



## Planning and Access Committee

Meeting: 24 February 2025

Agenda item: 6

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<b>SUBMITTED BY:</b>	<b>STUART MEARNS</b> Director of Place
<b>APPLICATION NUMBER:</b>	2017/0254/MIN
<b>APPLICANT:</b>	SGZ Cononish Limited
<b>LOCATION:</b>	Cononish Gold Mine
<b>NATIONAL PARK WARD:</b>	Ward 2 - Breadalbane and the Trossachs
<b>COMMUNITY COUNCIL AREA</b>	Strathfillan
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## 1. Summary and reason for presentation

1.1. This is an annual report to provide an update to members on the development of the Cononish Gold and Silver Mine near Tyndrum.

## 2. Recommendation

2.1. That Members:

**NOTE** the updates on the development.

## 3. Background

Development Background	
3.1.	A planning application for the development of an underground mine to extract gold and silver with associated service and production building, plant, storage areas, Tailings Storage Facility (TSF), settlement pond and gauging station, bridge and car parking (Further revision of permission 2014/0285/DET) was received in August 2017. On 27 February 2018 the National Park Authority Board was minded to approve the application subject to conditions and a section 75 legal agreement. Following the conclusion of the section 75 legal agreement, planning permission was granted - with the issuing of the decision notice on 19 October 2018. All suspensive conditions were discharged between March and December 2018 and works started on site on 3 January 2019. To view the files above, please go to our e-planning system, select 'Applications' and enter the reference '2017/0254/MIN (also ref to earlier application 2014/0285/DET). See Appendix 1 for a location plan and site plan.

Reporting to Planning Committee	
3.2.	Given the significance of the development within the National Park, annual progress update reports are presented to Planning and Access Committee. The last report was presented to committee in October 2023. This report updates Members on site status between October 2023 and February 2025.
3.3.	Since the last formal update report to Planning Committee, verbal updates have been provided to Planning Committee and the National Park Board.

## Reporting to Planning Committee

Updates have been included in the CEO Update to the Board during 2023 and 2024. Board members also undertook a visit to the mine in May 2024.

### 4. Update on Progress

	Current Status
4.1	Members may be aware that in July 2023 SGZ Cononish Ltd announced that it was undertaking a third-party review of the mine plan, and as a result, in September 2023 announced that additional finance was required. At the end of September 2023, mining and production ceased and the majority of staff were put on unpaid leave whilst discussions were held with potential funders.
4.2	A core team of staff has been kept on site to ensure that environmental monitoring continues and a care and maintenance programme was put in place. This includes continuing with environmental monitoring, maintenance of site infrastructure and equipment and site security. The mine site remains in this care and maintenance status.
4.3	Turning to the activity since Members' visit to the mine site, a short period of small-scale mining operations was undertaken between July and September 2024 when residual material from the site was processed through the plant.
4.4	Members may be aware that the Australian parent company Scotgold Resources Ltd entered into administration in November 2023, however the operating company SGZ Cononish Ltd has not entered administration. Since September 2023 SGZ Cononish Ltd has been trying to secure additional funding in order to continue with operations on site, and their work in this regard has continued in this respect.
4.5	The National Park Authority has continued regular correspondence with SGZ Cononish Ltd and has undertaken numerous site visits during this period, including continuing with the regular monitoring visits with the Planning Monitoring Officer. Monthly meetings are held with SGZ Cononish Ltd and weekly email updates are provided to the National Park Authority.
4.6	Given that the mine ceased to operate during the construction of stack 2, steps have been taken by the SGZ Cononish Ltd to ensure that the stack surface was stabilised and to minimise any surface run-off. The settlement ponds on site have also been cleared of accumulated sediment (most recently in October 2024) in order to reduce the risk of increased sediment

	<b>Current Status</b>
	loads in discharged water. Board members visited the site in May 2024 and gained an understanding of the care and maintenance programme.

