

18 June 2021

Forest, Fire and Regions,
Department of Environment, Land, Water and Planning
574 Main Street Bairnsdale 3875

By email: [REDACTED]

Dear Carmel, Debbie and Elaine,

Fingerboards mineral sands project (the Project) - Further information regarding impacts to native vegetation

As you know, we act for Kalbar Operations Pty Ltd (**Kalbar**).

Thank you for taking the time to meet with us and representatives of Kalbar and Ecology & Heritage Partners on 3 June 2021, to discuss the issues raised in DELWP's submission to the Fingerboards Project Inquiry and Advisory Committee on 19 May 2021.

1. Avoid and minimise impacts on native vegetation

As discussed at our meeting, Ecology & Heritage Partners has prepared a summary of the changes made to the Project to avoid impacts to native vegetation, as well as the additional areas of avoidance that are currently being investigated by Kalbar. Please see the letter from Ecology & Heritage Partners **enclosed**.

In considering further opportunities for avoidance, it is important to note that the Project involves mining of ore that is close to the surface, in low-strength sandy ground conditions. Given this, underground mining operations are not feasible and everything above the ore must be removed before the ore can be mined.

Kalbar proposes to use progressive strip mining as its mining method, rather than a large open cut mine. Progressive strip mining has the advantage in that the exposed area is disturbed for short periods of time, and progressive rehabilitation can be undertaken in a continuous sequence shortly after mining has been undertaken. Figure 1 below outlines the progressive strip mining process.

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Mining sequence

Site preparation (topsoil removal)

At the Fingerboards mine, topsoil will be stripped separately to overburden using earthmoving machinery – no blasting is required. Stripped topsoil will be either stockpiled or transferred directly to nearby rehabilitation areas. All topsoil stockpiles will be revegetated with crops and grasses for stability and to prevent wind and water erosion. Some topsoil may be stockpiled for up to three years.

Overburden removal

Overburden comprises gravel and sandy clays interspersed with clay layers of the Haunted Hills Formation. This material will be used for road construction to improve trafficability and armouring of slopes and embankments within the project area. Overburden will be removed by conventional earthmoving machinery. Approximately 30 million tonnes of overburden will be moved on an annual basis.

Mining of ore

Ore extraction will initially be conducted using front-end loaders.

The mobile equipment will transport the ore to one of two mining unit plants (MUP). Mined cells will be progressively backfilled with non-economic sand and covered with overburden (including improved subsoil) and topsoil.

Tailings and overburden return

Overburden and tailings (non-economic sands, silts and clay) from mining and primary processing will be returned progressively to the mine void as the working face advances. Coarse and fine sand tailings will be placed in contained cells within the mine void. This progressive backfill process reduces large exposed open areas as seen in traditional open cut mining.

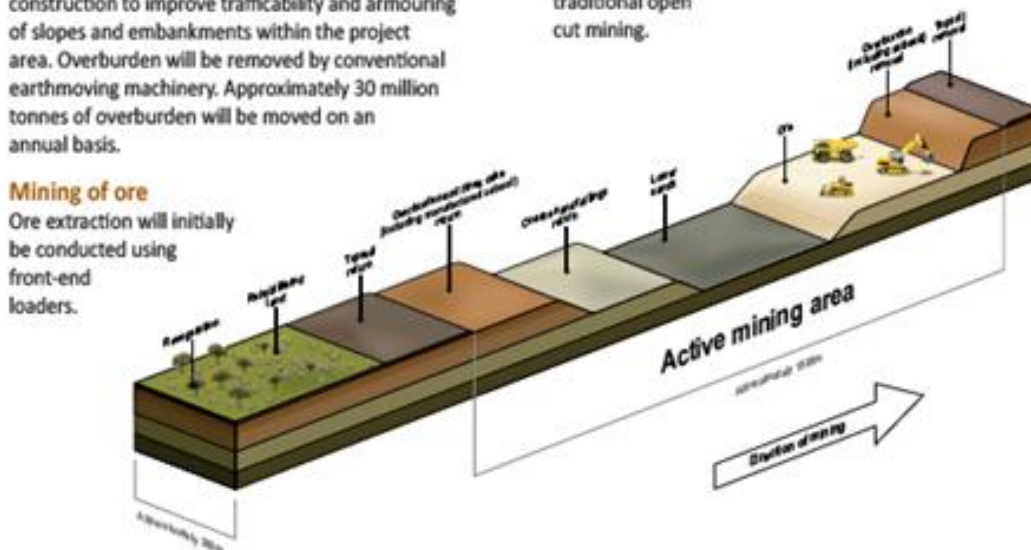


Figure 1: Details of the mining sequence proposed as part of the Project.

