

## ENSHAM RESIDUAL VOID STUDY COMMUNITY REFERENCE GROUP MEETING MINUTES

### STANDING ITEMS

#### FORMALITIES

<b>Date</b>	Thursday 14 <sup>th</sup> February 2019
<b>Meeting Opened</b>	10.03am
<b>Venue</b>	Ensham Resources, Duckponds Road, Emerald QLD

#### ATTENDEES

<b>Position</b>	<b>Name</b>
Independent Chair	Emma McCullagh
Members	Hamish Millar Daryl Conway Carl Morowitz Geoff Kavanagh Megan Daniels Cameron Geddes Marg Shaw Mick Shaw
Guests	John Shaw
Ensham Representatives	Paul Green Dave Meyers Neil Dale Dan Yates Garry Gough

#### APOLOGIES

<b>Position</b>	<b>Name</b>
	Alan Mcindoe Nigel Burnett

	Nathan Johnston (resigned as Executive Officer of Fitzroy Partnership for River Health)
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## FORMALITIES

The chair welcomed everyone to today's meeting and thanked everyone for their involvement in the CRG.

## DECLARATION OF INTERESTS

No declarations of interest noted.

## CONFIRMATION OF PREVIOUS MINUTES

MOTION THAT: The minutes from previous meeting held on the 13.12.2018 be accepted

MOVED: John Shaw

SECONDED: Cameron Geddees

VOTE: Unanimous

Approved and Carried

## BUSINESS ARISING FROM PREVIOUS MINUTES

The chair apologised for not sending out the Risk Assessment in time for this meeting. Details from the report were presented at the last CRG Meeting.

The amended Landform Report was received last Friday and is currently awaiting on peer review prior to release. DY apologized for it being late, though it was updated to be consistent with what was discussed at the last meeting in regard to F and Y pit.

DY - If anyone would like to catch up with DY and PG to discuss the updates to the Landform report, please organize this through the Chair.

## PROJECT UPDATE

DY – TBL (Triple Bottom Line Assessment) was done on the 22<sup>nd</sup> January 2019, the report will come out as part of Stage 4.

The tool used to conduct the TBL was sent to UQ prior to use, which was reviewed as part of the peer review process.

The stage 3 reports – The amended Landform Report will be released in the next day or two, as soon as we received feedback from peer review it will be sent to the Chair.

There was no formal feedback received from the CRG.

We received DES feedback in three documents between a period of the 6<sup>th</sup> and 11<sup>th</sup> of February.

Idemitsu met with the CHRC on the 4<sup>th</sup> February to give a briefing on particular options, specifically around Option 2 – Beneficial Use.

Question	What was the feedback like from the CHRC?
Response	DY – they liked the opportunity of beneficial use for water storage, though this still needs to go through the processes. CHRC are very supportive and are interested to see what they can do to help.

DY discussed the process of the TBL score system and the calculation of the options. Idemitsu designed the tool used and engaged UQ of Sustainable Minerals and they came on board as independent peer review. They reviewed the tool and also attended the assessment. The report is about 60% complete and will be sent to independent peer review prior to release.

Option 3 was the least preferred option; studies show that it doesn't cause environmental harm though when the Risk Assessment was complete there was limited confidence that in the chance of a high-level flood we were not comfortable that this would discharge our responsibilities as a business. The risk can be managed while we are here, though there is a higher risk if the erosion fails to the receiving environment as part of the land design. It is a little subjective. This option has a higher risk than the others.

Question	I thought the environmental assessment would be done for short and long term on all options?
Response	DY – In the short-term Option 3's environmental impact is ok. It is medium to long term that in a large flood we are unsure of. A consultant has said that in a large flood event there is uncertainty of the erosion. The whole purpose of the Risk Assessment is to inform how comfortable we are with the landform and then it comes down to financial and social impacts.

