



Department of Regional NSW
Resource Regulator
105 Prince Street
Orange NSW 2800
nswresourcesregulator@service-now.com

April 26, 2023

ATTENTION CHRIS HAMMERSLEY

RESPONSE TO REQUEST FOR INFORMATION – MALLEE BULL REF

Peel Mining Limited (Peel) received an email on 13th April 2023 requesting further information on the Mallee Bull REF.

This letter provides a response to the questions in this correspondence.

QUESTION 1

Part 5 or Part 4 of the EP&A Act 1979. Did you receive legal advice that this can be considered under Part 5 assessment? Did the advice review exploration activity as opposed to mining activity? If you are able to forward me the advice – would be appreciated.

ANSWER TO QUESTION 1

We have made this application in accordance with the advice we received. The proposed Mallee Bull Exploration Project is classified under the Mining Act 1992 as prospecting or exploration rather than mining as samples of material would only be extracted to test the material bearing properties of the land and not for the purpose of recovering minerals. Section 2.8 of State Environmental Planning Policy (Resources and Energy) 2021 states that development for the purposes of mineral exploration may be carried out without development consent.

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Section 4.1 of the Environmental Planning and Assessment Act 1979 (EP&A Act) notes that, where an environmental planning instrument provides that specified development may be carried out without the need for development consent, environmental assessment for the development may be required under Division 5.1 of Part 5 of the EP&A Act. As set out in our application, the environmental impact from this stage of exploration activities, the construction of an underground decline and underground development drilling is not significant.

QUESTION 2

Additionally did you receive legal advice with respect to whether the project requires an EIS or REF? (FYI - both 1 and 2 may be important if any decision or a part of the project is challenged).

ANSWER TO QUESTION 2

Acting on our advice this application was made without an EIS being prepared and submitted. A formal Briefing Note (dated 27 August 2021) outlining the activities proposed as part of the Mallee Bull Exploration Project and the proposed application pathway was provided to the Resources Regulator on 6 September 2021. A response from the Resources Regulator, received on 22 August 2022, noted that the document *ESG5: Assessment Requirements for Exploration Activities* sets out the minimum requirements for the proposed application.

The ESG5 Guideline identifies a range of thresholds for exempt, complying and non-complying exploration activities. The proposed exploration activities are classified as Non-complying Exploration Activities. Section 4.3.2 of the ESG5 Guideline notes that additional information regarding environmental impacts associated with non-complying exploration activities can be provided in the form of:

- a Targeted Review of Environmental Factors (REF), suitable for activities which only slightly deviate from the complying exploration activity criteria;
- a Guideline REF, where activities are not likely to have a significant impact on the environment; or
- an environmental Impact Statement (EIS) or Species Impact Statement (SIS) where activities are likely to significantly affect the environment.

Additional information regarding potential environmental impacts associated with the proposed Mallee Bull Exploration Project was provided in the form of a Guideline REF, prepared generally in accordance with the document *ESG2: Guideline for Preparing a Review of Environmental Factors*. The REF concluded that potential environmental impacts associated with the proposed activities would not be significant. In addition whilst not required as part of the assessment of the environmental impact of the proposed exploration activities, a Biodiversity Development Assessment Report (BDAR) was prepared as part of the Guideline REF for the Mallee Bull Exploration Project. Furthermore, as stated in Section 4.2.3 of the REF, Peel Mining Limited has elected to opt into the *NSW Biodiversity Offset Scheme* and would retire ecosystem credits required for the project through the establishment of a Stewardship Site, purchase of credits on the open market, and/or payment into the Biodiversity Conservation Fund.

It is contended that the Mallee Bull Exploration Project REF provided information in sufficient detail to allow the Resources Regulator to assess the proposed mineral exploration activities and associated potential environmental impacts in accordance with Part 5 of *Environmental Planning and Assessment Act 1979*.

Peel confirms that it understands that if the Mallee Bull Project was to be developed as a mine an EIS would have to be submitted for the Project. The total mining project would need to include ore processing, ore and waste rock management, mining and processing transport requirements and tailings deposition. The environmental impact of these activities would need

to be addressed in the EIS and the project is not at the stage where the size and scale and location of those facilities is yet to be determined. The outcome of underground exploration drilling at Mallee Bull will influence that decision making process.

QUESTION 3

1. Post approvals – can you list in a table (see an example below and is by no means limited too) - all the post approvals required should the project be approved. i.e. what will be sought from Council in terms of structures (and can you list them – including any CDC applications and any exempt activities?), additionally will need details of septic approval etc. Is an EPL required and for what? Reason being, if it was approved – need to distinguish what can be approved under Part 5 and what cannot?