<b>Operational Development to date</b>	
4.7	<p><u>Background</u></p> <p>The development can be divided into three phases: construction, operation and restoration.</p>
4.8	<p>After an extended construction period due to unexpected volumes of peat, weather conditions and coronavirus pandemic related delays the processing plant was completed in November 2020 and the first gold was produced on 30 November 2020. The development then entered the operational phase.</p>
4.9	<p>The preparation of the footprint of the first tailings stack commenced with stripping of vegetation in October 2020 to allow the completion of the landscaping of the screening bund. The stacks are the approved method of storing inert waste material (tailings) arising from the mine processing operation – forming a sequence of mounded landforms – up to 10 in total over the lifetime of the permission – each being sequentially restored using turves cut from the formation of the subsequent stack. Stack 1 is located immediately to the east of the plant platform and screening bund.</p>
4.10	<p>Stack 1 was prepared for tailings placement with a series of layers including a basal drainage layer and shear key – in effect the retaining wall element of the stack structure - formed from mine rock. Placement of tailings in stack 1 commenced in January 2021 and was completed in February 2023.</p>
4.11	<p>Quarterly geotechnical inspections have been agreed with Scotgold and the National Park’s geotechnical advisers from Ironside Farrar have carried out regular inspections of stacks 1 and 2.</p>
4.12	<p>Stack footprints require to be incrementally prepared for deposition of the tailings and once the tailings are deposited then soils will be added, followed by turves, mulch and divots taken from the footprint of the next stack in the sequence. The stack restoration phase continues on a phased basis throughout the life of the mine in tandem with mine operation.</p>
4.13	<p>The documentation required under planning conditions, relating to the construction and restoration of stack 2 was approved in October 2022. The stripping of stack 2 commenced in late October 2022, with the turf stripped being used in the progressive restoration of stack 1.</p>

### Operational Development to date

4.14	There remains a small area of stack 1 which requires to be restored. This will be completed when more turf becomes available from stack 2. The placement of tailings in stack 2 commenced in February 2023 and continued until September 2023. Sediment removed from the settlement ponds has been placed on stack 2 during the care and maintenance period.
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## 5. Monitoring of the Development

### Planning Monitoring Officer

5.1	<u>Background</u> The Planning Monitoring Officer (PMO) continues to visit the site regularly and continues to produce a report following each site visit which includes a summary of the site visit, a clear audit trail of any issues arising and classification of these issues base on traffic-light reporting.
5.2	The PMO Planning Audit Reports are published online on the public access planning website 6 months after the site visit, to allow the operator a reasonable timeline to address any arising issues, and to not prejudice any formal enforcement action should that be required.
5.3	<u>Update</u> Since the site entered into care and maintenance the focus of the PMO monitoring has been on the management of water on site, the maintenance of site infrastructure and ensuring that the surface of stack 2 is protected from the elements. Ongoing compliance with planning conditions has continued to be monitored.

### Monitoring Reports from the Developer

5.4	<u>Background</u> The operator (SGZ Cononish Limited) is required to submit (as a minimum) quarterly construction and operation monitoring reports to the Planning Authority setting out how the requirements of the Construction Environment Management Plan (CEMP) and all other conditions of the permission are being adhered to on site. Each report is specified to contain an update on construction or restoration progress, up-to-date photographs
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	and an update from the ECoW and LCoW including evidence of, and from, their site visits and including their photographic record. The report is also required to contain a list of issues identified and the subsequent report should explain how the issue has been addressed and evidence the remedial works undertaken.
5.5	<u>Update</u> During the care and maintenance period it has been agreed with the operator that the ECoW and LCoW would visit the site twice a year (rather than quarterly). To reflect this, it was agreed that monitoring reports could be provided bi-annually.
5.6	The report from the operator covering January to June 2024 was submitted to the planning case officer on 16 August 2024 with the latest report (covering July- December 2024) report due to be submitted shortly.

