

Benjamin Schwartz

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Kensington SA

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PUBLIC SUBMISSION re TERRAMIN BIRD IN HAND GOLD MINE MLA

Dear Regulator,

I am currently employed as the Chief Financial Officer for Bird in Hand Winery located in Woodside, South Australia.

I am also a current member of the Woodside Community Consultative Committee (WCCC) formed by Terramin for the purpose of community consultation in relation to the proposed MLA.

Having reviewed the MLA and been part of the WCCC for more than 2 years I cannot see any way that the proposed mining activity can possibly co-exist with the current permissible land uses.

I have also had the opportunity to contribute to and review the public submissions provided by Bird in Hand and Accolade. Rather than repeat a lot of the detail and references included in these submissions, I will rather reference my support for their submissions where appropriate.

I have the following key concerns regarding the MLA: -

The proposed mine presents an unacceptable risk to groundwater availability and quality.

All of the agricultural operations in the Adelaide Hills rely on the groundwater for irrigation. Any change in the availability or quality of water, will have a devastating impact on these existing businesses.

The groundwater is contained in a split rock aquifer. This means that there are numerous distinct and separate pockets of groundwater all of which have varying levels of salinity. There are significant variations in the quality (salinity) of water found across the region. Salinity levels of existing bores less than 100 meters apart can be significantly different (refer Professor Cook's findings as detailed in Accolades submission). Given this, there is a strong possibility that the underground blasting and drilling activities required for the mining operation will alter the rock formations and may well cause contamination of distinct water pockets or cause these pockets to combine and thus potentially increase the salinity level of existing bores.

I support the assertions in Accolades proposal questioning the accuracy of the AGT groundwater assessment and modelling that Terramin are relying upon. Regardless of the obvious short comings identified by Cook with the AGT modelling, there is no form of modelling that will accurately be able to predict how these fractured rock aquifers will react once the drilling and blasting begins. Given this, there is no way of ensuring a catastrophic water event will not occur. The risk is too high.

The proposed mine threatens the “clean and green” image of the Adelaide Hills and thus threatens tourism to the region.

Despite Terramin’s proposed measures to minimise the impact of the mine, there is no question that there will be adverse effects on traffic (increased movements of heavy vehicles), dust, noise and visual amenity.

I support the assertions contained in Bird in Hand’s submission regarding Noise and Blasting Impacts (Part 4), Visual Amenity (Part 6) and Accolades submission regarding Traffic Impacts (Part 5).

All of these factors will impact the clean and green image that has been so successful in the continued growth of the Adelaide Hills as a key contributor to tourism industry in South Australian. Why would we risk the perpetual economic benefits of sustained and growing tourism for a high risk, limited life, five year mine?

The proposed mine does not make economic sense.

Terramin estimates that the mine will generate \$222m in Gross State Product over the 8 year life of the project (5 years of mining and 3 of preparation and shut down). EconSearch (BDO) estimates that by 20/21 the economic contribution to the state of operating activity of agricultural business in the Inverbrackie district (all those that cannot co-exist with this mine) will be \$169m in Gross State Product (GSP) **per year in perpetuity**. Over an 8 year period (without providing for any growth) this would equate to \$1,352m in GSP. Why would we risk this?

I fully adopt Bird in Hand’s submission in respect to Economic Impacts (Part 2).

Terramin’s community engagement has been a sham.

I have been a Woodside Community Consultative Committee (WCCC) member since its inception in Sep 2017. Interestingly there is not one Terramin staff member still employed by the company today that was employed by them at the inception of this committee only 2 years ago (this includes their CEO). The community representatives are, by and large, the same as the original committee.

Whilst Terramin provided regular updates on the status of their MLA at these meetings, they regularly avoided providing any information on critical topics. Numerous examples of information requested by the WCCC that has never been provided are detailed in Part 7: Stakeholder Engagement, of the Bird in Hand submission.

The single most impactful issue the WCCC requested information on from the very beginning of the process, was how Terramin planned to mitigate the risks to the underground water. After 2 years of formal meetings Terramin finally provided to the WCCC members their final water report 3 business days before the meeting that was scheduled to discuss this issue. Clearly this did not provide the committee members with enough time to review the report before the meeting that had been scheduled to discuss it. Requests via the Chairman to reschedule this critical meeting to a later date after the WCCC members had had time to properly assess the report, were declined. The regulator had representation at all of these meetings so should be well aware of this inappropriate behaviour.

Terramin then proceeded to lodge their application immediately, prior to receiving any formal feedback from the WCCC on their groundwater strategy and leaving numerous other requests for information incomplete (refer Bird in Hand submission Part 7).

It is my view that the community consultation that Terramin has undertaken has been completed at a lip service level, purely targeted at being able to “tick the box” required as part of the MLA and in response to the ministerial determination. It has been a sham.

The financial security of Terramin.

Terramin has an extremely poor track record as a mining and exploration company. The Consolidated Statement of Financial Position as per their ASX released 2019 Interim Financial Report show accumulated losses of \$178m and that current liabilities exceed current assets by \$23.6m. In the Independent Auditor’s Review Report dated 29 Aug 2019, Grant Thornton states “that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.”

As far as I am aware the company has never conducted a profitable mining operation. It’s share price over the past 10 years shows that the market also feels that this is that case. Terramin shares are currently trading at a 5 year low of \$0.057 per share.

Further details are provided in Part 8 of Bird in Hand’s submission, which I fully endorse.

I feel the regulator should be seriously concerned with Terramin’s ability to make good on any financial rectification required in the event of a breach of the MLA conditions. This concern should be considered in setting the level and form of any bond required.

Conclusion

I would like to make it clear that I am certainly not anti-mining. I feel mining plays an important role in South Australia’s economy.

That said, it is abundantly clear that the level of risk associated with this proposed mine completely dwarfs any potential benefits and the regulator should not grant this application.

Yours Sincerely,

Benjamin Schwartz