

McPhillamys Gold Project – Community Meeting

Blayney Community Centre, 23 May 2019

Meeting Minutes – Part A Formal Presentations

Attendance

Chair: David Johnson, Chair McPhillamys Community Consultative Committee (CCC) *(DJ)*

Presenters: Jim Beyer, CEO Regis Resources *(JB)*
Tony McPaul, NSW Manager Special Projects, Regis Resources *(TM)*

Regis: James Mactier, Chair, Regis Resources
Regis Blayney project team

Audience: Residents of Kings Plains, Blayney
Representatives from Blayney, Cabonne and Bathurst Councils
Members of the public

Welcome *(DJ)*

- Meeting commenced at 6.10pm – welcome to guests and presenters
- Acknowledgment of Wiradjuri traditional owners

Housekeeping *(DJ)*

- Meeting will be audio-recorded for Minutes; no video/filming of presenters or audience members.
- PowerPoint presentation and Meeting Minutes to be provided to the Community Consultative Committee (CCC) and made available on the McPhillamys website.

Introduction *(DJ)*

- McPhillamys CCC established late 2018
- Career overview:
 - Geologist and environmental scientist, part time university lecturer
 - 30 years in environmental consulting in NSW
 - Past 10 years in environmental planning
 - Three years as an Acting Commissioner in the Land and Environment Court
 - Six years as a member of the NSW Planning Assessment Commission, which is now called the Independent Planning Commission
 - Currently sitting on local planning panels and two other mining CCCs in New South Wales

Presentation by Jim Beyer:

- Introduction and career outline:
 - Mining engineer with experience at mines in Queensland, Northern Territory, South Australia and Western Australia.
 - Moved to Perth to run Boddington open pit mine south of Perth followed by an iron ore company and joined Regis as CEO in late 2018.
 - Introduced James Mactier, Regis Chairman; Rod Smith, Regis NSW General Manager and Tony McPaul, NSW Manager Special Projects.

Meeting background:

- McPhillamys Gold Project Community Open Days held last week – two days from 12pm-7pm
- Attended by approx. 130-140 people, who spent time with project experts talking through the technical side of the project and current understandings of environmental impacts.
- Aim of this evening is to talk through the process of the assessment which is lengthy and complex; process is determined by the Government.
- Important to Regis that the community understands the development application process and the opportunities it offers for the community and individuals to feed into that process.
- Presentations will also cover recent highlights; and project design changes which resulted from feasibility and technical studies and community feedback.
- Agenda to include information about Regis Resources, McPhillamys history, project to date, community feedback summary and resulting project changes, steps in the development application process and Q & A session.

Regis Overview:

- Perth-based goldmining company listed on the Australian Stock Exchange.
- Total value of Regis based on share market value is approx. \$2.5 billion.
- Producer of gold, currently at the rate of around about 340,000 to 370,000 ounces of gold per annum. Production has fluctuated around that level for probably the last three or four years, prior to that it was probably more in the low 300,000s.
- Very financially stable and secure - with end first quarter cash and gold on hand of \$187 million.
- Effectively Regis has currently \$187 million in the bank and no borrowings or debt.
- Approximately six or seven years of mine life remaining in current operations at Duketon WA.
- McPhillamys comprises about half of the 4.1 million ounces of gold reserve
- Regis Board comprised of six people including:
 - Chair, James Mactier
 - Managing Director, Jim Beyer
 - Chief Operating Officer, Paul Thomas
 - And three Independent Non-Executive Directors, Fiona Morgan (engineer), Ross Kestel (accountant) and Steve Scudamore (accountant).
- The Independent Non-Executive Directors don't have a direct relationship with Regis, are not employed fulltime with the company and they don't have large share ownerships in the company. Meaning they are not influenced by any potential personal financial gains arising from decisions the company may or may not make.
- Approximately 37 per cent of Regis shares are owned by Australian shareholders – and 30 of that 37 percent is owned by Australian institutions i.e. investment funds which are by and large, superannuation funds.
- The other seven per cent piece is owned directly by individuals.

- 30 percent of shares are owned by United States investors – a common ownership breakdown for Australian companies – and the remainder is made up of Canadian, European, Asian and other groups.
- Regis has three gold processing operations in Duketon WA, each one mining separate pits and between them, they have around about 10 million tonnes of annual processing capacity; Approximately 350,000 ounces of gold per annum is extracted from that.