Given the nature of strip mining, it is not possible to deviate around native vegetation that is in the mine path. Preservation of an area of native vegetation at ground level will sterilize not only the resource immediately below it, but also the resource within a radius of around 300 – 400m, once offsets for the required geotechnical design and mine pit walls have been considered.

This means that short of excluding areas from the mine footprint, the key opportunities for avoiding and minimising native vegetation impacts are through the placement of infrastructure, such as:

- The use of underground power cables in place of over overhead powerlines that can impact high quality vegetation
- The use of above ground water piping in place of underground piping that can impact root zones
- Placement of stockpiles that limit impact to vegetation

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- Realignment of roads and rail siding to lessen impact on vegetation
- Realignment of the edge of the mine pit to reduce the mine footprint

Kalbar will continue to investigate these opportunities during detailed design for the Project, as required by proposed mitigation measure TE37 (EES Attachment H, but this mitigation measure will also be reflected in the biodiversity risk treatment plan that applies to the mining licence area):

TE37 Project infrastructure and activities will be micro-sited to avoid threatened flora species and native vegetation; including for example, if vegetation of high quality is identified during pre-clearance searches, where practicable, the location will be adjusted to avoid it.

2. Faunal Mitigation and Landscape Plan

It is recognised that the Project will result in the loss, reduction or reduced viability of ecological values within the Project area. Proposed actions including land clearing, the development of roads, pipelines and powerlines, disturbance to waterbodies, use of vehicles/machinery and a general increase in human activity are typically associated with several key threatening processes.

A Fauna Impact Mitigation and Landscape Plan has been developed which includes actions to mitigate the risk of direct and indirect impacts to fauna from potential threatening processes associated with the construction, operation and rehabilitation of the Project. Please see the copy **attached**.

The plan provides a framework for fauna and landscape stability management within the Fingerboards Mineral Sands Project area. This plan will form part of the suite of management plans that will regulate mining activities under the work plan, and Kalbar has proposed an amendment to mitigation measure TE51 to require compliance with it.

3. Why Fernbank rail siding is preferred over Bairnsdale rail siding

The EES presented two options for placement of the rail siding – either a purpose-built rail siding close to the Project area at Fernbank (together with a private haul road), or an extension to the existing rail siding in Bairnsdale, approximately 30km east of the project.

Kalbar's preferred transport option is the Fernbank option as it avoids haulage of HMC via local and declared roads and the associated public safety and amenity impacts. Further, if the Bairnsdale rail siding option is pursued, significant road upgrade works will be required to be undertaken to accommodate the trucks through existing suburban areas, which will also require clearance of native vegetation (among other impacts). This will also involve trucks having to drive on country roads and through small townships in transit to Bairnsdale, including at night. For these types of reasons, East Gippsland Shire Council and the EPA have also expressed their preference for the Fernbank option, and it is also clear to us that it is the preference among community submitters, for these same reasons.

It is worth noting that Kalbar intends to pursue only one rail siding option, not both. That means if the Minister for Planning favorably assesses the Fernbank rail siding option, Kalbar will develop the Fernbank option and not the Bairnsdale option.

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4. Incorporated Document

As discussed at our meeting, Kalbar accepts the substance of DELWP's requested amendments to the Incorporated Document set out in Tabled Document 377, but there are a number of drafting matters to be worked through. Please see the **attached** version of the Incorporated Document, which includes DELWP's requested amendments, as well Kalbar's proposed changes and explanation for the changes proposed. Please note that Kalbar is also discussing changes to the Incorporated Document with other stakeholders on their particular issues (e.g., Department of Transport on the provisions relating to traffic and transport). We will consolidate all of the changes agreed with stakeholders into a single document in due course.

5. Offset Update

Kalbar is currently negotiating call option agreements for native vegetation offsets with four landowners in the region – please see the redacted due diligence offset suitability reports for the relevant properties attached. A further six properties have also undergone due diligence offset assessments and we are instructed that Kalbar intends to commence option agreement negotiations with them shortly. Further information about these potential offsets will be provided in due course.

As the Fingerboards EES is presently undergoing the IAC hearing process, we just wished to advise you that in the interests of transparency we may need to table this letter in due course.

We look forward to discussing these matters further next week. In the meantime, please do not hesitate to contact us if you would like any further information.

Yours sincerely,



Tim Power
Partner



Kirsty Campbell
Senior Associate



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Attachments:

1. Letter from Ecology & Heritage Partners dated 16 June 2021
2. Fauna Impact Mitigation and Landscape Plan
3. Incorporated Document incorporating DELWP's requested amendments, with changes proposed by Kalbar
4. Due diligence offset suitability report – Property 1
5. Due diligence offset suitability report – Property 2
6. Due diligence offset suitability report – Property 3
7. Due diligence offset suitability report – Property 4