



Your Reference: 10_0054
Our Reference: V10/305
OUT10/17589

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

Dear Mr Reed

**Dargues Reef Gold Project
Environmental Assessment**

I refer to your letter dated 27 September 2010 seeking comments from Industry and Investment NSW (I&I NSW) on the Environmental Assessment (EA) for the proposed Dargues Reef Gold Project by Big Island Mining Pty Ltd, a wholly owned subsidiary of Cortona Resources Limited.

Technical officers of I&I NSW have reviewed the EA and provide the following comments:

MINERAL RESOURCES

Rehabilitation Environmental Management Plan (REMP)

Section 2.14.1 in the EA states that a Rehabilitation Environmental Management Plan (REMP) will be prepared. The Department is concerned that the requirement to prepare a REMP may create confusion as the proposed REMP guideline has not, as yet, been finalised and the REMP provision of the *Mining Amendment Act 2008* has not commenced.

The Department believes that the best way to incorporate the REMP provision of the proposed *Mining Amendment Act 2008* for the Dargues Reef Gold Project would be to specifically require a "Rehabilitation Plan" in the project approval conditions rather than a REMP. The Rehabilitation Plan would need to be prepared in accordance with the relevant I&I NSW Guideline so that such a plan can satisfy the requirements under the *Mining Act 1992*. This approach allows I&I NSW to manage the transition from a Mining Operations Plan (MOP) to a REMP. Given I&I NSW role of managing rehabilitation, any rehabilitation plan must be approved by the Director-General of I&I NSW in consultation with Department of Planning.

Retention of the box-cut in the final landform

The retention of the box-cut in the final landform is not supported by I&I NSW for the following reasons:

- The box-cut landform is not consistent with the proposed final land-use of agricultural grazing and the existing topography of gently sloping hills and valleys; and
- Ongoing maintenance will be required for the box-cut fence and safety bund, which will be passed onto subsequent landowners.

I&I NSW recommends that the retention of the box-cut is either removed from the final revised version of the EA or a condition is specified by the Department of Planning that the box-cut be rehabilitated to a landform consistent with the pre-mining topography. The eventual rehabilitation of the box-cut must be planned for in the initial stages of the mine development (i.e. stockpiling suitable quantities of fill material and topsoil). This process can be managed through the "Rehabilitation Plan".

FISHERIES

I&I NSW notes that parts of Majors Creek and its tributaries are located within the proposed development area which drain to the Araluen and Deua Rivers and have the potential to be impacted by the proposed development.

I&I NSW agrees with the proposed safeguards, monitoring and mitigation measures to minimise environment impacts, in particular those related to ecology, surface water and groundwater detailed in sections 4.3.5, 4.4.6, 4.5.4 and 4.5.7 of the EA.

All the proposed safeguards, monitoring and mitigation actions listed in the EA and Appendices (including Ecology Assessment by Gaia Research P/L dated September 2010 and Surface Water Assessment by SEEC dated September 2010) should be included in any project approval, and listed in the Construction and Operation Environmental Management Plans (CEMP and OEMP) and fully implemented by the proponent and its contractors.

I&I NSW also recommends that any project approval require that the design and construction of new or upgraded access road crossings of on-site waterways must be undertaken in accordance with I&I NSW '*Policy and Guidelines for Fish Friendly Waterway Crossings (2004)*' and '*Why Do Fish Need to Cross the Road? Fish Passage Requirements for Waterway Crossings (2004)*'. These documents are available on our website www.dpi.nsw.gov.au, under 'Aquatic Habitats' and 'Publications'.

AGRICULTURE

I&I NSW believe that mine developments and agriculture can reasonably coexist, provided protection measures are put in place to minimise the impact on the soil, creeks, waterways and groundwater. Existing agriculture can continue on the land not used for the mine itself and facilities and services required.

Comments in relation to the potential impact on agricultural activities relate to the following:

Top Soil Removal and Storage

The proponent is to ensure that all top soil is removed from planned sites for the mine development itself, the waste rock emplacement area, roads, car parks, workshops, stores and other mine facilities. The top soil should be stored on site and stabilised for use when the site is decommissioned and rehabilitation is undertaken.

Acid Leachate

Section 2.5.2 of the EA (p2.24) states that testing of waste rock indicated that acid leachate is not likely to be produced. However, as there is a possibility that the rock may produce leachate, mitigation measures should be put in place should leachate be detected.

Groundwater

Page 2.45 of the EA indicates that the groundwater assessment of the project would result in reduced groundwater discharge to Majors and Spring Creeks. The EA also states that the project would ensure the existing base flow of within Majors Creek is maintained during the life of the project and for the period following until groundwater discharge rates have recovered to an acceptable level. Section 4.4.5.5 has located the bores likely to be impacted by the groundwater impacts of the mine.

I&I NSW supports the approach by the proponent:

- (a) in negotiating with the owners of those bores with a view to reaching an agreed outcome and monitoring standing water levels and yields within those bores; and
- (b) to negotiate an appropriate arrangement with the owner of the impacted bores if the groundwater supply from the bores is adversely impacted by the project.

Livestock Protection

To protect livestock, the proponent is to ensure that any livestock is separated from all mine infrastructures by fences and appropriate access structures.

Subject to the comments provided, I&I NSW supports the Dargues Reef Gold Project. The proposal if approved would be beneficial to the State and the region by utilising a gold resource within western NSW and providing fulltime employment opportunities for up to 60 persons.

Yours sincerely

 10/11/10
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Brad Mullard
Executive Director Mineral Resources