as mentioned above, the design of the TSF is conceptual only at this stage. No detailed design or engineering sign-off has been provided. Indeed, the EIS reveals that a risk assessment was undertaken of the tailings disposal options by Dr Peter Stanish on 8 and 12 March 2019. The TSF risk assessment report is contained in Appendix F of the EIS. To the extent the report reaches conclusions, it cannot be regarded as independent of the Proponent or that those conclusions are based on anything more than views informed by unspecified experience. The experience of those involved is described in general terms (such as years of experience in the mining industry) and none of the persons involved provide any evidence of specific experience in the construction and operation of tailings dams of this significance and in a river catchment. The resulting 'risk assessment' appears to be the product of and principally driven by a 'brain storming exercise conducted over a relatively short period between a team of 14 of whom 7 are employees of the Proponent and the remainder are consultants retained by the Proponent. The report does not have the discipline of detailed expert opinion which exposes the reasoning process and gives no real content to apparent conclusions that the 'probability' of a catastrophic dam wall failure is 'rare'. In any event, the undeniable fact is that it is accepted that there is a risk of such a catastrophe, there can be no guarantee against that risk and notably none is offered by the Proponent's analysis.
- g. in the circumstances, it might be unsurprising that the Proponent would receive an unqualified sign-off or guarantee that even a robust design would guard against the risk of failure. Given the inherent risks and industry experience to date one might expect a competent engineer (possibly driven by their professional indemnity insurance) to be circumspect in their advice about the design of such structures;
- h. the risk of failure is not merely addressed at the design and construction stage. The industry experience illustrates that maintenance and monitoring through the life of such structures is an essential risk mitigation step. The EIS does not address the intention or capacity of this Proponent to undertake that risk mitigation exercise throughout the long expected life of the TFS; and
- i. Regis is a publicly listed company which can be described as a 'junior miner' with apparently no other history of mining projects in New South Wales and limited similar mining projects in other states. Thus, the capacity to construct, operate, remediate, make good on the represented benefits and

safeguards is not able to be tested against a clearly referable, direct and lengthy corporate track record. It might be readily observed that entities without such background and experience (despite what they may state in published materials) are in reality driven by relatively short term profits and may not be the ultimate owner or operator of the mine in question. Whilst such motivations are an understandable feature of the corporate landscape, their likely presence requires particular diligence when considering a project with a long term and high risk to the environment. As observed above, the Proponent does not appear to have any established track record in the operation of a project of this nature which might give some comfort that the immediate and long term risks would be given real priority over and above its economic motivations. Moreover, there is no available evidence to suggest that Regis has the financial capacity (through its assets including insurance) to fund any significant remediation from a collapse let alone the loss arising from a catastrophic failure. We make this observation even though it must be recognised that no amount of money would truly remediate the devastation created by the release of the toxic contents of the tailings dam in the event of a catastrophic failure.

For all these reasons it is simply impossible to understand how any serious consideration could be given to the construction of a tailings dam across the head waters of a major river catchment with the acknowledged risk of catastrophic failure. Approval of the proposed tailings dam on any of the sites under consideration would be environmentally irresponsible and could never be justified as being in the public interest notwithstanding the expectation of a share of the royalties and the untested promise of apparent short term benefits to the community. This is particularly so given the current focus on water management and security.