McPhillamys Gold Project:

- The McPhillamys project has a 2-million-ounce reserve, with potential for around 200,000 ounces of gold per annum, depending on the grade from year to year.
- McPhillamys has a long association with gold mining, with gold mined in the region - particularly at Kings Plains - back in the 1850s.
- Deposit was identified as a potential target back in the very early 1980s.
- Regis purchased the project in 2012 and undertook drilling programs in 2013 and 2016, to confirm the size and quality of the deposit.
- The project as it currently stands would have a total of about 15 years – 18 months to two years for construction; 10 years of gold production and three years for mine closure and rehabilitation.
- Mine closure and rehabilitation are very detailed, involving removal of plant and equipment; rehabilitation of land and ensuring that all commitments made at the beginning of the project are complied with.
- Rehabilitation costs are including in the initial project plans to ensure that the project is viable when taking in all costs from beginning to end.
- Regis is professional and responsible operations – as a company and as individuals – and the company's reputation is underpinned by these values; the success and future of Regis depends on this which is why Regis commits to continue being a responsible operator and good member of the local Community.

Presentation by Tony McPaul

Career overview:

- Originally from Crookwell and still working the family farm there.
- Worked in mining industry for many years all around Australia before settling near Orange.
- Joined Regis to work on the McPhillamys Project in 2017.

Project History/Planning process:

- Project began with a Conceptual Project Development Plan and then a Preliminary Environmental assessment which was submitted to the government in November 2017.
- Explanation of planning focus meeting and participating departments and agencies.
- Environmental Assessment Requirements (EARS) sets out areas for investigation and studies required to support the development application in an Environmental Impact Assessment (EIS).
- Studies provided baseline data over a five-year period, which will be included in the EIS
- Department of Planning required early involvement of the Community Consultative Committees (CCC) in the planning process, to act as a very important link between the general community and the company.
- Committee positions were advertised across the Central West and the following members were appointed by the NSW Department of Planning and Industry:
 - David Johnson, Chair
 - Elizabeth Russ, Miles Hedge, Evan Leitch, Peter Hildenbeutel and Jim Newman
 - Daniel Sutton, Belubula Headwaters Protection Group and
 - Cyril Smith, Orange and Regional Water Security Alliance.
 - Alternative Members: Bob Russ and Tom (Edward) Williams
 - Council representatives include Rebecca Ryan, General Manager Blayney Council, Heather Nicholls General Manager Cabonne Council and Graham Hanger Mayor Bathurst Council.

- Regis representatives include Rod Smith, Tony McPaul, Andrew Wannan and (alternate) Chris Roach
- CCC Members have requested that it is made clear that they are there to be the community's representatives on the Committee. Their contact details will be included on the project website.

Consultation summary:

- Well in excess of 1000 face to face meetings with landholders, neighbours, stakeholders to date.
- Two lots of community drop-in days, including May 2019 attended by 70-100 people each day, talking with expert technical advisers about the project.
- Information stands at the Blayney Show, the Cadia Open Day and the Blayney Farmers' Market.
- Open invitation for people to drop into our office in Blayney's main street.
- Recently commenced fortnightly updates in the *Blayney Chronicle* providing different project information.

Community Feedback:

Key benefits identified by members of the community:

- Blayney main street has many empty shops – the mine would be good for the town.
- Blayney people want to work and live closer to home and their families, more jobs.
- Community would benefit from the extra rates that the council would receive.
- It would be good if Regis could sponsor and support local organisations like Cadia does
- Mine would attract new residents and families to settle here.
- Young people are moving away; this would give them a reason to stay.
- This would help the youth to achieve trade skills and other job skills.
- More business means better services.

Key concerns identified by members of the community:

- Not enough information, uncertainty and timing.
- Noise, dust, traffic, visual impact, vibration, health impacts, the use of cyanide
- Property values will go down in Kings Plains.
- Possible risks to local streams, bores and the Belubula River.
- Tailing storage facility leaking or collapsing.
- Threat to biodiversity, trees, plants and animals, Indigenous sites and heritage.
- Impact on primary production, cattle, sheep, horses, bees.
- The land will be ruined after mining.
- Other mines will follow, won't be just 10 years.
- Won't help tourism, competition for beds.
- Local businesses will lose workers to the mine.
- Orange and Bathurst business will get the lion's share of the supply contracts.

Site Layout

- Explanation of changes to site layout driven by feedback already received:
 - Infrastructure moved to the east of the site in a more compressed site footprint
 - Site access moved from western end of Walkom Road down towards eastern end of Walkom Road.
 - Waste rock emplacement moved
 - Shape of waste dump has been optimised and changed
 - Amenity bund added – providing a barrier between machines and neighbours to reduce noise and visual impact; and enables early commencement of rehabilitation work.

