



Evolution
MINING

Cowal

ABN 75 007 857 598

Cowal Operations

P +61 2 6975 4700

F +61 2 6975 4740

PO Box 210

West Wyalong NSW 2671

Registered Office

P +61 2 9696 2900

F +61 2 9696 2901

Level 30

175 Liverpool Street

Sydney NSW 2022

www.evolutionmining.com.au

COW.400.05.4247JC

14 March 2018

Clay Preshaw
Director – Resource and Energy Assessments
NSW Department of Planning and Environment
320 Pitt Street
SYDNEY NSW 2000

Dear Clay,

RE: Thirteenth Annual Report of the Independent Monitoring Panel for the Cowal Gold Project (November 2017)

In response to your letter dated 8 November 2017, please find below Evolution Mining (Cowal) Pty Limited's (Evolution's) responses to the recommendations made by the Cowal Gold Operations (CGO) Independent Monitoring Panel (IMP) in their *Thirteenth Annual Report for the Cowal Gold Project — November 2017* (2017 IMP Report).

Recommendation 1: *CGM should ensure the direct seeding trial is adequately monitored, and be willing to incorporate additional treatments (such as the use of selective herbicides) in the trial if a review of literature identified potential benefits.*

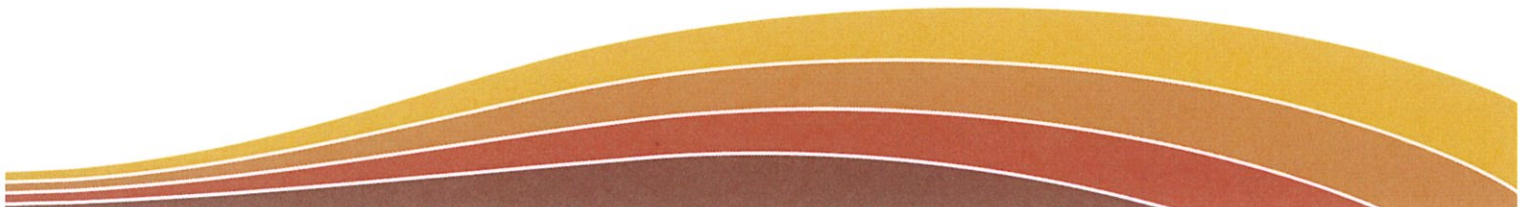
A direct seeding trial has been established and conducted at the CGO, and was designed to investigate the most efficient method of controlling rye grass while allowing for the successful establishment of native plant species by direct seeding.

The trial was established over a hectare on the upper south-western slopes of the Southern Waste Rock Emplacement (SWRE) and upper north-eastern slopes of the Northern Waste Rock Emplacement (NWRE). The trial involved two experiments:

- Experiment 1 - immediate application of a native seed mix onto the newly profiled waste rock emplacement surface prior to any germination or establishment of Rye Grass.
- Experiment 2 - application of a native seed mix once a Rye Grass cover and mulch/litter layer has been established.

In December 2017, DnA Environmental conducted a monitoring survey of the trial areas. While the trials were undertaken during particularly dry conditions, the preliminary results to date indicate that the application of seed directly onto freshly prepared rehabilitation areas that have a rocky soil surface, resulted in higher seedling establishment.

The trial areas will continue to be monitored annually as part of the wider rehabilitation monitoring program at the CGO. Should a review indicate that further treatments are necessary, Evolution would take appropriate action to ensure the implementation of any additional actions.



Recommendation 2: *CGM should make every effort to establish the Substrate Profile Trial on the surface of the Southern West Rock Emplacement (SWRE) as soon as a site becomes available in 2018.*

As previously indicated, once the SWRE has reached its final height, the waste rock component of the Substrate Profile Trial would be implemented on an area on the top surface of the emplacement. The trial would involve the application of a number of cover systems and substrate treatments. Select native tree and shrub species would be planted in the substrate treatments and the trial monitored to assess plant growth, with root system development analysed at the completion of the trial. The Substrate Profile Trial will commence once a suitable area becomes available on the SWRE.

Recommendation 3: *CGM to report metal concentrations in dust samples in the 2017 Annual Review.*

As described in the 2015 Annual Review, a number of changes were made to the air quality management and monitoring requirements at the CGO as a result of the approval for Modification 11 (granted 22 July 2014).

In addition to the removal of several dust gauge locations, a key modification to the air quality monitoring program was the removal of the requirement for analysis of metals in dust samples. This change was made on the basis of the following:

- The Development Consent (DA 14/98) as modified no longer included a requirement/condition to “continue baseline monitoring undertaken prior to the development consent”, therefore there is no requirement to continue analysis of metals in dust.
- The review conducted by Gilberts & Associates (2013) of Lake Cowal surface water monitoring results from the 2012 lake-fill event against baseline (pre-mining) data identified that there is no evidence that the existing CGO has resulted in changes to water quality in Lake Cowal.
- Surface water and sediment quality monitoring is continued within Lake Cowal in accordance with the CGO’s Surface Water, Groundwater, Meteorological and Biological Monitoring Programme which is used to assess potential impacts to Lake Cowal surface water and sediment quality.

