



George Mobayed
Planning Officer
Mining and Industry Projects
NSW Department of Planning
23-33 Bridge Street, Sydney NSW 2000

15th December 2010

Dear George

This letter is in response to further submissions received from Jackie French on 6 and 13 December 2010. A response has been provided to each point made, with reference to paragraph numbers in the submission. Reference to JF is a reference to Jackie French.

Submission dated 13 December 2010

Paragraph 1

We note that JF acknowledges that the submission period has passed. We also note that JF has been making wildly inaccurate statements about the Project and casting aspersions in the media on the Project and the detailed studies undertaken by a range of highly qualified and respected professionals in their fields of expertise.

Paragraph 2

The Project to be assessed by the Department is as described in the *Environmental Assessment* and in our responses to submissions on the exhibited *Environmental Assessment*. Recent announcements in relation to further exploration work undertaken by Cortona were made to satisfy the Company's ASX disclosure requirements and have no impact on the Project for which approval is sought.

The application for project approval and the associated *Environmental Assessment* covers the extents of the known Dargues Reef resources. At this stage no further reserves have been defined. Cortona is entitled to explore for and expand its resources and reserves, and will continue to do so. Cortona is well aware that should it wish to expand its operation beyond the current application for Project approval it will be required to apply for such in accordance with the statutory and regulatory requirements.

admin@cortonaresources.com.au
www.cortonaresources.com.au

CORTONA
RESOURCES LIMITED

Principal Office
Cortona Resources Limited
Level 5, 72 Kings Park Road
West Perth,
Western Australia 6005

Postal Address
PO Box 86,
West Perth WA 6872
Tel: +618 9485 0577
Fax: +618 6362 0706

NSW Office
Cortona Resources Limited
43 Leewood Drive,
Orange
New South Wales 2800

Postal Address
PO Box 7036,
Orange NSW 2800
Tel: +612 6362 2202
Fax: +612 6362 2203

Paragraph 3

There is absolutely no suggestion anywhere in our reporting that as a result of our exploration activities the development will be three times larger than that the subject of our Project application. In addition, issues raised in relation to discharge of processing reagents are addressed in the main response document. Should a subsequent application for project approval be made at any time in the future, there is absolutely nothing to suggest that any expansion would increase the likelihood of accidental leakage of any sort.

Paragraph 4

As identified in the main response document, Cortona is investigating the use of paste fill as an option. The use of this process is not proposed as part of this Project application. Paste fill is not concrete, but rather cemented tailings sand which will have a very low porosity. There is a range of beneficial reasons for using paste fill, including the following.

- a) Paste fill will remove the need for pillars and enable whole ore extraction in line with the I&I NSW policy to maximise exploitation of resources.
- b) Filling the mine voids with paste fill will reduce the water inflow to the mine, lowering the impact on local groundwater (JF's main contention).
- c) Using tailings for Paste fill will reduce the volume of tailings to be stored on surface and therefore the size of the tailings storage facility (JF's second most contentious issue).
- d) Improved mine stability and safety.

The EA documents that the tailings are chemically benign granite sand, therefore emplacing cemented tailings as paste fill would be an environmentally advantageous solution.

As indicated in the main response document, paste fill does not form a component of the application for project approval at this stage. As a result, this issue is not relevant.

Paragraph 5

Experts have conducted a range of studies into the Project, including the design and construction of the tailings storage facility. In addition, the NSW Dams Safety Committee will oversee the construction, operation, monitoring and closure of the facility. Finally, successful construction and operation of tailings storage facilities, including in environmentally sensitive areas, is undertaken by almost all mining operations. The Project does not represent a new technology or untried methodology. The EA has been prepared by a range of experts in their fields, and reviewed by relevant government agency officers. Cortona is not aware of any contrary scientific evidence.

In addition, we note that the *Environmental Assessment* was placed on public exhibition on 29 September approximately 11 weeks ago, in accordance with the prescribed statutory period. To request further time to make further submissions at this stage is considered unreasonable.



Paragraph 6

This issue has been addressed in detail in the main response document. In addition, it is unreasonable to further delay assessment of the Project while JF selectively releases species lists without supporting documentation. Cortona contends that there has been an opportunity during the statutory public exhibition period for JF to make submissions on the assessment of the anticipated impacts of the Project on Biodiversity, and further, that this is a matter that has been addressed in DECCW's submissions.

Paragraph 7

Issues raised in Paragraph 7 are addressed under Paragraph 2

Paragraph 8

Cortona has every confidence in the NSW Dams Safety Committee, and Knights Peisoid, its dam engineers, to ensure that the tailings storage facility will be built to the highest specifications that will prevent leakage and failure. There is no environmental justification to relocate the tailings storage facility.