- Plant site has moved up into the middle of the disturbance footprint and designed to ensure it has the minimal amount of impact.
- Administration and mining equipment areas have been moved over in behind the plant site, which again allows us to compress that whole area into a much, much smaller footprint.
- Proposed water pipeline entry to the site has been moved further northwest up into the pine forest and runs in through that pine plantation.
- Water pipeline route altered to reduce the number of impacted landholders – down from 98 to less than 20.
- Currently discussing access agreements with those landholders.

Key issues summary

Water:

- Modelling from studies of groundwater bores on site indicates that drawdown on groundwater is very localised and does not extend outside the McPhillamys site – project should not impact on any bores outside of the McPhillamys site
- Modelling indicates a nine per cent impact at the Belubula River where it crosses the Western Highway and approx. four per cent impact down at Carcoar Dam (based on an average of surface water flow).

Tailings Dam:

- Tailings dam wall construction can be done in a number of different ways – McPhillamys will use downstream lift.
- Dam wall is designed in three downstream lifts and then with more material shaped to enable early rehabilitation of the area.
- Design is robust, engineered to withstand seismicity, rainfall events and with a good foundation.
- Studies also show that the permeability of the basement rock is very low; and an additional safety net will be provided by conditioning of the dam floor.
- The natural geology of the dam area drains towards the base of the wall - monitoring bores and collection sumps would also pick any water and pump it back into the tailings dam.
- Dam designed by engineers and has been peer-reviewed. Regulators will also do a further peer-review.

Noise:

- Noise is a significant community concern.
- Measures already outlined (e.g. relocation of the processing plant) will assist in reducing noise impacts.
- Other design modifications will also minimise the noise eg noise suppression for mobile equipment, which comes at a cost, but we believe it will reduce the noise quite considerably. Construction of an amenity bund will further reduce noise impacts for neighbours.

Air quality:

- Work being done to reduce and eliminate dust from the site
- Techniques include covering run-of-mine stockpiles and conveyor systems; and use of dust suppression on haul roads to minimise the dust.

Visual:

- Visual impact is a key concern
- Early progression of rehabilitation and contouring will assist significantly.
- Macro and micro relief techniques will be used to blend waste rock areas in with surrounding countryside – more expensive but much better outcomes.

Project Assessment Process

- Commences with site research and data collection – ongoing for past five years – to inform EIS.
- Development Application and EIS will be lodged with the Department of Planning and Environment, to start the assessment process – aiming to submit late June, early July.
- Assessment likely to take 12 to 18 months from date of lodgement.
- Department of Planning (DoP) will review application before placing it on public exhibition for a minimum of 42 days.
- DoP likely to come to Blayney to engage with stakeholders and have a public meeting.
- Regis has also committed to holding more community Open Days.
- Project may be referred to Independent Planning Commission (IPC) if it receives more than 25 submissions, if the company has made a political donation; or if the local council objects.
- IPC currently reviewing its processes and it is likely that IPC would also hold two public hearings during the assessment process.
- Individuals and organisations can apply to speak at the IPC hearings.
- Transparent process and all hearings are recorded and made publicly available.
- Further information and guidelines available on IPC website.
- If approved, consent conditions would be applied, and company would be required to operate within those conditions – which are monitored by regulators.

Economic Benefits

- Construction period of approx. 18 months.
- Operational phase of 10 years.
- Annual direct and indirect regional business turnover (the amount of money that businesses will spend), is around \$492 million. About \$272 million of that is in the local area.
- \$67 million in annual household income.
- Regis wages bill would be somewhere between \$40 million and \$50 million per annum and then there is the flow-on or the multiplier effect.
- Regis workforce is somewhere around 300 during operations, but then the multiplier back into the service area is around about that: 1.5:1, 1:1 or whatever the case may be.
- Approx. \$11 million in state royalties and taxes and approx. \$28 million to \$30 million in federal and corporate taxes.
- Voluntary Planning Agreement with Blayney Council still to be determined but this is a commitment required as part of the approval process.

Next Steps:

- Regis will continue to provide project updates directly to interested parties and via the CCC.
- More community Open Days will be held – planned for the third or fourth week of the EIS public exhibition (Regis is open to feedback on the timing).
- Updates to continue via newsletters, website, face-to-face meetings.
- Project team to continue working with neighbours to develop mitigation plans.
- Regis is committed to making sure local businesses benefit from the project - engagement with TAFE has already commenced regarding mining introductory training program to provide skills to local people to assist them to get employed by the project.
- Ongoing environmental monitoring and land management.
- Working with the local councils to maximise local benefits – focus is very much on delivering benefits to the Blayney Shire.

END OF FORMAL PRESENTATIONS