## 6. Obligations

Greater Cononish Glen Management Plan (GCGMP)	
6.1	<u>Background</u> The section 75 legal agreement requires the operators to establish a GCGMP Glen Advisory Group to provide recommendations to the operators and the National Park Authority on all aspects of the Greater Cononish Glen Management Plan, and on the implementation thereof. It is required to meet at least once a year in the first 10 years from the date of commencement of development, and more frequently during intensive operations.
6.2	<u>Update</u> The GCGMP Advisory Group held its eighth meeting in August 2024. As per the requirements of the section 75 legal agreement, a report was submitted to the National Park Authority prior to the meeting. This detailed the works that have been undertaken in compliance with the Greater Cononish Glen Management Plan since the last meeting; and the works, which are proposed to be undertaken in compliance with the Greater Cononish Glen Management Plan in the following 12 months. Given the current status of the site, GCGMP projects are not currently being progressed, however there was value in the advisory group meeting to continue the oversight of the management plan and to continue discussions on future projects should the mine operations recommence.

## Habitat and Land Management Advisory Group (HLMAG)

6.3	<p><u>Background</u></p> <p>The section 75 legal agreement also requires the operators to establish a Habitat and Land Management Advisory Group to provide recommendations to the Operators and the Park Authority on all aspects of the Decommissioning and Restoration Plan, and on the implementation thereof. The sixth meeting of the Habitat and Land Management Advisory Group was held on 19 August 2024.</p>
6.4	<p><u>Update</u></p> <p>Since the last update to committee there has been limited restoration undertaken due to the site status, however ongoing monitoring of restoration has continued to allow for review and consideration of restoration techniques.</p>

## Financial Contributions

6.5	<p><u>Background</u></p> <p>In order to mitigate any adverse environmental impacts, and to ensure the wider social and economic impacts of the development are met, the section 75 legal agreement requires the operators to make payments to Loch Lomond and The Trossachs Countryside Trust.</p>
6.6	<p><u>Update</u></p> <p>The most recent payment was made in May 2023, with subsequent payments outstanding due to the current status of the mine. This has been highlighted to SGZ Cononish Ltd and invoices have been issued by the Countryside Trust.</p>

## Financial Guarantee Bonds

6.7	<p><u>Background</u></p> <p>The development of the mine has two associated financial guarantee bonds, one for Restoration and Aftercare (£537,918.22) and one relating to the Greater Cononish Glen Management Plan (£268,692.95).</p>
6.8	<p><u>Update</u></p> <p>Members will recall that a review of the Restoration and Aftercare Bond was undertaken by Ironside Farrar on behalf of the National Park Authority. This review was completed in 2023 and it was agreed with SGZ Cononish Ltd and the other parties to the section 75 legal agreement, that the bond amount would be increased from £537,918.22 to £623,767.46. A payment of £40,000 was received by the National Park Authority in June 2023 and</p>

## Financial Guarantee Bonds

	the remaining £45,848.24 remains outstanding. This is a key obligation that requires to be addressed if mining operations are to be recommenced.
6.9	Initial discussions have been held with SGZ Cononish Ltd and Ironside Farrar, who will review the GCGMP bond amount on behalf of the National Park Authority should operations recommence. The review of the GCGMP bond is not in progress at the current time.

## 7. Looking Forward

7.1	Officers have been proactively engaging with SGZ Cononish Ltd along with key stakeholders and have highlighted the key steps which require to be taken and the obligations which require to be met, prior to any mining operations recommencing. It is understood that decisions in terms of investment and refinancing the operation are imminent and it is expected to be able to provide an update to the March meeting of the National Park Authority Board.
7.2	The Planning Authority will continue to monitor the site regularly and frequent communication between SGZ Cononish Ltd, the Planning Authority and the PMO will be maintained.

## 8. Conclusion

8.1	It is recommended that Members NOTE the contents of this report and the update that has been provided on the development.

## 9. Background Documents

9.1	For background information, Members should go to the website – <a href="https://eplanning.lochlomond-trossachs.org/OnlinePlanning/?agree=0">https://eplanning.lochlomond-trossachs.org/OnlinePlanning/?agree=0</a> then enter the search criteria as 2017/0254/MIN.



## Appendix 1: Location Plan and Stack Location Plan

