

Questions on Notice – Mr Anthony McClure

1. **Ms CATE FAEHRMANN:** So the DPE did assess the project on the basis of 177 megalitres per year being lost to the catchment. Do you agree with that information?
ANTHONY McCLURE: I don't know that number, but I'm happy to check that.

Yes, it is clear that both the NSW Department of Planning and Environment (DPE) and the NSW Independent Planning Commission (IPC) considered the predicted removal of 177ML per year of runoff water from the catchment. In its NSW Government Assessment Report, the DPE states:

“The project would also affect surface water flows directly by reducing the catchment size in areas where mine infrastructure is located. While the mine is operating, rainfall and runoff from within an approximately 250 ha area of the Hawkins Creek catchment and a 300 ha area of the Walkers Creek catchment would be intercepted by the water management system, which would result in around 177 ML/year less water on average reporting to the creeks.

In percentage terms, this means flows in Hawkins Creek would decrease by around 4.5% for a distance of 3.5 km from its confluence with Lawsons Creek, while flows in Lawsons Creek between the confluence of Hawkins and Walkers Creeks would decrease by around 1.2%. Downstream of Walkers Creek, flows in Lawsons Creek would decrease by 2.2%.”

Separately, in Paragraph 141 of its Statement for Reasons of Decision, the IPC states:

“Groundwater drawdown is predicted to reduce baseflow contributions to Hawkins Creek and Lawsons Creek (AR para122). The Project would also affect surface water flows directly by reducing the catchment size by excluding areas where mine infrastructure is located, resulting in approximately 177 ML/yr less water on average reporting to the creeks (AR para 123).”

In both cases, the removal of this runoff and the assessed impacts to downstream water flows was considered acceptable and WRM Environment and Water’s assessment conclusion that this represents a negligible impact was supported. The loss of 177 ML/yr from the catchment should be considered in the context of the estimated average annual flow in Lawsons Creek of 7,136ML/year in the vicinity of the Mine Site.

2. **Ms CATE FAEHRMANN:** Mr McClure, a significant quantity of the water that you will be taking is rainfall runoff from what I understand are 59 existing dams that are on the area of land within the project site. The vast majority of the water that you will be taking is unlicensed. Is that correct?

ANTHONY McCLURE: No, that's not correct. All of our water is licensed. One last point to make on that item, as I mentioned before, our water take—and this has been the intention of our company right from the beginning—will not affect environmental

flows and will not affect agriculture in the region. We're very pleased that we've been able to, on the whole, basically achieve that—albeit with slight differences in the numbers as we go forward but, fundamentally, that's what we set out to achieve and we have achieved it.

Ms CATE FAHRMANN: I'll have to put questions on notice to you and other witnesses because of time, but I dispute your 1,800 megalitres—saying all of that water is licensed. I'll deal with that later.

ANTHONY McCLURE: It's in the reporting.

Ms CATE FAHRMANN: It's not in the approval that I have before me, the IPC statement of reasons for decision. The water licences held by Bowdens is nowhere near 1,800 megalitres here.

ANTHONY McCLURE: I don't think that's right.

It is correct that consideration of all predicted water use has been fully assessed and presented in the application documents. Importantly, the Project has proven that it has access to all water that is required for the mining operation through necessary licensing and rights as per any normal landholder in NSW. Further, the quantum of water and appropriate licensing and harvestable rights allowances were assessed by DPE Water, DPE and the IPC.

Water access licences required for the Mine are determined by technical assessment of the peak water take from an identified water source. To reiterate, Bowdens Silver holds sufficient water licence allocations to support the operation of the Mine.

