

Firstly, I would like to thank everyone in the community who has made the effort and taken time away from their work and their families to come and have their say these past few days. We appreciate the uncertainty and anxiety that has occurred during the long EIS and approvals process. But while it is a long process, it is an important process. It is thorough and helps ensure that the highest standards are achieved. As we move to a conclusion, we hope the decision will help bring a level of certainty for the community and for Bowdens Silver.

We have heard a range of views over the past couple of days and a number of questions have been raised and we welcome the opportunity to address some of those now.

On the first day of the hearing, the Commissioners had a few questions. Commissioner Sykes asked what changes would need to be made to the processing to cater for the extraction of other metals or for an increase in the quantity of material being extracted. I provided a general answer. However, I have another point to make in that regard.

For us to be able to extract gold from an open-pit in addition to the silver, zinc and lead, would require a relatively minor process addition.

The most likely scenario is that we would recover gold in pyrite in one floatation circuit producing a high precious metals pyrite concentrate that would contain silver as well. Further metallurgical testing is currently being undertaken to make a determination. If an additional circuit would be required or justified, it would only be a minor increase in the accommodated plant footprint area. That concentrate would likely be sold as is, with further concentrating or smelting occurring off site. That assumes no additional throughput, in other words, maintaining the authorised 2.0 million tonnes per year.

However, any further expansion whether open-cut or underground, fundamentally would require greater water usage and there would be many other items that would require full assessment and of course approvals. In terms of expanding processing facilities, the main components of processing: crushing and grinding machinery and flotation

cells are typically bolt on components. This would be provided within the planned processing plant area.

I trust that further answers your question Commissioner Sykes.

Commissioner Cochrane provided a question on notice with regards to staffing accommodation options for the project. This is a very good question and in particular in a market which is ever changing in our region.

Some of the speakers mentioned the tight housing market and how a new project might further exacerbate this. The increase in tourism in Mudgee during and post-COVID has not been without its challenges. The increase in AirBNB style accommodation has put pressure on the housing market. Renewable energy projects north of Mudgee will also place significant pressure. Mudgee is having to adapt and evolve.

Our discussions with Council have covered these issues and we will work closely with them to address our accommodation requirements. In our discussions with Council we talked about looking east rather than west from the Mine Site, looking to Kandos and Rylstone for housing opportunities. These discussions have involved a potential joint venture with Council to create accommodation. Proper accommodation in cabins or the like, fully equipped. Keep in mind that for our construction staff of 320 we expect that many of the required services such as builders, plumbers, electricians, earthworks, etc, will be able to be sourced locally out of what is already here and available. The industrial sector of Mudgee has considerable already installed capability.

In terms of our ongoing workforce during operations, we see that a considerable amount of our workforce will be local and living here already. We have already seen local coal mine workers who live in Lue, Rylstone and Kandos express significant interest in employment once we are operational. We have received in excess of 300 applications and expressions of interest from local people, many local coal mining people. We know that the demand for employment is there and the community is genuinely excited about this opportunity.

For those in the Kandos community, they commute for work and for some that is over 2.5 hours of commute time per day. Bowdens Silver being 25 minutes away will obviously save significant time with obvious social benefits. The Mine Site is less than 20 minutes from Rylstone.

Our accommodation strategy also includes the upskilling and hiring of local people who are already living in the area, whose families live in the area and who want to be able to stay here and raise their own children in the region.

It also means we'll be working with the local community to provide opportunities for young people, school leavers and tertiary students to get the training and skills development that they need so they can stay and live in the region, rather than having to travel elsewhere for employment opportunities.

The important thing here about the job opportunities the mine will deliver is that they are long-term, secure, sustainable jobs that will enable local people to plan their futures and build strong family roots in this community.

We do not pretend that we will get all of our employees locally, there are some specialty skills required for precious metals process and there are jobs that will come from outside the area. However, these people will be required to live and work locally. There will be no Fly-In -Fly-Out.

We have, and will always have, a locals-first approach to jobs. That is our steadfast commitment and it can be seen in the 24-odd staff we already employ today.

So to summarise, the point I'm making here is that we are determined to employ as many local people as possible which not only brings social and economic benefits to these families, but it will help to minimise and negate any impacts on local housing.

We will work in joint venture with Council and with other key stakeholders to develop a detailed Accommodation Strategy that caters for any additional requirements and ensures we aren't competing with other industries for accommodation.

I trust that answers your question Commissioner Cochrane. If there is any more detail required, we can provide that in our written submission next week.

I would like to spend part of the time remaining to talk about some issues that have been raised however the detail of these issues are somewhat hidden. We talk about the appetite for local development and jobs, we have heard from community members these last few days about the appetite for development and jobs. From what I have seen over the past six and a half years being here, walking the streets speaking to people, community meetings large or small, close neighbour meetings, reading submissions to our Environmental Impact Statement and seeing submissions on the IPC website, development and jobs is by far the most talked about issue in the communities. That is clear.

