

9 September 2019

NSW Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Re: Letter of support for the Dendrobium Mine Extension Project (DMEP)

Palaris Australia Pty Ltd is an International mining advisory firm (www.palaris.com). We are Australian owned and operated, have been in business for some 20 years and have provided services in more than 27 countries across 15 different commodity types. We employ geologists, mining engineers, environmental scientists, financial analysts, mechanical engineers, electrical engineers, risk management specialists, operations specialists and project managers. We provide independent technical/financial advice on most aspects of mining and our business undertakes project assessment at all stages of project development. There are very few coal mining projects (underground or open cut) in Australia we have not provided services for at some time. Additionally we have advised on coal projects in Indonesia, Vietnam, China, New Zealand, South Korea, Russia, Turkey, Mozambique, Poland, United Kingdom, USA, Canada, Italy, Czech Republic, Bosnia, Iran, Columbia and South Africa.

We are very proud to continue to act as Advisors to Dendrobium, in their quest to develop optimised mining plans. Successful development of these plans requires proper consideration of all stakeholders. The development of effective mine plans considers the range of underground mining factors as well as known sensitive surface facilities. The process of development and assessment of options (technically and financially) is a normal part of International Good Practice for the assessment and optimisation of any mining project. In formulating suitable plans South32 has engaged a full range of mining, technical and environmental specialists. These measures ensure the minimum possible impacts on groundwater, and surface impacts. The use of an underground mining is also important in minimising the surface effects including noise, dust, surface disturbance and the final rehabilitation of the site when operations cease. As an extension of existing mining operations, the proposed development will minimise impacts when compared to greenfields.

The recent NSW budget forecasts a total mining royalty revenue for the state of some \$7.4 billion over the next 4 years – this would pay for the majority of the NSW government's key budget commitments on education, including their \$6 billion commitment to fund 170 new and upgraded schools and the \$500 million plan to deliver air-conditioning in 1000 schools across NSW. This does not take into account the significant financial benefit which will be contributed to the community through the direct employment of many people and the use of local service providers which I am very confident will be foremost in the mind of South 32.

In closing Palaris would like to affirm our strong support for this project, not because of our involvement (i.e. that we get paid for our services) but rather because we have a deep understanding of the effort which has been expended to assess and develop this mine plan. A high priority has been given to the legitimate concerns of the community. The response has been a strong desire to develop a mine that minimises its environmental footprint. Importantly it is indisputable that there will be very significant contribution from this project to our community over the life of the project.

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The South 32 team has continually demonstrated they have a deep and ongoing commitment to continually look for ways and means to make this a better project and we have absolute confidence this commitment will continue.



John Pala
Managing Director