ANSWER TO QUESTION 3

Table 1 provides the response to information requests in Question 3.

Table 1: Post Approval Requirements

Approval for what	Type of Approval	Approval Authority/Agency	Under What Act	Comment
Camp/Temporary Accommodation	Temporary and portable Accommodation approval required under Local Government Act. CSC to determine the type of application required.	Cobar Shire Council	Local Government Act 1993	Discussions already held with the Planning Department on this matter in December 2022 and January 2023. Agreement to provide plan designs for facility prior to engaging contractors to ensure it will meet Council requirements.
Septic	CSC to determine the type of application required.	Cobar Shire Council	Local Government Act 1993	Discussions already held with the Planning Department on this matter in December 2022 and January 2023. Agreement to provide plan designs for facility prior to engaging contractors to ensure it will meet Council requirements.
Workshops and infrastructure	Temporary and portable Accommodation approval required under Local Government Act. CSC to determine the type of application required.	Cobar Shire Council	Local Government Act 1993	Discussions already held with the Planning Department on this matter in December 2022 and January 2023. Agreement to provide plan designs for facility prior to engaging contractors to

				ensure it will meet Council requirements.
Other structures	CSC to determine the type of application required.	Cobar Shire Council	Local Government Act 1993	Discussions already held with the Planning Department on this matter in December 2022 and January 2023. Agreement to provide plan designs for facility prior to engaging contractors to ensure it will meet Council requirements.
Roads (external)	Section 138	Cobar Shire Council	138 Permit Roads Act 1993	Discussions held with Cobar Shire Council in December 2022 and January 2023. Agreed to provide draft designs for review before commencing the Section 138 application process. Also sought recommended consultants to design the intersection from Cobar Shire Council.
Roads (external)	Section 138 for installation of signage on the road.	Transport for NSW	Section 138 Roads Act 1993	Intersection treatment/signage at Kidman Highway
Roads (internal) other	N/A	N/A	N/A	No requirement for internal roads.
Water Access Licence (WAL)	Water Access Licence Works Approval	NRAR - Department of Planning and Environment – Water	Water Management Act 2000	Discussions held with NRAR regarding approvals process requirements. Application forms have been provided to

				Peel Mining Limited for both WAL and Works Approval. Discussions held with water broker regarding availability and pricing for LFB GW sources.
Archaeological impacts	Aboriginal Heritage Impact Permit	Heritage NSW	National Parks Act 1974	Commenced preparation for the AHIP in consultation with AREA.
Vegetation Clearing	Retirement of Biodiversity Credits	Biodiversity, Conservation and Sciences Directorate	Biodiversity Conservation Act 2016	683 ecosystem credits to be retired either through payment the Biodiversity Conservation Fund or development and implementation of a Conservation Agreement on private owned land. Meetings scheduled for week commencing 24/04/2023 with the Credit Supply Taskforce (Executive Director) and BSA Director.
Licence to Use and Occupy Crown Land	Licence application for LV Access Road across TSR 2361.	Crown Lands	Crown Land Management Act 2016	Correspondence already completed to determine Crown Land requirements. Peel Mining Limited have been provided with the required application form and processing details.
Water Storage Dam/pond	N/A	N/A	Water Management Act 2000	No requirements to licence surface water take under

			Dam Safety Act 1978.	harvestable rights policies. Size of dam and surrounding population doesn't require storage to be a "declared dam" under the Dam Safety Act 1978.
Exploration surface infrastructure – includes box cut & decline, roads (internal), vent exhaust and escapeway stockpiles, ROM pad	Part 5 Activity Approval	Resources Regulator	Environmental Planning and Assessment Act 1979 Mining Act 1992 Work Health and Safety (Mines and Petroleum Sites) Act 2013 EP&A Act - Part 5	Mallee Bull REF for environmental assessment. WHS notifications and management plans as per Work Health and Safety (Mines and Petroleum Sites) Act 2013

QUESTION 4

In terms of Management Plans etc – are you able to identify who approves these and under what? Again, here is an example of a table but is by no means limited too this.

ANSWER TO QUESTION 4

Table 2 provides the response to information requests in Question 4.

Table 2: Management Plans, Authority and Relevant Legislation

Management Plan Name	Authority	Legislation	Comment
Water Management Plan	Resource Regulator	POEO Act 1997 Mining Act 1992 Water Management Act 2000 <i>Managing Urban Stormwater, Soils and Construction, Volume 2E Mines and Quarries</i> (Department of Environment and Climate Change NSW, 2008)	This plan will incorporate surface water, groundwater and sediment and erosion control management into one plan (Water Management Plan). Plan to be submitted following approval of consent for the Mallee Bull Exploration Project as per the REF. The Water Management Plan will be developed in consultation with DPE-Water and EPA as required.
Vibration Management Strategy	N/A	N/A	Information regarding the management of vibration and overpressure is detailed in the Environmental Management Plan (section 3.2.3). Blast sizes very small – closest neighbour 11 km from project area.

