



Our Reference: OUT11/981

Mr Howard Reed
Manager Mining Projects
Major Development Assessment
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Attention Mr George Mobayed

Dear Mr Reed

**Response to Submissions
Proposed Dargues Reef Gold Project**

I refer to your email dated 13 January 2011 seeking comments from Industry and Investment NSW (I&I NSW) regarding responses provided by Big Island Mining Pty Ltd, a wholly owned subsidiary of Cortona Resources Limited, on the submission made by this Department on the Environment Assessment (EA) for the proposed Dargues Reef Gold Project.

The Department's initial comments "***The retention of the box-cut in the final landform is not supported by I&I NSW...***" is valid as I&I NSW still maintains that it is not consistent with the proposed final land-use and it will require ongoing maintenance.

The following comments are provided by I&I NSW to the proponent's response regarding the retention of the box:

"Backfilling the box cut would be contrary to I&I NSW's stated objective to ensure that resources are not sterilised...."

Backfilling would not necessarily sterilise the resource although it may increase the cost of recovery. At this stage no indication is given that future resource recovery is likely to occur, certainly that the likelihood is high enough to warrant the retention of the box cut for an indefinite period.

Should the proponent demonstrate that there is, or is likely to be, a sufficient resource so that further recovery is likely to occur, then temporary retention of the box cut may be supported.

Alternatively, the proponent may identify a further resource prior to completing the current project - in this case they may decide to submit an additional proposal for mining which would change the timing and extent of the final rehabilitation.

At this stage, however, I&I NSW must assume that no further mining will take place in the foreseeable future and to determine a final rehabilitation outcome consistent with this.

"Bunding and fencing is typically regarded as a suitable closure mechanism for open cut mines and extractive industries in NSW. There are numerous precedents...."

Bunding and fencing has previously been used at several mines but ultimately leaves a site which requires ongoing maintenance and still leaves a potential safety risk. Retention of a remnant void is generally only supported when a positive future use for the void is identified. Historically, remnant voids have been left open, mostly for reasons of minimising costs. However, this is no longer seen as an acceptable outcome, in most instances.

"It is noted that material to backfill the box cut would not be available within the Project Site at the cessation of mining operations...."

I&I NSW does not believe that sufficient information have been provided to justify the proponent's claim. Further explanation is required. In particular, alternative final landforms, which require little or no importation of materials, possibly with a lower height and reduced slope angles, need to be considered.

The availability of fill material and the estimated costs for import and emplacement of this material needs to be investigated.

Conclusion


I&I NSW retains its view that that the filling of the box cut is the most suitable final rehabilitation outcome, removing safety risks and the need for ongoing maintenance.

The proposal by the proponent to negotiate a suitable final landform with I&I NSW during preparation of the initial Mining Operations Plan/Rehabilitation Environmental Management Plan and/or Rehabilitation Plan, is considered to be acceptable. Comment would also be sought from the landowner(s), Council, and any other interested agencies when determining the acceptable final landform.

Recommendations

Subject to the grant of project approval from the Department of Planning, and following the lodgement of a mining operations plan, I&I NSW will seek a security deposit sufficient to enable the filling of the box cut until such time as an alternative rehabilitation outcome has been formally agreed

Yours sincerely


William Hughes
Director Industry Coordination

27/1/11