When we turn right outside our Mine Site heading 30 kilometres to Mudgee, that seems all quite fine. Mudgee is booming, it bounced out of Covid very well. The coal mines have kept producing, tourism is doing well, other agriculture is doing a lot better since the drought. We have the vineyards and wineries. The town and surrounds is the envy of many other towns. That is all clear and very good to see. But I will come back to the future of Mudgee in a moment.

However, when you turn left out of our Mine Site, the picture could not be more different. Lue and Rylstone appear to be doing OK but only when you compare them to Kandos. Kandos is the larger of the three towns with a population of over 1200 and located about 25 minutes from the Mine Site. Kandos has issues, it has major issues.

I understand issues can sometimes be difficult to talk about when it comes to the health and financial wellbeing of individuals and families. However these sorts of issues are in our community. To an extent it is hidden, it is not often spoken about. Many think of Mudgee and how well it is doing but what is happening further afield? Allow me to provide some statistics on Kandos which are hugely worrying.

I apologise for those here who might be a part of these Census statistics, however, I think it is critically important that they are understood and tabled.

In Kandos, household income is about a third of that of the State average.

48.0% of households earn less than \$650 per week - the State average of that earning bracket is around 16.3%. That is household income not individual income.

Divorce and separations are double the State average.

43.1% of two parent families have both parents not working.

17.2% of people have achieved Year 9 or below at school.

40.0% of people have not achieved year 12.

I find this completely unacceptable in Australia in this day and age. To be clear I am not critical of children leaving school early if they are going into TAFE or the like and learning a decent trade or gaining other opportunities in training. But it is well documented that educational disadvantage in early life has a negative impact on career prospects and future earning capabilities.

This is all 2021 census data, the latest data. If you compare these figures to the previous 2016 census, the dial has barely moved, very minor improvements since 2016 or stagnation.

Graduates from Kandos High have virtually no jobs to go to. They are heading out of their community (to Penrith, Sydney or elsewhere) to find a job or they are staying in the community and going on welfare.

To me as someone who knows a little about numbers, data, statistics, trends, situations and outcomes, if this does not represent the demise or destruction of a society I don't know what does. With no jobs there is no future and people leave, the young, in particular leave.

Rylstone is better across all these statistics but only slightly better and still substantially below the State and national averages.

Worse still is health.

The 2021 Census tells us that figures for Cancer, Diabetes, Heart Disease, Kidney Disease and Mental Health in the Kandos and surrounding area are roughly double the State and national averages. In fact, every single health category listed in the Census for Kandos and surrounds is significantly worse than the State and national averages. And it is not improving.

That all sounds terrible and I think we all know why. The socio-economic decline of Kandos was caused by the closure of industry: the cement works closed, the coal mine closed and nothing came in to replace them. People lost their livelihoods. We now have the problems we have due to a lack of investment and a lack of planning and that has had a very negative impact on society.

Now I am not going to say that we will solve all of these local issues. That wouldn't be right. But developing a substantial new industry with local, high paying jobs, enabling people to live locally, raise their families and spend locally populating and supporting the schools and other educational institutions will make a very big difference. 228 jobs in operations and the rule of thumb is that approximately 2.5 additional jobs are created for every worker employed by mining through local services and supply industries. That is over 500 jobs.

Now, I hear it said yes but you only have a 23 year project life with a 16.5 year mine life. That is correct, however, we have certainly demonstrated that there are opportunities for extension in the future, the depth of the silver mineralisation is still continuing, opportunities in gold and perhaps copper are considerable and that is just at the Bowdens Silver site. Mineral exploration in the region is highly promising. We expect that our mine life will grow. The mineral system is large and there is a real possibility that this project will still be in operational in 50 years time. And there are other minerals discoveries possible in our region as demonstrated in our exploration works to date. Obviously once we define

and complete assessments over the coming years, all of that would be subject to State approvals.

Now one final point to make on the subject of our towns and the surrounds. We have heard about what happened to Kandos. What is going to happen to the Mudgee region? Coal mining will go into decline at some point as the country moves to net zero by 2050. According to the Mid-Western Regional Council, total output from the LGA is approximately \$6.5 billion per year. The three coal mines in the LGA produce around \$3.7 billion per year or 56% of output for our area. There are around 2200 jobs in the three local coal mines or about 19% of the local workforce. It is big business for Mudgee and the LGA. So what happens? We know that wind and solar farms are going to be built locally. There are some large ones planned north of Mudgee, and Gulgong way. Whether we like it or not a lot of people will come in to build, however after the build that workforce will not remain, these projects are low maintenance and are low in employee numbers. We as a region must diversify. Yes more tourism, more vineyards and wineries, more artisan industries, more agriculture, developed technologies. I am all for it if it makes sense and is done responsibly. However, what industry is going to be doing the heavy lifting? Again, I do not pretend that Bowdens Silver will solve all the issues but as a State and as a region, we need to start to develop, start the planning otherwise children in our LGA will be facing significant intergeneration decline.

