

Schedule 3 - Explanatory Note

Evolution Mining (Cowal) Pty Ltd

and

Bland Shire Council

Introduction

The purpose of this explanatory note is to provide a plain English summary to support the notification of the proposed Planning Agreement (**Agreement**) prepared under Subdivision 2 of Division 7.1 of Part 7 of the *Environmental Planning and Assessment Act 1979* (NSW) (Act). For the avoidance of doubt, this Explanatory Note does not form part of the Agreement, is not to be used to assist in construing the Agreement and does not bind any of the Parties.

This explanatory note has been prepared by BSC as required by clause 205 of the *Environmental Planning and Assessment Regulation 2021* (NSW). It will be exhibited with a copy of the Agreement when the Agreement is made available for inspection by the public in accordance with the Act, as specified by clause 205 of the Regulation.

Parties to the Agreement

The Parties to the Agreement are Bland Shire Council (**BSC**) and Evolution Mining (**Cowal**) Pty Ltd (**Developer**).

The Developer has made an offer to enter into the Agreement in connection with a State Significant Development Application (SSD-42917792) for the development of the Cowal Gold Operations Open Pit Continuation Project (**Development Application**).

Description of the Subject Land

The Agreement applies to the land set out and described in Schedule 2 to the Planning Agreement (**Subject Land**).

Background

CGO is an existing open-cut gold mine near Lake Cowal near West Wyalong. It has been operating since 2005 under the authority of Ministerial Development Consent DA 14/98. It also operates under the authority of mining lease (**ML**) 1535 and ML 1791.

DA 14/98 covers the open pit operations, ore processing and associated infrastructure as well as the water supply pipeline and Bland Creek Paleochannel Borefield.

On 30th September 2021 the Developer received development consent SSD 10367 for the construction and operation of an underground mine (UG Operations) at Cowal Gold Operations (CGO). The Development Consent DA 14.98 was also concurrently modified under the Act to facilitate the UG Operations.

The Development Application seeks consent for the continued operation of activities as approved under DA14/198 and SSD 10367, development of three new satellite open pits to the north and south of the existing open pit, extension of the existing open pit to the east and south via a 'cutback' and ancillary works and upgrades to the mine infrastructure.

The Development Application will not change the ore processing rates or methods, tailing disposal methods, main site access, water supply sources, water licence limits, or hours of operation.

Further information on the Development Application is explained in the Environmental Impact Statement and other relevant assessment documents for the Project, which are publicly available on the NSW Planning Portal Major Project website: ([Cawal Gold Operations Underground Development | Planning Portal - Department of Planning and Environment \(nsw.gov.au\)](https://www.planning.nsw.gov.au/development/development-applications/development-applications-underground-development))

Summary of Objectives, Nature and Effect of the Agreement

The Agreement will incorporate all the development contributions currently paid under the planning agreement entered into between BSC and the Developer in connection with SSD 10367 (referred to as continuing payments below) and will provide for additional development contributions in connection with the expanded operations under the Development Application, The development contributions to be made under the Agreement are:

- 1 Payment of the Developer Contributions in accordance with the following terms:
 - (a) the continuing payment of \$200,000 (in respect of SSD-10367) to be paid to BSC on each subsequent anniversary date until Mining Operations cease to be applied towards a Council Infrastructure Investment Fund;
 - (b) an additional annual payment of \$200,000 (in respect of SSD42917792) to be paid to BSC until Mining Operations cease to be applied towards a Council Infrastructure Investment Fund;
 - (c) a continuing payment of \$150,000 and an additional payment of \$100,000 per annum (combined to be \$250,000 per annum) (averaged over five-year tranches) for direct community support and sponsorships within the Bland Shire-. The additional funding will be made available from the start of the financial year after the Developer notifies BSC that it has determined to proceed with the Open Pit Continuation Project. An overview of how this category of contributions will be determined and managed is provided in Schedule 5 to the Agreement.
- 2 Payment of the Road Maintenance Contributions in accordance with the following terms:
 - (a) To BSC a sum of \$60,000 per annum.
 - (b) Each of the subsequent annual payments shall be made on the anniversary date of the initial payments as per Schedule 6 until Mining Operations cease.

The quantum for the portion of the year between the anniversary date and the cessation of Mining Operations will be calculated pro-rata.

The contributions are deemed to be paid when cleared funds are deposited by means of electronic funds transfer into the bank account nominated by BSC.

All the above-mentioned payments are subject to CPI. The payments shall be indexed according to the CPI at the time the Agreement is signed.

The objective of the Planning Agreement is to facilitate the delivery of the development contributions to BSC for the provision of public benefits.

Assessment of Merits of Agreement

Purpose of the Agreement

In accordance with section 7.4, the development contributions the subject of the Agreement will be applied to public purposes that will ensure the provision of public benefits.

BSC has assessed the Agreement and holds the view that the provisions of the Agreement provide a reasonable means of achieving a public purpose(s).

This is because the development contributions that are the subject of the Agreement reflect that there are broad tangible and intangible environmental, social and economic costs arising from the Development, and the said contributions will assist BSC provide needed material public benefits to its communities, as well as addressing broader community social impacts.

How the Agreement Promotes the Elements of Council's Charter

The Agreement promotes a number of elements of Council's Charter under section 8 of the Local Government Act 1993 (NSW). In particular, the Agreement, through the delivery of a public purpose(s) and material public benefit(s), allows BSC to:

- provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively;
- exercise community leadership;
- bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible; and
- keep the local community and the State government (and through it, the wider community) informed about its activities.

The Impact of the Agreement on the Public or any Section of the Public

The Agreement will benefit the public and local communities through the delivery of a public purpose(s) and material public benefit(s).

How the Agreement Promotes the Public Interest

The Agreement promotes the public interest by committing the Developer to make monetary contributions towards a public purpose(s).

How the Agreement Promotes the Objects of the Act

Relevant objects of the Act supported and promoted by this Agreement include:

- to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources; and
- to promote the orderly and economic use and development of land.

The Agreement promotes these objects of the Act by requiring the Developer to make monetary contributions towards public purposes.

Requirements in relation to Construction, Occupation and Subdivision Certificates

Clause 5 and Schedule 6 of the Agreement sets out the timing for the payment of the development contributions.

The Agreement does not specify any requirements that must be complied with prior to the issue of any Subdivision Certificate, Construction Certificate or Occupation Certificate.

Interpretation of Agreement

This Explanatory Note is not intended to be used to assist in construing the Agreement.