



**Resources
& Energy**

Your ref. 10-0191
Our ref. V11/108
OUT11/23654

Howard Reed
Manager Mining Projects
Department of Planning & Infrastructure
GPO Box 39
SYDNEY NSW 2001

Attention: George Mobayed

Dear Mr Reed

**Hera Gold Project (10_0191)
Exhibition of Environmental Assessment**

I refer to your letter dated 8 November 2011 regarding the YTC Resources Limited proposal to develop the Hera Gold Project. NSW Trade & Investment, Regional Infrastructure & Services (DTIRIS), Division of Resources & Energy (DRE) has reviewed the *Hera Project via Nymagee Environmental Assessment* dated November 2011 (EA) and provides the following comments which are directed at specific areas of DRE responsibility for this proposal:

MINERAL RESOURCES

It should be noted that no ore reserve estimate is included in the EA. Despite this there has been a definitive feasibility study for the project and the data provided by YTC to the ASX supports the assumption that the project is robust. An ore reserve estimate should be included with the mining lease application.

MINING TITLE

As gold is a prescribed mineral under the *Mining Act 1992*, the proponent is required to hold appropriate mining titles from DRE in order to mine this mineral. The project is within Exploration Licence 6162 held by YTC Resources Limited.

The proponent will be required to lodge a Mining Lease Application with DRE as soon as practicable.

REHABILITATION

- The Hera EA states that "A number of components were approved by the then Department of Primary Industries in 2006 under Part 5 (sic)....."
- The EA then proceeds on the assumption that these components do not require further approval under the *EP&A Act 1979*.

- These components were approved as a temporary exploration activity under the *Mining Act 1992* (and were subject to a Part 5 assessment under the *EP&A Act 1979*).
- The exploration activity approval is specific to the exploration licence (EL).
- When/if a mining lease is granted, the EL will be cancelled over the mining lease area.
- Cancellation of the EL will mean that the exploration activity approval will be voided.

The outcome of all of this is that the EA/project application needs to cover all components of the proposed activity and the EA should be amended accordingly.

Regardless of the above, short term Mining Act exploration activity approvals were never intended to supersede the need to obtain long term mining approvals under Part 3A/4 of the *EP&A Act 1979*. The Mining SEPP generally makes exploration subject to Part 5, while mining is subject to Part 4.

The EA has broadly identified the post mining land use and landform and discusses closure criteria. While the general foundation of rehabilitation planning has been developed in the EA, DRE will require further detail in the Rehabilitation Environmental Management Plan (REMP).

RECOMMENDED CONDITIONS OF APPROVAL

DRE recommend the following condition be incorporated into any planning approval that may be granted:

Rehabilitation Environmental Management Plan

The proponent must prepare and implement a Rehabilitation Environmental Management Plan (REMP) to the satisfaction of the Director General of Trade & Investment NSW. The REMP must:

- a) be prepared in accordance with DRE guidelines and in consultation with relevant agencies and stakeholders;
- b) be submitted and approved by the Director General of Trade & Investment NSW prior to the commencement of the activity; and
- c) address all aspects of rehabilitation and mine closure, including final land use assessment and evaluation, rehabilitation objectives, domain objectives, completion criteria and rehabilitation monitoring.

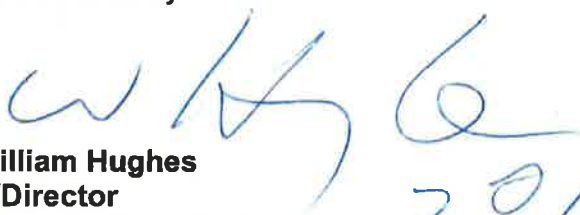
For consistency, any planning approval for this proposal should not include the requirement for the preparation of separate plans such as Mine Closure Plans, Landscape Management Plans and Rehabilitation Management Plans but rather be

replaced by a single plan called Rehabilitation Environmental Management Plan (REMP).

Subject to the inclusion of the above recommended conditions and the amendment to address matters relating to the *EP&A Act 1979* Part 5 approvals, DRE supports the proposal by YTC Resources Limited. DRE welcomes ongoing discussions with the Department of Planning & Infrastructure regarding the timing requirements of the REMP. For further information regarding environmental matters of this proposal please contact Catherine Stokes Team Leader Environment Western Region on 08 8088 9334.

Should you have any general enquires regarding this proposal please contact Steve Cozens, Senior Project Officer, Industry Coordination on (02) 8289 3932.

Yours sincerely


William Hughes
A/Director
Minerals Operations

20/12/11

CC. Mitchell Bland, Corkery

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