Waste and Chemical Management Plan	N/A	N/A	Referenced in the Environmental Management Plan in Section 3.2.4 and 3.2.5 (internal document).
Traffic and Transport Management Plan	Resource Regulator	Roads Act 1993	The Traffic and Transport Management Plan will be developed in consultation with Cobar Shire Council and Transport for NSW, as required following the approval of consent for the Mallee Bull Exploration Project as per the REF.
Noise Management Plan	N/A	N/A	Information regarding the management of noise is detailed in the Environmental Management Plan (section 3.2.3). Small fleet on surface and – closest neighbour 11 km from project area minimises the potential risk of noise related impacts.
Air Quality Management Plan	N/A	Protection Of Environment Operations Act 1997	Information regarding the management of potential air quality impacts are detailed in the Environmental Management Plan (section 3.2.1).
Bushfire Management Plan	N/A	Bushfires Legislation Amendment Act 2020	Internal document only. The development of the document will be completed in consultation with NSW Rural Fire Service as required.
Archaeological and Heritage Management	Heritage NSW	National Parks and Wildlife Act 1974	AHIP to be supported by Heritage Management Plan.
Biodiversity Management Plan	Resource Regulator	Biodiversity Conservation Act 2016	The development of this plan will be completed in consultation with Biodiversity Conservation Division as required. This will be submitted to the

			Resource Regulator following the approval of consent for the Mallee Bull Exploration Project as per the REF.
Biosecurity Management Plan	N/A	Biosecurity Act 2015	Internal document only. Consultation will occur with surrounding landholders to ensure consistency of implementation of required biosecurity management actions.

QUESTION 5

Analysis of Feasible Alternatives – Section 3.6.2 of the REF, is light on the detail as to why surface exploration drilling is not economically feasible – and refers to current mining and processing technologies? Can you provide further justification?

ANSWER TO QUESTION 5

The main reasons why underground drilling is in the best interests of the advancement of the Mallee Bull Exploration Project compared to exploration drilling from the surface are;

1 The next stage of drilling is required to upgrade the resource from Indicated to Measured categorisation as part of the process required to enable a decision to be made on the economic viability of developing a mine.

Mallee Bull's main copper mineralisation commences at ~200m below surface with the best mineralisation occurring at below 300m below surface and known mineralisation down to >800m below surface.

While current diamond drilling technology is significantly more accurate than in the past, primarily due to gyroscopic surveying and navi-drilling, real world experience shows that the 3D accuracy of drillhole trajectories decreases with increasing depth. From a technical standpoint, survey information of drillholes greater than 400m in length are at a higher risk of error.

Underground diamond drilling is superior to surface drilling due to the significantly reduced drillhole length and higher survey accuracy.

2 To date, Mallee Bull has been predominantly drilled via diamond drilling, primarily from surface, and often using wedging and navi-drilling to intercept specific 3-dimensional targets. This type of drilling is amongst the most expensive in the minerals industry and becomes incrementally more expensive with depth costing up to \$500/m and has averaged ~\$300/m in recent programs. By contrast, recent pricing of underground diamond drilling was ~\$150/m.

To upgrade Mallee Bull's predominantly Indicated Resource classification to Measured resource classification, Peel could need to double the existing drilling density which currently comprises ~90,000m of drilling. Drilled from the surface this drill programme could cost more than \$30m. Drilled from underground would at least halve the drilling costs.

3 The cost of the underground exploration decline is estimated to cost less than the difference in cost between drilling from surface and drilling from underground. However, there are significant additional benefits to the project from the construction of an exploration decline in addition to the increased accuracy of the underground drilling. The cost of additional exploration drilling outside the existing indicated resources will be significantly lower which could lead to increased mineralisation being identified as has occurred with other Cobar Basin mineralisation systems. If a decision is made to develop the Mallee Bull deposit as part of a mining and processing operation, the decline can be utilised for that purpose which will provide a substantial cost saving at the development stage and shorten the timeframe in which the copper from this mine, a critical mineral, could enter the marketplace.

Data collected from the exploration decline drilling programs also assists in further defining the location of the mineralisation and seeks to minimise the amount of waste rock generated from

mining activities. This further reduces the surface footprint required to store and manage waste rock.

If there is anything you would like to discuss further, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Yelland', with a stylized, cursive script.

Jane Yelland
Manager Environment, Social and Sustainability

Email: jane.yelland@peelmining.com.au

Phone: [REDACTED]