

Independent Planning Commission
Level 3, 201 Elizabeth Street
Sydney NSW 2000
Attn: Stephen Barry

Dear Stephen Barry

RE: Russell Vale Underground Expansion Project

I refer to the Independent Planning Commission's (IPC) letter dated 4 November 2020 to the Department of Planning, Industry & Environment (DPIE) outlining a number of matters requiring further clarification in regard to the Russell Vale Underground Expansion Project (the Project). DPIE have referred the letter to the Resources Regulator (Regulator) as a number of matters, specifically questions 2 to 6, relate to rehabilitation costs that are within the jurisdiction of the Regulator.

I also note that the Regulator participated in a meeting with the IPC on the 13 October 2020 via video conference regarding the Project. As outlined in the transcript of this meeting published on the IPC's website, these matters were generally addressed by the Regulator and as such the information below is to reaffirm the Regulator's position.

The Regulator's response to questions 2 to 6 outlined in the IPC letter is provided below.

Question 2 - If mining operations at the Project Site were to end prior to 5 years from the date of commencement, would the rehabilitation costs be covered?

Response: As the rehabilitation security is calculated based on current rehabilitation obligations and are continually revised throughout the life of an operation, rehabilitation costs would be covered if mining operations were to end prior to 5 years from the date of commencement.

Question 3 - What is the current cost of rehabilitation?

Response: The current assessed deposit held by the Department is \$12,354,000.

Question 4 - Will additional rehabilitation be required if development consent is granted?

Response: Prior to the commencement of activities associated with new development consent, a Mining Operations Plan (MOP) will be required to be submitted and approved by the Regulator. As part of the submission of a MOP, the title holder will be required to prepare a Rehabilitation Cost Estimate (RCE) in accordance with the Regulator's rehabilitation cost estimation tool. Where activities approved by the new development consent are likely to lead to additional disturbance, the associated rehabilitation obligations will need to be included in the MOP and the rehabilitation security deposit will be re-determined by the Regulator to ensure that the amount is sufficient to cover the full rehabilitation costs for the mine.

Question 5 - What will be the cost of any additional rehabilitation if development consent is granted?

Response: Should the development consent be granted, a subsequent Rehabilitation Cost Estimate would be required to be submitted by the titleholder for assessment and determination by the Regulator before commencement of activities. At this time the cost of any additional rehabilitation as a result of the expansion project will be determined.

Question 6 - Will the current security deposit of \$12.3 million be sufficient to cover both existing and additional rehabilitation costs if development consent is granted?

Response: The current security deposit has been calculated based on current rehabilitation obligations and as such covers only the existing approved operations. As outlined in the response to Question 5 above, a subsequent rehabilitation cost estimate will be required to be submitted by the titleholder for assessment and determination by the Regulator before commencement of activities associated with the new development consent.

If you require additional information, please contact the Resources Regulator on 1300 814 609 or via email at nswresourcesregulator@service-now.com.

Yours sincerely,



Anthony Keon
ED NSW Resources Regulator
Resources Regulator