

The Cononish goldmine – why is the Loch Lomond and National Park Authority conserving the destruction nature?

Description

28th September marks the first anniversary of the closure of the Cononish goldmine ([see here](#)). This was the way when Scotgold announced that the vast majority of its staff were being put on short-term unpaid leave, The Loch Lomond and Trossachs National Park Authority (LLTNPA)'s mine monitoring reports, published with their usual secrecy six months in arrears, confirm that mining ceased on that date:

2.	Notification of cessation of operations, mine abandonment &	If at any time after the commencement of mining extraction, mining operations cease for more than 4 weeks the developer must notify the Planning	• Operator to notify the planning authority cessation of mining operations for longer than four weeks, written notice to be made within one week;
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This information was first published on 24th April 2024 in the Mine Monitoring report dated 24th October 2023.

Under the terms of the Section 75 Agreement which were agreed for the mine unless its owners, SGZ Cononish Ltd, restart mining by Friday it will change its status and become 'abandoned'. There is not a mention of this in the 'update' on the Cononish goldmine contained in the LLTNPA's Chief Executive's report due to be considered at their meeting on Monday ([see here](#)). This post takes a look at what is going on.

A blot on the natural environment of the National Park



The abandoned mine site February 2024 – since then the tailings stack 2, centre right, which was eroding silt into the protected river system below has been covered by matting. Photo credit Harry Barnes

“During the construction, operational and decommissioning phases of the mine, years 1-17, this development will be contrary to the Local Development Plan as it will not safeguard, protect or enhance the Landscape, Visual Amenity, Wild Land, Special Qualities, Recreation and Access”.

Those are not my words but those of LLTNPA staff from the Committee Report which recommended approval of the goldmine in February 2018 ([see here](#) – para 6.11).

Despite the LLTNPA’s declarations that we are in a nature crisis ([see here](#)) and its claims that the restoration of nature is now key to what it does, there is no mention of the potential to restore the mine in Gordon Watson, the Park’s Chief Executive, report to the board:

5. Cononish Goldmine Update

- 5.1. Members last received an update at the March Board meeting in the CEO Report. The majority of the Board also visited the Cononish site at the end of May. The care and maintenance regime at the Cononish site has continued by SGZ Cononish Ltd, the mine's Operating Company, whilst new investment and funding is being sought to bring the mine back into full operation.
- 5.2. Monitoring of the operations being undertaken has continued as has liaison with the company to ensure continued compliance with planning requirements. In preparation for the wetter autumn and winter weather the Operating Company have been reminded of the need to prepare the site, particularly in respect of clearance of the settlement ponds and have confirmed this will be undertaken.
- 5.3. Should SGZ Cononish Ltd secure new funding, or there be any change to the Operating Company, there are a number of requirements within planning conditions and the accompanying Section 75 legal agreement which protect the National Park Authority's interests in respect of planning matters.

The apparently bland reporting is revealing in two respects. First, the LLTNPA's reminder to SGZ Cononish about the need to clear the settlement ponds before winter indicates that silt is still being washed down from the mine site. That means that the pollution risk to the River Tay Special Area of Conservation continues despite the remedial measures that were put in place before the board was taken out to see the mine in May ([see here](#)).



Upper Pond #2 – Small silt island remains from recent cleaning wic 12th February 2024; this is stable and sufficient capacity to receive drainage from Stack 2

Photo from the most recently published mine monitoring report (dated Feb but published 24th August 2024) giving an indication of the huge quantities of silt being washed down from the site last winter despite it being “non-operational”.

Second, the report shows the primary interest of Mr Watson and planning staff in the S75 agreement is NOT about using its provisions to restore nature but only to protect the National Park Authority’s interests in respect of planning matters. This appears to be a reference to the restoration bond designed to ensure SGZ Cononish paid the costs of clearing up mine site when production ceased.

The Cononish goldmine restoration bond was reviewed and increased last year but only half the amount due was paid before Scotgold went into administration last November ([see here](#)) Whether the outstanding amount has subsequently been paid by Nat Le Roux since he gained total control of the mine ([see here](#)) has never been publicly reported to the Board or in the mine monitoring reports. Whatever the case, with continued inflation in the construction industry, the need from a planning perspective to uprate the restoration bond annually should be obvious – so why did Gordon Watson not raise this in his report?