I have mentioned some very ordinary statistics on local education. I have strong personal views on education and training and we have helped instil that into our work place. We continue to help the schools of Lue, Rylstone and Kandos. We have contributed and mentored to Max Potential Australia programs locally which encourage high school children to accelerate their potential and to challenge themselves. We have had work experience school children on site. When we talk about local jobs, yes we have a local pool of people who have experience in mining who have skills, however, we want to be encouraging school leavers and others to come in, undertake training, be the best they can be in the work place. We have also announced a stewardship program for young indigenous in the community. And mining offers diverse roles other than operators– roles in technology, environment, administration and health and safety to name a few. We do not pretend that all of our staff in

construction or operations will be able to be sourced locally. However, there will be a significant component that whether skilled or unskilled will be ready to undertake training.

All of our staff whether now or as we develop will be eligible for continued educational and training programs. Continual health and safety programs are a given. However, we may have a truck driver who might want to become an accountant, a field hand who might like to work in procurement, an office worker who might like to become a plant operator. It goes on. Multi skilled, education and training pathways.

We have a special relationship in tertiary education. We allow the University of New South Wales to utilise the Bowdens site to further education. Over time we have had PhD students, Masters students, Geology and Honours students coming to live and work at Bowdens, to conduct their academic work and help us further understand the importance of the Bowdens Silver Deposit and surrounds.

The other point I would like to make is the how dynamic the mining industry is. I like to think Australia is the best in the world. I know the Americans and Canadians would contest that. But Australia is a mining economy. Of the top 10 exports out of Australia each year, 7 of those 10 top revenue makers are mining and petroleum products. The other three are education (4th), beef (6th) and wheat (10th). The mining industry is fluid, it is changing all the time. Technologies are changing all the time. It is massively adapting right now to be able to deliver the raw materials as we decarbonise our societies.

Then we look at our Project and our assessment. As I have previously mentioned we have accepted the draft Conditions of Consent as provided by the Department of Planning and Environment. Those Conditions of Consent are of course before the Commission. In those draft conditions, there are 135 items and many many more subitems. Standing behind this document at the Federal and State levels are the laws, regulations, policies, standards and protocols. Conditions of Consent are designed to cover particular items in general and topics that may be very specific for our site. The EIS, the amendments, the Assessment Report and the Draft Conditions of Consent is a snapshot of the Project at a particular point in time. As an example, in the draft conditions we have agreed to further

modelling work when it comes to our water balance and acid mine drainage. This is to further confirm our findings, our EIS findings, the findings of the government agencies and our peer reviewers and government peer reviewers. That is all fine. However, that is not the end of it. We don't just tick a box there and move on. Throughout the mine life and beyond, water, water balances, tailings, AMD, biodiversity, rehabilitation, GHG emissions, will continue to change. All of this is adaptive management that seeks to better the outcomes whether it is from an optimisation point of view or improving environmental, health, safety and other outcomes. As a very basic example, we have been working over the past eight months or so on refining and optimising our recoveries of metals in our process flow sheet. Recoveries are very likely to be better, a lot better. That is great for the business, however, there are benefits in having less metal content being deposited in tailings. As I have mentioned, the project and the mine life is likely to change, we may have an underground mine in the future, we may look to extract gold as well as silver, zinc and lead. Obviously any such changes are subject to a lot of technical work, all the assessments and of course State Government approvals. Mining and this project in particular will be very dynamic over time and most certainly in a positive way.

One last point to make and we will have more to say in our submission next week on the economic benefits created by the project. In the Assessment Report the cost benefit analysis (or CBA) indicates a net production benefit of \$89 million to Australia and \$44 million to New South Wales. That is OK and yes it is not the benefit you may see from a large coal mine. However, with our reduced Green House Gas Emissions, that will increase the CBA numbers with greater renewable energy in the grid along with other on-site benefits such as our potential small solar plant. Also in the CBA calculation, it only assumes a benefit from new jobs created not jobs that already exist that are then transferred. With the rapid acceleration of pressures on the coal mining industry and now the scheduled closures, we will in fact be saving jobs. That substantial benefit is not taken into consideration in a CBA.

We are investing a large amount of money locally. To date we have spent over \$80 million on exploration, assessments, freehold purchases, local services, local businesses, etc. That excludes the project acquisition or corporate costs. We have spent almost \$9 million in wages locally.

For development we will be investing some \$310 million in capital works. Most of that is for the startup being invested next year, assuming approvals. In addition to the capital costs, over the life of mine we will invest around \$1.3 billion over the life of the project. That is onsite costs, wages, consumables, services, contractors and so forth. Partly included in that is taxation and royalties in the order of \$350 million over the life of mine.

We also have our \$3 million invested in local infrastructure including roads with our agreement with Council.

The point I am making here is that the local flow-on economic benefits are considerable which can be somewhat hidden in a formal cost benefit analysis. In addition, we have also spoken about the potential expansion opportunities which are yet to be quantified.

We will have more to say on this and other matters in our submission that have been raised during the last few days of the Bowdens Silver Hearing.

I would like to thank all from the community who have presented these last few days. Importantly I would like to thank the Commissioners for their work and diligence, Dr Smith and the Commission's team for organising this important Hearing.