In addition, an assessment of an alternative location for the facility is provided in 2.16.8 of the *Environmental Assessment*. Furthermore, the proposed facility is on Cortona's freehold land. The land referred to in JFs submission is not owned by Cortona.

Paragraph 9

This issue has been addressed in the main response document. However, the Hydrological test work undertaken for the EA demonstrates that the aquifer is typical of non-porous granodiorite aquifers in that it will have only a very localised impact on groundwater as a result of its fracture controlled permeability. As a result the hydrological consultants determined that there was no need to undertake testing further afield. NOW have privately confirmed that they do not believe that the Project would have any adverse impact on groundwater levels in Araluen.

In relation to the suggestion that Cortona has failed to construct test bores, Cortona has, at the request of JF, and in the spirit of consultation and surety, agreed to drill two monitoring bores on JF's property so that the mine's activities can be monitored. Cortona has visited JF's property to review proposed sites for the bores, and a letter has been sent to JF outlining the proposal, which has been verbally agreed to by JF on 8 December 2010. It is untrue for JF to suggest that no effort has been undertaken to carry this out, considerable effort has been undertaken.



Paragraph 10

Cortona notes that I&I NSW will require a rehabilitation security be lodged prior to permitting mining operations to commence. Compensation would be a matter of claim and negotiation at some time in the future only in the very unlikely event of proven adverse impact.

Submission dated 6 December

Issue 1 – Relocation of the tailings storage facility

This issue has been partially addressed under Paragraph 1. However, in relation to the specific issues raised, Cortona makes the following comments.

- The land which JF refers to is not owned by Cortona. Cortona's access to this land is under its exploration rights.
- The proposed location of the tailings storage facility is in an open valley, with average slopes of approximately 1:7 (V:H). That is hardly a gorge!
- The tailings storage facility, when operational, would have almost negligible noise emissions and the *Environmental Assessment* identifies that dust emissions from the Project, as described, would be well below relevant criteria. Also, as identified in Section 2.16.8 of the *Environmental Assessment*, relocation of the facility would result in significant visual amenity impacts to surrounding residents.
- The owners of the land to the north of the Project Site would be unlikely to agree that their land was "low value rough grazing land".
- How does JF justify the statement that there are no endangered species in the Shoalhaven Catchment?
- The principal difference between the aquifer at and north of the project site and that in the Araluen Valley is that in the vicinity of Araluen the alluvial aquifer is the principal aquifer as opposed to the granodiorite aquifer referred to above. The "lack of water," in the Araluen valley, if it exists, is most likely a result of over extraction by the agricultural businesses JF seeks to defend. Cortona notes that in one submission, a landholder indicates that the water access licence for their single orchard is on a par with the water requirements for the entire Dargues Reef Project.
- A tailings storage facility on gently sloping ground would not be "dug into the ground," it would be constructed on top of it, requiring four tailings embankments, not the one that the current proposal requires. Using JF's arguments, this would significantly increase the risk of adverse consequences, not reduce them.

Issue 2 – Scope of the *Environmental Assessment*

As identified previously, the *Environmental Assessment* covers the current reserves as defined by the Feasibility study. No additional reserves have been defined, or are close to being defined. Cortona has had indications that the resource has the potential to increase, but this is at a very early stage and could take years to define additional reserves, if at all.





Issue 3 – Installation of test bores

This issue is addressed under Paragraph 9 above. This has already been agreed to by Cortona, as JF well knows.

Issue 4 – Use of Xanthate

Xanthate is a commonly used reagent in the mining industry and its management and use without adverse environmental impacts is well established.

Issue 5 – Use of Paste Fill

This issue has been addressed under Paragraph 4. In addition, concrete, or the cement in concrete, is not extremely alkaline once mixed and cured. If it were, its use in footpaths, roads and construction would be controlled. In addition, the use of paste fill has many benefits as outlined above, and should be encouraged rather than discouraged. The low porosity of the paste will mean that its interaction with groundwater, and effects on acidity, will be negligible.

Finally, JF has in all her submissions made reference to “experts” that have provided advice to her. At no time has she provided names, CVs or written reports to support her allegations.

Please don't hesitate to contact me if you wish to discuss any of the matters within this letter.

Yours Faithfully

A handwritten signature in dark ink, appearing to read 'P. J. V. A. B.', with a large, stylized loop at the end.

Peter van der Borgh
Managing Director
Cortona Resources Limited