Water Source	Purpose	Maximum Volume Required (ML)	Volume Secured (ML)
<i>NSW Murray Darling Basin Porous Rock Groundwater Sources Order 2020 - Sydney Basin Groundwater Source</i>	Pit dewatering	232.5	394 unit shares (equivalent to 394 ML/yr)
<i>NSW Murray Darling Basin Fractured Rock Groundwater Sources Order 2020 - Lachlan Fold Belt - Groundwater Source – (Other) Management Zone</i>	Pit dewatering	1,040	1,480 unit shares (equivalent to 1,480 ML/yr)
<i>Macquarie Bogan Unregulated and Alluvial Water Sources 2012 – Lawsons Creek Water Source</i>	Water captured in TSF	123	139 unit shares
	Baseflow loss	14 (19.3 post mining)	

The water balance model for the Mine presents the annual average water inflow (use) and outflow (management) in order to demonstrate that sufficient water is available

for the Mine water demands (processing and dust suppression). An annual average of approximately 1,844 ML/yr of water would be 'used' including:

- rainfall and runoff from the mine's disturbance areas, which is predicted to average of 924 ML/yr;
- advanced dewatering of the open cut pit, which is predicted to yield around 380 ML/yr;
- pit groundwater inflows, which are predicted to average around 431 ML/yr;
- clean water harvesting, which is predicted to yield around 27 ML/ yr; and
- ore moisture, which is predicted to average around 83 ML/yr.

Harvestable rights permit any landholder to construct dams (with some location restrictions) up to a maximum collective capacity (volume) without a water access licence, water supply work approval or water use approval. This right is available to any landowner in NSW and for example, allows a landowner to construct and use a 'farm dam' on their property without needing a specific approval. In addition to this, runoff from sections of the Mine Site that are classed as the "containment zone" would be collected in dams as any runoff could contain elevated dissolved metals. In NSW, dams constructed to collect runoff to prevent pollution of the downstream water source are classed as "excluded works" under Clause 3 of Schedule 1 of the Water Management (General) Regulation 2018. Infrastructure classed as "excluded works" is exempt from licensing under Clause 12, Part 1 of Schedule 4 of the Water Management (General) Regulation 2018 and this water may be reused. The runoff would be collected in the water management infrastructure identified in Figure 3.1 of the Water Supply Amendment Report which has been reproduced below. As with harvestable rights dams, this approach to pollution control is specified in the relevant legislation.

