by Bowdens Silver to undertake a detailed Social

approximately 2 million tonnes per year of ore. The accompanying zinc and lead.

An outline of the indicative planning and approvals

Community Involvement Environmental and Social Impact Jan-Assessment studies commence Mar **Preliminary Field Studies** Continued consultation with local Apr-Jun landholders and key stakeholders Field studies continue Community workshops to provide outcomes of key studies and to incorporate stakeholder feedback Jul-Sep

assessment studies

Oct-Dec

Finalise EIS for submission and public exhibition

Refine mine plans and complete

team has been meeting with key stakeholders and area have been consulted to date. Our consultation activities will continue locally and throughout the wider

currently underway and to focus the social impact

In the following sections of the information sheet, some particular issues/impacts raised. Issues have been

questions that have arisen during our discussions with residents/landholders and local businesses and which were noted during the community information session held on Sunday 7 May 2017. Additional consultation is also occurring with other key stakeholders e.g. with this information also to be integrated in the final SIA

What you told us

Figure 1 highlights what residents and local businesses identified as some of the key potential issues/impacts associated with the Project. These have been grouped into a number of key impact themes.

The most commonly raised concerns identified by the Lue community related to noise (social amenity), property value and water supply. Concerns about air quality (social amenity), lifestyle change and issues relating to lead were also commonly raised. The proximity of the proposed mine development to the Lue community was also frequently noted.





Figure 1 Perceived Community Issues/Impacts *Note: multiple responses allowed*

Issues & Opportunities In detail...

The following sections provide more detail on the top seven issues identified. Quotes obtained through consultation have been used to highlight community views and perspectives where relevant Further detail on the other issues raised will be documented in the final SIA report.

Noise - Social Amenity

Noise was one of the main concerns, particularly for those residents that had moved to Lue to enjoy a rural lifestyle – particularly the peace and quiet of a rural environment.

"Noise is what drives people out of communities"

"It's very quiet out here, especially at night"

"You can hear a cow sneeze at night, it's so quiet"

As part of the noise assessment, the Project will be assessed against the NSW Industrial Noise Policy (INP) and the associated INP Application Notes, which contain guidance on the assessment of noise and sleep disturbance from industrial sites.

The NSW Environment Protection Authority (EPA) conservatively nominates that the (external) maximum noise level from the Mine Site should not exceed 45dB(A) at one metre from the bedroom facade at privately-owned residents.

Proximity to Lue

Other residents felt the Mine Site was being proposed too close to the village of Lue and there was not a sufficient buffer zone to reduce project impacts on the town.

Although the Bingman Hill ridge line forms a natural barrier between the mine site and the Lue village; as part of the assessment process, considerations will be made in Project design to reduce impacts. For example, the most recent draft infrastructure plan relocates the processing plant further north, providing a greater distance between the operations and the Lue village. The final mine plan will take into consideration the outcomes of the noise and air quality studies.

Property Values

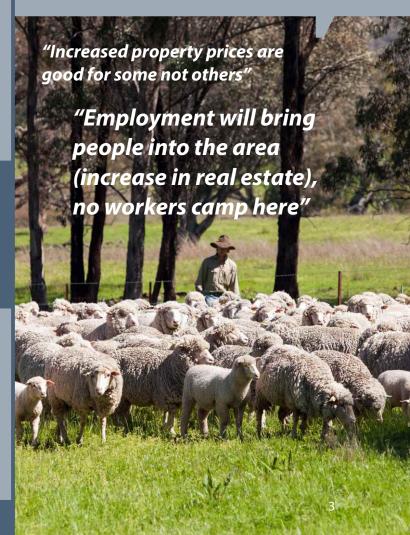
Some community members were concerned that the value of their property would be reduced as a result of the presence of the mine in the area, making their homes more difficult to sell. Some residents highlighted other mining developments, as examples of communities which had suffered as a result of the presence of mining projects e.g. Wollar.

"Keep the village, don't end up like Wollar where some people are stuck and can't sell"

"We don't want to end up with stranded assets where everyone wants to leave and no one wants to buy"

However, others felt that property prices in the area may increase due to greater demand for housing in the area.

During the construction phase of the Project, it is proposed that approximately 200 jobs will be created; with approximately 150 positions required if the mine becomes operational. There was also a view among some residents that further employment would increase local village populations. Bowdens Silver has committed to providing employment opportunities to local residents within the region.