DY – In early January Idemitsu received two letters from DES and DNRM with the basic message being they don't support Option 2 as water storage. A conversation was had with them and it isn't that they don't support the landform, it is that they don't feel they can approve a reservoir for the use of the land. The current post mining lease land use is grazing for low wall spoil. We have 2 options with regards option 2 and how this is managed within the RVP– (i) argue with government and lodge an application with reservoir, which doesn't give anyone any certainty; or (ii) we push forward with Option 2 as the landform design and stay with grazing as post mining land use. This allows us to preserve the landform as a potential use of reservoir for the possible application for the use of a reservoir put forward at a later date.

Effectively Option 1 is similar to Option 2, so the outcome is quite the same. Economically there is approx. \$170 million difference between moving dirt. Option 2 achieves the same thing as Option 1 in the terms of the landform being environmentally stable and non-polluting.

Question	There is quite a material change as to what Option 2 is on the table right now, What do we call it now?
Response	PG – it is still beneficial use. The government is quite process based and it was always going to be a long shot for them to approve the irrigation straight away. It is important to preserve the landform for the potential use of the land as water storage.
Response	DY - Are we walking away from the reservoir option, no. This is about how can we work effectively with the region to get this in motion. There is a lot of licensing and approvals for dams to be approved by government. They want certainty in the EA. The decision was made that we would keep Option 2 alive and recognise the government's barriers and either fight with them or work with them. We can morph the options as we move through the study, though if we changed names now we have problems in the Stage 4 report. The report has a full list of the options and lists any changes.
Comment	Did they give a reason why they wouldn't support the reservoir?
Response	DY – One is work through the licensing of the water allocation. We have done some work and the term used is lazy water. There is sufficient capacity for a reservoir and it will require changes to the current protocol. We think a reservoir is achievable though the government wants certainty of the outcome now, and to talk about the reservoir and applications at a later date.
Question	Say this option moves forward without taking into consideration irrigation benefit, it would then be impossible for Idemitsu to go back and re-do the irrigation work. As a business you would not add more difficulty to setting up the irrigation. While there was an opportunity there was a return, it seemed possible, though not now.
Response	DY - It is about 135 million to get the irrigation set up. Idemitsu is not paying that and have been clear on this. There are other opportunities out there for funding assistance if the reservoir was supported. Idemitsu aren't walking away from this, it was always going to be this price for Option 2 and we are willing to work with people to help get this going. Government wants to lock in a land use and submit another application for water storage at a later date. What we have done is keep the land use for all options as grazing as post mining land use for now. The water holding capacity for Option 2 will remain the same, we just can't get water in or out.

Question	Are people clear on what this change is?
Response	DY - The report is very clear of this process. It says clearly that the landform for Option 2 will still hold the same capacity.
Question	Is there any issue with the groundwater levels?
Response	DY - Over a 200 year period, water post mining when we are finished mining, the groundwater will fill up the Underground. We are currently doing salinity calculations and will have this addition to the Stage 3 Report that talks about the salinity to compare to Option 1. We are expecting Option 2 water to be better than Option 1. There is water modelling of water coming in and out and shows how the ground water will work. This report will be sent once it is complete.
Comment	In the overburden there isn't a very big catchment area and the water sits there for months. This is the same spoil material that is going into the hole/void.. I don't understand how the water will disappear in the rehabilitated landscape of the void, when currently using the same spoil ,material the water sits up there and ponds (i.e..doesn't go away).
Response	DY – Please send through photos and I will take it back to water/hydrology specialists
<b>ACTION</b>	<b>John Shaw to send photos through of water pooling to Dan Yates and Dan Yates to follow up.</b>

DY – The design criteria for Option 2 doesn't change. The inlet structure won't be there, the levee will be turned into a landform. All water volume holdings remain and preserve the opportunity in the future for individuals and regulators to apply for approval of a reservoir. I can't say if this will be approved or if it won't.

Question	When entering and answering the questions in the TBL, was this done based on Option 2 landform only and not the reservoir?
Response	Yes
Question	Are you still claiming the social benefits of Option 2 with knowledge that this isn't going to be a reservoir?
Response	DY – The economic benefit based on the reservoir has been peeled out / removed.
Comment	GC – Option 1 would be similar to Option 2 when the area will be nearly the same for Option 1.
<b>ACTION</b>	<b>Dan Yates to go back and check this report to ensure Option 2 is similar to Option 1 for the social impacts based on no longer having a reservoir in Option 2.</b>

DY – You are correct saying that Option 1 and 2 should be very similar. Andrea will go through and review that. The reports were all complete prior to Christmas, and we received the letters from government on the 10<sup>th</sup> January.