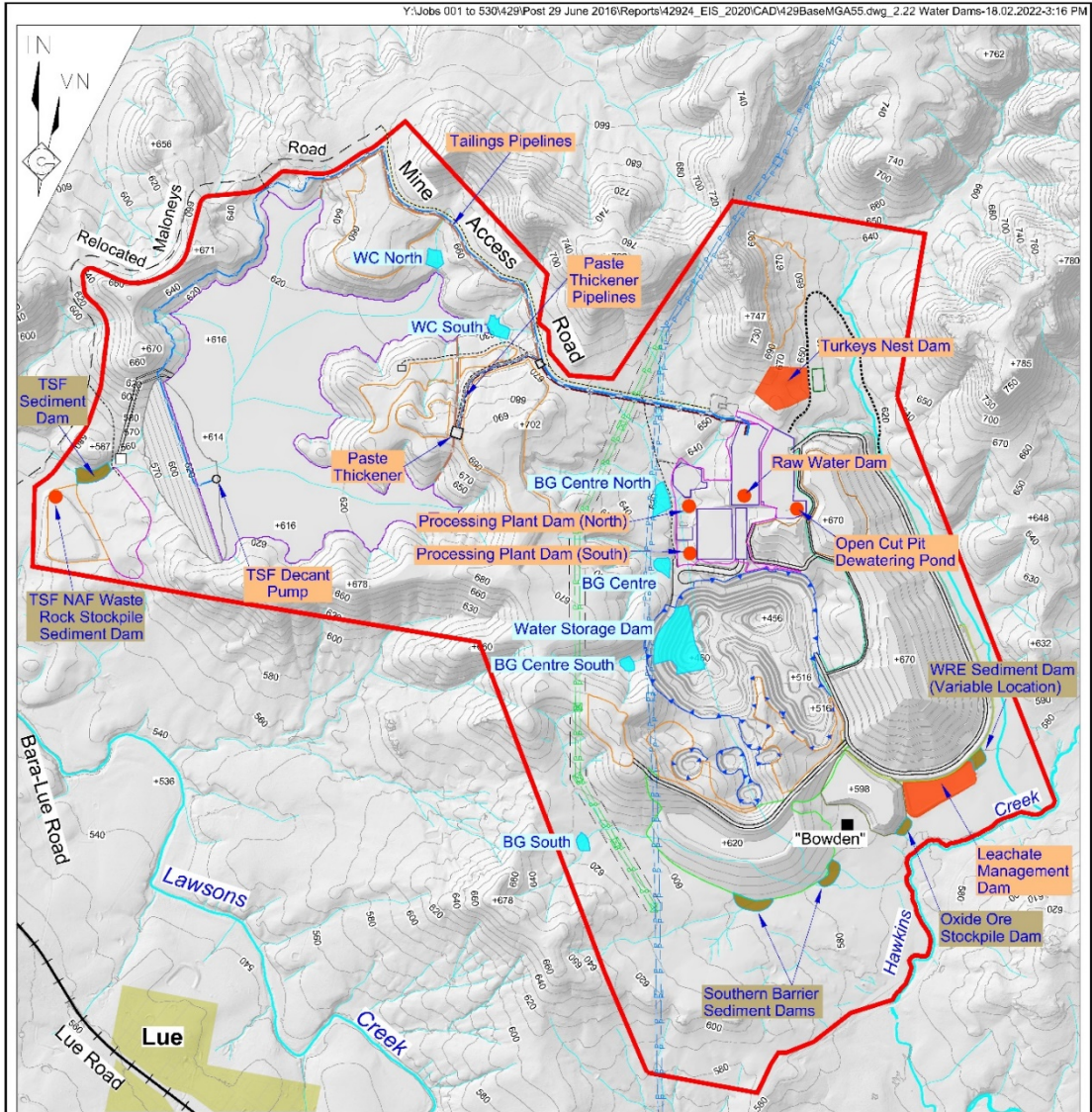
3. **Ms CATE FAEHRMANN:** In terms of your dam construction onsite with those 59 dams, are you able to provide the Committee with a time line of the construction of those dams, when each one was built? Are they historic or have a number of them been constructed in recent years?

ANTHONY McCLURE: We have not built any dams yet.

Ms CATE FAEHRMANN: So there are 59 and possibly more to be built?

ANTHONY McCLURE: I don't know the number offhand, but there will be dams cut.

Bowdens Silver confirms that no dams have been built on the Project site (or adjoining farms) since the Company acquired the Project in 2016. Further, we are unsure where the assertion that 59 dams will be built has come from, as it is incorrect. Figure 3.1 of the Water Supply Amendment Report (March 2022) has been reproduced here and presents the locations of seven intended harvestable rights dams with some dam locations to be determined in detailed design of the Mine. The Water Supply Assessment Report discusses the integrated water management and supply strategy which includes the construction and management of dams within the Mine Site.



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| <p>REFERENCE</p> <ul style="list-style-type: none"> — Mine Site Boundary — Contour (m AHD) (Interval = 10m) + Spot Height (mAHD) — Existing Watercourse / Drainage Line — Road — Mine Access Road — Maloney's Road (Section to be closed) — Relocated Maloney's Road — Tailings Pipeline — Tailings Discharge Pipeline — Decant / Paste Thickener Return Pipeline | <p>Sediment Basin / Dam Type</p> <ul style="list-style-type: none"> ■ Harvestable Rights Dam (Clean Water Zone) ■ Containment Zone Dam ■ Erosion and Sediment Control Zone Dam <p>● Dam location to be determined by detailed design</p> |
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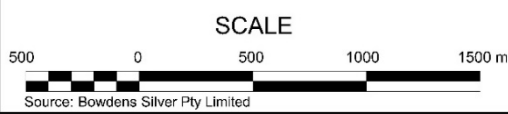


Figure 3.1
INTEGRATED WATER MANAGEMENT
AND SUPPLY DAMS