Water

There was concern amongst community members that the Project would use an excessive amount of water with uncertainty regarding access and use of water for the Project. The potential for contamination to domestic bores and local waterways was also raised in relation to water quality and impacts on ground and surface water levels. Some residents suggested that the Mine could potentially provide water supply for the village in times of drought.

"Where are they getting the water?"

"We are worried about impacts to the creek"

Bowdens Silver is currently investigating a range of options for the supply of water to the operation that includes:

- use of surface water runoff captured in existing dams on Bowdens Silver's properties under the harvestable rights provisions of the Water Management Act;
- advanced pit dewatering (extraction) of groundwater under licence from the relevant water sharing plan;
- recycled water from the Tailings Storage Facility;
- secure water access via commercial arrangements and agreements.

The Mine Site is being designed to minimise the extent of changes to flows in Hawkins and Lawsons Creeks. While minor flow reductions could occur, Bowdens Silver will divert as much water around the Mine Site as possible to maintain downstream flows. Details of the extent of any change to the flow of creeks and potential mitigation measures are currently being assessed as part of the surface and ground water assessment studies. With respect to water quality, it is Bowdens Silver's objective not to adversely affect the water quality in either Hawkins or Lawsons Creeks. This would be achieved through ensuring runoff from the Mine Site meets all criteria nominated in the Mine's Environment Protection



Air Quality – Social Amenity

Impacts on air quality were also frequently cited in relation to potential operational activities, including blasting. The impact of dust on health was also noted. Dust exposure was a particular concern in relation to long-term health.

"Dust after you blast is my only concern from a health point of view"

"The wind blows from the west which is right across us"

The air quality study will produce a series of maps showing the distribution of dust from the Mine Site. The NSW EPA document "Approved Methods for the Modelling and Assessment of Air Pollutants in NSW", sets out the acceptable criteria for air quality.

These criteria are both health and amenity-based to protect the health of the general community. The air quality criteria relate to the total dust concentration in the air and not just the dust from proposed activities on the Mine Site. In other words, consideration of background dust levels will need to be made as part of the assessment. The amount of dust that would be generated as a result of the project is currently being modelled as part of the air quality study, and will depend upon the location and type of activities and equipment to be used on the site. Bowdens Silver is committed to ensuring that the effects from dust on the local community are minimal. The assessment will also outline the types of mitigation measures that may be implemented to reduce dust levels from the operations such as dust blankets, water carts and air quality monitoring to ensure that relevant government criteria are met.



Sense of Community: Lifestyle – Change in Way of Life

A number of community members described Lue as a small town with a diverse population, where people trusted and supported one another.

"We like Lue the way it is"

"Don't change it, we came here for this quiet lifestyle"

A number of residents explained that they had chosen to move to the area as it offered a particular lifestyle, or was an excellent place to raise a family or retire. Consequently, there were concerns that a new operational mine would change the sense of community of Lue as new people moved to the area to take up employment.

"A mine will change the village whether we like it or not"

"We are a diverse and prosperous community without the mine"

"The Project should inject money into the pub and school"

As part of the SIA a more detailed analysis of proposed population changes that may occur in the area during construction and operations will be undertaken. This assessment will consider likely areas in which new residents may reside as well as opportunities for local residents seeking employment. The impacts of workforce change on local services e.g. education, health, emergency, recreational services will also be considered. The policies of Bowdens Silver include ensuring the protection and strong viability of the Lue village.



Lead

Many stakeholders were concerned that lead would contaminate the air and water, in turn affecting soil and water quality.

"Any slight amount of risk is far too much"

"We're concerned about prevailing winds and potential for lead contamination in soil and tank water supplies"

"Any detectable lead will ruin our business"

"People won't enrol their children in the school, no school equals no village"

Residents were very concerned about the impacts of exposure to lead as a result of the project and the subsequent impacts on human health.

In this regard, many residents questioned if it would be safe to live in proximity to the proposed mine.

The health assessment will evaluate the impacts of lead on the community, with the Project not considered acceptable if it was to result in adverse health effects in the community. Bowdens Silver considers that the health and safety protection for the community is a critical issue.



Your say on perceived Project benefits and costs

At the time of consultation, the majority of people interviewed (59%) felt that the costs of the Project outweighed the benefits largely due to concern regarding environmental impacts outlined in **Figure 2**.