Image was displayed via powerpoint of the current rehabilitation schedule.

Currently the levee is a regulated structure and it is in our EA. The landform is an engineered structure designed to be of a size you don't have to come and look at it again. It is designed to be a similar height, only wider. We will need to modify the existing levee so engineers don't ever have to come back and inspect it. The new Act introduces residual risk payment; they have to calculate residual risk payment which is a cost of the state for maintaining that land into perpetuity. Mining industries will now be very clearly focused on the long term as the residual cost will also be a part of their balance sheet.

There has been no change to previous discussions, with relinquishment looking at being 2045-2050 based on achieving rehabilitation outcomes of weather cycles.

Question	Is the rehab schedule locked in stone?
Response	We are prioritising Shaw's land If coal price goes to \$300/tonne for 5 years then this could trigger us to re-think about further mining in all pits – so what we are saying is that despite this scenario being unlikely, the rehab schedule may change based on business needs; and the Shaw's will be involved in that process and will have rights to object, etc

## REPORTS

#### Future Dates:

- Respond to DES/DNRME next week
- Submit stage 4 TBL Report next week: Will work through answers with people and will be having quite detailed discussions with regulators. If there is anything that changes within that feedback it will be communicated through to the CRG..
- Pre-lodgment meeting 1st week March
- Submit stage 5 application 2nd week March
- Once approved if approved submitting financial assurance and plan of operations. There have been no changes, this is a plan that needs to be sent in.
- Submit application 2nd/3rd week in March

Question	What timeframe has DES given for a response to the application?
Response	Within first 10 days they determine minor or major change. If it is minor a response should be received within 10 days if major 20 days. It's quite within their rights to request additional time though we are hoping to get it done reasonably quickly, within 4-8 weeks. There is a lot going on in the political space as they haven't quite worked out their regulations. The key for us is to sit with them and walk through feedback and reports that will be submitted and support their decision making process if they require further information.

Question	How would it work to progress the reservoir, if Option 2 was to be approved?
Response	DY – It would look like an implementation group similar to what we have done here. Ask someone to be the chair and who would be required to be on this group and would work through it.
Comment	PG – We would ask CHRC members to be part of the group and people with good connections in the government. There will be multi-departments and would need to find means of tapping in to get funds from various groups/representatives.

DY - Out of all feedback received, there is no arguments around hydrology and water quality at all. We don't think the problem is a science problem, we think it is political and timing. There are huge environmental changes within the government at the moment regarding the Act and Regulations and guidelines are still being written.

Question	There is a big question of the water quality. Though it is no longer on the table. To progress with the reservoir, the group will then have to put through a business case. The water is then worth \$8000 for the water alone and then the water still has to be pumped. You can buy water out of channel, though to get the water to the location there is a cost close to \$500. A business case will be hard, so now you will be required to hook into government funding or the capex cost will be huge.
Response	DY – We have said throughout this that Ensham is happy to progress the option and it will need some sort of business case, though Ensham will not be paying for the irrigation.
Comment	PG – We are happy to give it a crack and to take it to the next level if Option 2 is approved.
Comment	GC – It is a bit hard to make a water asset stand up at the moment.
Response	DY – We are happy to work with anyone who wants to progress it. If the community says no, the worse thing that comes out of it is that the land is safe stable and non-polluting; and used for grazing.

## MEETING CLOSED

Close the meeting – 11.41am for lunch followed by site tour.

Next Meeting Date: TBA

## SITE TOUR

### SUMMARY OF ACTION ITEMS

<b>ACTION</b>	<b>John Shaw to send photos through of water pooling to Dan Yates and Dan Yates to followup.</b>
<b>ACTION</b>	<b>Dan Yates to go back and check this report to ensure Option 2 is similar to Option 1 for the social impacts based on no longer having a reservoir in Option 2.</b>

DRAFT