The planning provisions for the restoration of the Cononish goldmine site

Clause 1 of the consent the LLTNPA granted for the mine in February 2018 reads as follows:

1. **Time Limit for Construction, Operation and Decommissioning:** All mining operations and decommissioning shall cease not more than 17 years from the date of commencement of the development (as indicated on the 'Notification of Initiation of Development', or date of commencement of development as determined by the Planning Authority). The 17 years includes construction, mining operations, restoration, decommissioning and all ancillary development and does not include aftercare of the mine site.

REASON: To reflect the nature of development contained in the planning application, and considered in the Environmental Statement, and to limit the length of time proposed for mine operations and decommissioning in order to minimise the adverse landscape and visual impact in this sensitive landscape within the National Park.

17 years was, in 2018, seen as the maximum period of time the goldmine should be allowed to operate and for the site to be restored given it was contrary to the LLTNPA's Local Development Plan.

Clause 2 of the planning consent provides for what should happen if the mine was to close before then:

2. **Notification of cessation of operations, mine abandonment & restoration:** If at any time after the commencement of mining extraction mining operations cease for more than 4 weeks the developer must notify the Planning Authority in writing within one week, and thereafter notify the Planning Authority in writing of the date of re-commencement of mining operations, within one week of the date of re-commencement. If at any time after the commencement of mining extraction the site is not used for mining operations for a period of 12 continuous months then the mine shall become an abandoned mine. The applicant will be required to submit details of a revised Decommissioning and Final Restoration Plan (in accordance with Condition 32) for the written approval of the Planning Authority, within 6 months of the mine being declared abandoned by the Planning Authority. The applicant shall decommission and restore the site in accordance with the approved revised Decommissioning and Final Restoration Plan no later than 2 years from the date the Planning Authority approved such a scheme.

REASON: To minimise the adverse landscape and visual impact and ensure that the site is restored to a satisfactory standard in this sensitive area of the National Park.

While the intention of these conditions was clearly to enable the LLTNPA to restore the mine site if it was abandoned, unfortunately they were poorly drafted. On the one hand they indicate the mine would 'automatically' be classed as 'abandoned' a year after mining operations have ceased as will become the case at the end of this week. On the other they state the applicant (SGZ Cononish) would have to submit a revised 'Decommissioning and Final Restoration Plan' revised to reflect the fact that mining operations were not as extensive as originally intended within six months of the 'mine being declared abandoned by the Planning Authority'. Any actions following the mine meeting the criteria for being abandoned appear to depend on it being 'declared abandoned'.

The Section 75 Agreement, which gives special legal force to these conditions, makes it clear that where the mine has been abandoned the LLTNPA 'may' not 'must' require it to cease operations permanently and trigger the release of the restoration bond to restore the site:

6 Cessation of Operations

6.1 If:

- 6.1.1 the Operators go into liquidation, receivership, administration or administrative receivership; or
- 6.1.2 (i) the Operators are in breach of this Agreement, or (ii) in terms of Condition 2 of the Consent the Operators have abandoned the mine within the time period stated in that condition as may be varied in terms of that condition or (iii) in terms of Condition 3 of the Consent the Operators have not finished construction or not commenced mining operations within the time periods stated in that condition as such time periods may be varied in terms of that condition; or

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- 6.1.3 the Operators are no longer capable of fulfilling the Operators' Obligations; or
- 6.1.4 the amount of an increase in a Bond Amount under Clause 5 has been notified in writing by the Park Authority to the Operators but the Operators have refused, or have failed within 14 days of the date of notification, to agree to increase the Bond Amount, and the Operators have failed to deliver the replacement Bond within 14 days of the date of notification or in cases of referral in terms of Clause 5.3 within 14 days of issue to the Operators of the determination by the expert,

then the Park Authority may, and will if required by CESIM acting reasonably in relation to the Restoration and Aftercare Bond only, by notice in writing, require the Operators to cease Operations on the Application Site (except those required for safety or preservation of the site) including all mining, winning, working, screening, processing and deposition of the minerals until such time as either;

- 6.1.5 a replacement Bond complying with Clause 4 is lodged with the Park Authority and the Park Authority confirms in writing that the Bond complies with Clause 4 hereof; or
- 6.1.6 the Park Authority permit, in writing, the resumption of any of the Operations,

and this all without prejudice to the Park Authority's ability to call up the Restoration and Aftercare Bond or GCGMP Bond as the case may be and implement the Operators' Obligations pursuant to Clause 14 and to the terms of any Pledge or Bond.