"The short term gain does not outweigh the benefits"

"There are no benefits for us, only the mine"

"The level of impact is too high for the area, it's not a compatible or sustainable land use"

When asked what would be the benefits of the Project (if any)? Those interviewed identified the following:

- Employment;
- Local business growth;
- Population growth;
- Community investment and contributions;
- Road upgrades; and
- Increased property values.



Community Values and Assets

As part of the interview process we asked community residents to describe what they valued about their community. The village's sense of community/ cohesion, the natural environment and the peace and quiet and serenity were descriptions that were frequently noted, as illustrated in the following quotes:



"If push comes to shove you can rely on people here"

"We pull together when we need to. We can call anyone if we need a chat or help"

"It's quiet and peaceful, a beautiful little place"

Those interviewed were also asked to identify the key strengths and assets of Lue. In this regard, it was highlighted that the:

Lue Public School is:

"Central to the community - if we lose it, we lose the town"

Lue Hotel is a:

"Key gathering point for the community"

Lue Community Hall:

"We'd love to see more activities"

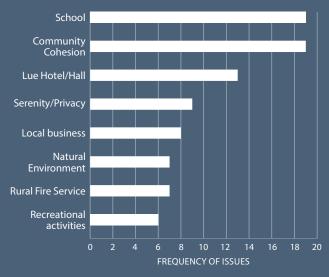


Figure 2 Key Assets of Lue

Your say on Community Needs

Community residents were also asked to identify what were their aspirations for Lue. The following word cloud highlights the main things noted with a shop for the village most frequently raised.

A number of people also indicated that they didn't need anything.

RFS Park Railway

Upkeep Pub Cafe
Church Lights Roads
Doctor
Restuarant Fuel
Tip Skatepark
Water Hall
Shop Toilets Pool
School
Trees

"We don't want anything, we have everything we need"

"We are self-sufficient, we don't want or need the mine"

EUE 60

Engagement, communication and trust in the process

Residents requested open and honest communication, with the majority of those consulted outlining that the newsletters were an effective means of communication.

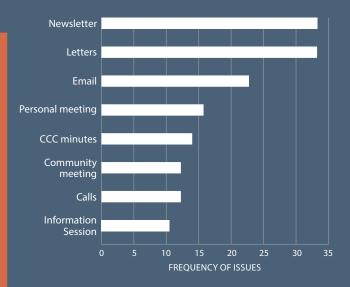


Figure 3 Information and Engagement Preferences

Participants were happy to share their thoughts and concerns about the Project and welcomed involvement in the SIA program. However, they also expressed a lack of trust in the Government development approval process generally. In this regard it was felt that in previous projects, community members had not had the opportunity to raise concerns or have these issues appropriately addressed.

"How will Bowdens Silver make the Project work when others haven't?"

Community Open Day





Where to from here?

The issues/impacts identified through our consultation to date with local Lue residents/landholders will now be used to inform the environmental studies and the SIA program. As noted a range of specialist environmental studies are being undertaken to inform Bowdens Silver's Project planning and mine design. As these studies are completed, we would like the opportunity to share the outcomes of these with you and to further discuss the strategies that will be used to manage any predicted negative impacts associated with the Project and to enhance the positive impacts at a local and regional level.

It is anticipated that the next round of consultation will occur in the coming months and will involve a number of collaborative assessment forums focused on key issues identified by the community; with Lue residents/landholders and other key stakeholders invited to attend. If you are interested in being involved in these forums then please let us know.

Feedback

As noted, this information sheet has been developed to summarise local Lue community sentiment on the Project to date and to ensure that we better understand local community issues in relation to the Project at this stage of the Project. If you feel that we have not reflected these issues accurately or if you would like to know more about the project or to discuss any aspects of the environmental and social impact studies that are underway with members of the Project team, please contact either Blake or Narelle on the contact details below. Bowdens Silver continues to have an 'open door' policy in relation to meeting with local residents and interested stakeholders, so please don't hesitate to get in touch.

Further detail on Bowdens Silver and its key environmental and social policies can also be found at:

www.bowdenssilver.com.au

Thankyou

We would like to thank all community members who have participated in the program so far and look forward to your further input and feedback as the Project progresses.

BOWDENS SILVER

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