

CSA MINE

March 2020

Glencore's CSA Mine employs about 670 people, including contractors. The majority of our workforce live in Cobar or in the Barwon district. In 2018, CSA Mine contributed over \$295 million to the local, state and national economies in wages, spend on goods and services, payment of taxes and royalties, capital and sustaining investment and local community partnerships.

About CSA Mine

- Located 11 kilometres north-west of Cobar.
- Production of about 50,000 tonnes of copper in concentrates each year.
- Second highest grade copper mine in Australia.
- Fourth highest grade copper mine in the world.
- One of Australia's deepest underground mines (1.75 km deep).
- The deposit was discovered in 1871 and named after the nationalities of its initial owners (a Cornishman, a Scotsman and an Australian).
- Development began in the early 1900s and the site transitioned to an underground operation in 1965.
- Glencore acquired CSA Mine in 1999 and the mine is currently forecast to produce until 2034.



Our economic contribution in 2018

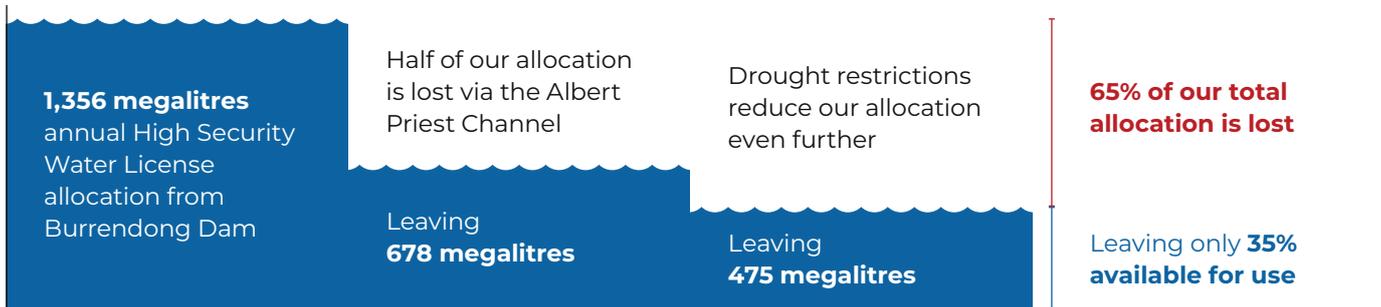


Water and drought situation in Cobar

Ongoing drought conditions in the Cobar region and New South Wales continue to have an impact on industry and community. CSA Mine is working together with Cobar Shire Council, Cobar Water Board and our mining peers to identify sustainable solutions to get the best outcome for the 4,000 people who live and work in the Cobar area.

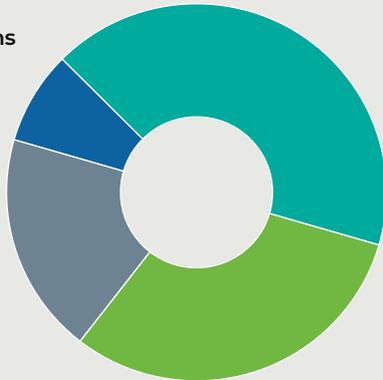
CSA MINE WATER ALLOCATION

Like other major water users in the area, CSA Mine receives an annual High Security Water License allocation from Burrendong Dam. In recent months levels in the dam fell below 2%, which potentially has implications for our operations. Whilst our allocation is 1,356 megalitres (ML), a combination of drought restrictions and significant leakage in the Albert Priest Channel that transports water from the dam to our site means we only receive 475ML of this. CSA Mine requires a steady supply of water now and into the future to maintain operations and plan appropriately.



CSA MINE WATER USE

- **Processing operations** (milling and paste plant operations)
- **Other** (drinking, showering etc.)
- **Underground bulk air coolers***
- **Underground operations** (dust suppression and drilling)



CSA MINE WATER-RELATED INVESTMENT

CSA Mine has taken a number of proactive steps to be more efficient and self-sufficient in our water use. We have invested in tanks, piping, pumps and other infrastructure to move and store water around site.

- We are **recycling about 35%** of water onsite.
- We've invested **\$3.2 million** in a bore field water project, which will reduce our water use from Burrendong dam by 50 to 60% this year.
- We're planning to invest an additional **\$3.7 million** in stages to secure water from other locations and further reduce our reliance on the dam.

Future considerations

Significant uncertainties remain in relation to High Security Water Licenses from Burrendong Dam for the 2020–21 financial year.

Changes to the long-standing agreement between Bogan Shire Council (pop: 2,621 and water allocation 2,750 ML) and Cobar Shire Council (pop: 3,990 and water allocation 1,850 ML) could also have serious implications for the community and industry in Cobar.

Further clarity on these matters is required for us to understand the options and cost implications of securing the necessary volumes of water for our operations.

*Note: Underground bulk air coolers are generally not used during the winter months of June, July and August.