The LLTNPA board, therefore, has the discretion to decide to close the mine. It is interesting to note that should the Crown Estates {CESIM = Crown Estate Interim Management Authority) require it, the LLTNPA board would lose that discretion and could be forced to agree to close the mine.

Perhaps the Scottish Government, which claims to care for the natural environment and the nature crisis, might now be prepared to forgo any future income from the mine (which it receives through Crown Estates Scotland) and call on the Commissioners to recognise that goldmining is not an appropriate form of development in National Parks?

The abandoned Cononish goldmine and the LLTNPA Board

So why has Gordon Watson, the LLTNPA's CEO, failed to bring it to his board's attention that they could declare the mine abandoned on Monday and restoring the site for nature? Part of the answer appears to be that he has information about what is happening with SGZ Cononish that he has not told the board.

While the February mine monitoring report published last month does not include any clear statement about future plans for the mine, it contains several references to the mine re-opening, for example:

A general review of the 3 submitted but not determined Planning Applications [nothing has happened with these planning applications for over a year] to be undertaken prior to operations recommencing.

More specifically:

SGZ advise that future drilling will be in 4 phases some of which may be beyond the current permitted boundary (Turquoise Line), a Section 42 Planning Application to be submitted to ratify this through planning.

Note how the assumption is that LLTNPA will nod through any increase in the underground extent of the mine. What LLTNPA staff should have taken from this is there is too little gold ore on site to make the mine, as consented, a viable business proposition and it is time to put nature, not speculative business ventures, first in the National Park.

There is a more recent indication that Nat Le Roux may have managed to raise enough money to re-open the mine. On 21st August he was re-appointed as a Director of SGZ Grampian, the former exploratory arm of Scotgold in Scotland which had also been used to finance SGZ Cononish:

SGZ GRAMPIAN LIMITED

Company number SC309525

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	<input type="checkbox"/> Capital	<input type="checkbox"/> Incorporation		
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Date	Description	View / Download		
18 Sep 2024	Appointment of Nathaniel Bernard Le Roux as a director on 21 August 2024	View PDF (2 pages)		
02 Sep 2024	Termination of appointment of Nathaniel Bernard Le Roux as a director on 8 November 2023	View PDF (1 page)		
02 Sep 2024	Appointment of Adam Salim Habib as a director on 19 December 2023	View PDF (2 pages)		
02 Sep 2024	Termination of appointment of Ian David Fraser Proctor as a director on 21 August 2024	View PDF (1 page)		
15 Apr 2024	Notification of Bridge Barn Limited as a person with significant control on 1 November 2023	View PDF (1 page)		
15 Apr 2024	Cessation of Scotgold Resources Limited as a person with significant control on 1 November 2023	View PDF (1 page)		

It took five and a half months for Companies House to be notified on 15th April 2024 that Scotgold had ceased to control SGZ Grampian on 1st November 2023

Having resigned as a Director of SGZ just before Scotgold went into administration, Mr Le Roux is now back. So why, if Mr Watson and his head of planning Stuart Mearns have indications that the mine might re-open soon, are they keeping this from the board and the public realm? And how long do they think it would be reasonable to give Mr Le Roux before they call time on the mine? and what is their justification for believing anything they might have been told given what is currently documented on companies house?

SGZ CONONISH LIMITED

Company number **SC569264**

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Overview

[Filing history](#)

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Registered office address

**Upper Tyndrum Station, Tyndrum, Crianlarich, United Kingdom,
FK20 8RY**

Company status

Active

Company type

Private limited Company

Inco

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Accounts overdue

Next accounts made up to **30 June 2023**
due by **30 June 2024**

Last accounts made up to **30 June 2022**

Confirmation

Next statement date **20**
due by **4 July 2024**

Last statement dated **2**

The accounts of both SGZ Cononish and SGZ Grampian are now both three months overdue, a criminal offence. The Director of SGZ Cononish, owns it through his company Bridge Barn Ltd

The key point here is that while there may be legitimate reasons for the LLTNPA NOT to trigger the provisions of the Section 75 agreement in respect of the abandoned gold mine it is board members, not staff, who should be deciding this and those reasons should be recorded. The financial issues that still surround the mine give the board even more reason to put nature first.

Unfortunately, as I have argued recently in respect of the Flamingo Land planning application, it is staff not the board who are the real decision makers in the National Park. How that has happened is something the Scottish Government Minister responsible, Mairi Gougeon, needs to investigate before she creates any new National Parks.

Category

1. Cairngorms

Tags

1. conservation
2. Governance
3. landscape
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