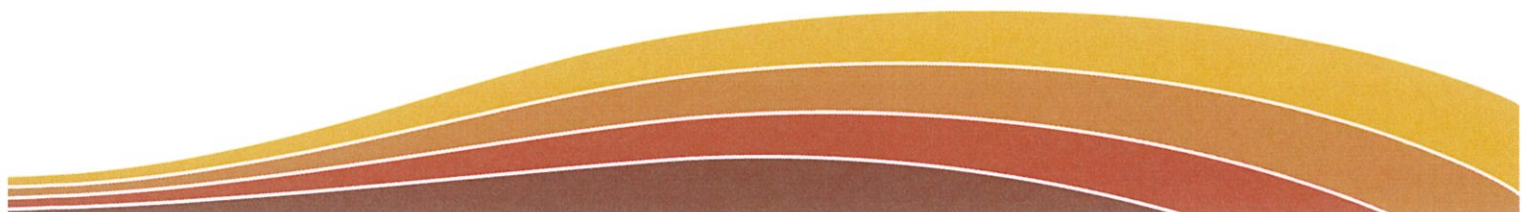
In addition, there is no requirement for monitoring of metals in dust in either the Environment Protection Licence (EPL) 11912 or the currently approved Air Quality Management Plan (2015). As a result, Evolution is no longer required to report the metal concentrations in dust samples.

Notwithstanding, the University of Sydney will continue to liaise with Evolution personnel on routine dust sampling methodology, as a means to reduce the likelihood of sample contamination during collection and dispatch stages.

Recommendation 4: *CGM should ensure that effective rehabilitation is a KPI for the senior decision maker in the mining division.*

Evolution is committed to achieving agreed rehabilitation outcomes for the CGO. Regardless of the involvement of the mining division in the rehabilitation works, the Environment Department continues to be responsible for the completion of the rehabilitation. To achieve this, and to ensure effective completion of the rehabilitation criteria, the Environment Department holds regular meetings with the mining personnel and undertakes regular routine inspections of rehabilitation.

In addition, the target rehabilitation areas are added to the mining operations weekly plan, which ensures project completion, timelines and accountability for all personnel involved.



Recommendation 5: *CGM to ensure that Standard Operating Procedures are followed for revegetation and that procedures are in place to cover gaps in staff capability or capacity to deliver rehabilitation activities.*

As noted during the IMP site inspection in September 2017, the CGO Environmental Department has undergone significant disruption and change over the last two years with significant staff changes and turn over. The new Environmental Department team is now embedded and additional resources have been committed by Evolution.

Evolution has consulted with the NSW Division of Resources and Geoscience (DRG) regarding the status of rehabilitation activities and progress in relation to commitments made in the approved *Cowal Gold Operations Mining Operations Plan (ML 1535) 1 September 2016 – 31 August 2018 (as amended September 2017)*. Evolution will consult with the DRG in the coming months regarding rehabilitation commitments in future Mining Operations Plans.

Recommendation 6: *CGM should give consideration to making an application to government to remove the requirement to conduct an annual Austral Pilwort survey.*

On the basis that monitoring since 2012 has been unable to detect the presence of the Austral Pilwort, Evolution proposes to seek the removal of the annual monitoring requirement.

Recommendation 7: *CGM explore the options for a coordinated program of Lippia control around Lake Cowal, with the Lake Cowal Foundation and the local Council.*

The management of weeds at the CGO is undertaken consistent with the requirements outlined in the currently approved *Cowal Gold Operations Land Management Plan*. In addition to the management and removal of weeds, this also includes an annual inspection/survey across Mining Lease 1535 and all Evolution-owned lands.

To assist in further controlling the spread and reoccurrence of weed species, Evolution would seek to consult with the Bland Shire Council and the Lake Cowal Foundation regarding the control of Lippia on Evolution-owned land with frontage to Lake Cowal.

Recommendation 8: *CGM to record the IMP's recommendations in the 2017 Annual Review.*

Evolution will ensure that a consideration of the 2017 IMP Report recommendations is provided in the 2018 Annual Review.

As requested, a copy of the 2017 IMP Report has been placed on Evolution's website, and implementation of the IMP's recommendations will be reported in the CGO's 2018 Annual Review.

Please do not hesitate to contact me on 0499 388 808 should you wish to discuss.

Yours sincerely,
Evolution Mining (Cowal) Pty Limited


JAMIE COAD
Sustainability Manager

Copies:
Emer. Prof. L. Clive Bell (IMP)
Dr Craig Miller (IMP)

