

Part A -

Information for the Public

Guidelines for Preparation of a Public Environmental Report

NEW TAILINGS STORAGE FACILITY FOR THE BROWNS OXIDE PROJECT

Batchelor, NT

- Compass Resources NL -

April 2008

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1. PURPOSE

The Northern Territory Minister for Natural Resources, Environment and Heritage has determined that this proposal requires formal assessment under the NT *Environmental Assessment (EA) Act* at the level of a Public Environmental Report (PER).

These Guidelines have been developed to assist Compass Resources NL in preparing a PER for the New Tailings Storage Facility for the Browns Oxide Project, in accordance with Clause 8 of the NT *Environmental Assessment Administrative Procedures*. The Guidelines have been prepared by the Environment, Heritage and Arts (EHA) Division of the Department of Natural Resources, Environment and the Arts (NRETA).

These Guidelines consist of two sections:

- Part A – Information for the Public: (this section) is the introduction and brief description of the project and the PER process; and
- Part B – Guidelines: details and information requirements with respect to specific risks and environmental issues identified for the project by the Northern Territory Government.

The object of these guidelines is to identify those matters that should be addressed in the PER. The guidelines are based on the initial outline of the proposal in the proponent's Notice of Intent (NOI) as well as examination of documents presented in the formal PER assessment process of the Browns Oxide Project (BOP) describing the original (and now approved) Tailings Storage Facility (TSF). The guidelines, however, are not necessarily exhaustive. They should not be interpreted as excluding from consideration any matters which are currently unforeseen that emerge as important or significant from scientific studies or otherwise during the preparation of the PER and the public consultation process.

This section of the guidelines has been developed to assist members of the public and other interested parties in preparing comments on the PER.

2. THE PROPONENT

The proponent is Compass Resources NL (Compass).

DESCRIPTION OF PROPOSAL

2.1 Background

The Browns Oxide Project was assessed under the NT *Environmental Assessment Act*, and an Assessment Report issued in May 2006. The mine was then approved by the Commonwealth under the *Environment Protection and Biodiversity Conservation (EPBC) Act*. A Mining Management Plan was submitted to the Department of Primary Industry, Fisheries and Mines (DPIFM) and approved in July 2006. The Browns Oxide Project has been granted Major Project Facilitation status by the Commonwealth Government. The project is presently under construction.

The Browns Oxide mine is authorised to extract copper, nickel and cobalt from an oxide ore-body over a mine life of ~3 years. Since the assessment process, high grade zinc mineralisation under the approved Tailings Storage Facility (TSF) has become potentially economic. As a consequence, Compass is seeking as an alternative site for a new TSF, a 35 hectare (ha) area to the south of the Browns Oxide Project.

A TSF with a capacity to take one year of tailings production (1Mt) is currently being constructed at the approved TSF site (with the area of mineralisation excised) to allow mine production to proceed. Only limited tailings are planned to be stored in the approved TSF to prevent sterilisation of underlying mineral resources.

The proposal was referred by Compass to the Commonwealth under the EPBC Act, and has been determined to be a *Controlled Action*. The controlling provisions for the proposed action are: sections 18 and 18A (Listed threatened species and communities). The project will be assessed under a Bilateral Agreement between the Australian Government and the Northern Territory Government.

2.2 Location

The Browns Oxide Project is located approximately 65 km south of Darwin and 7 km northwest of the Batchelor township. The new TSF site is immediately south of the permitted TSF, on NT freehold land in the Hundred of Goyder, currently held by Compass under mineral lease MLN 1157. The Project layout is shown in Figure 1.

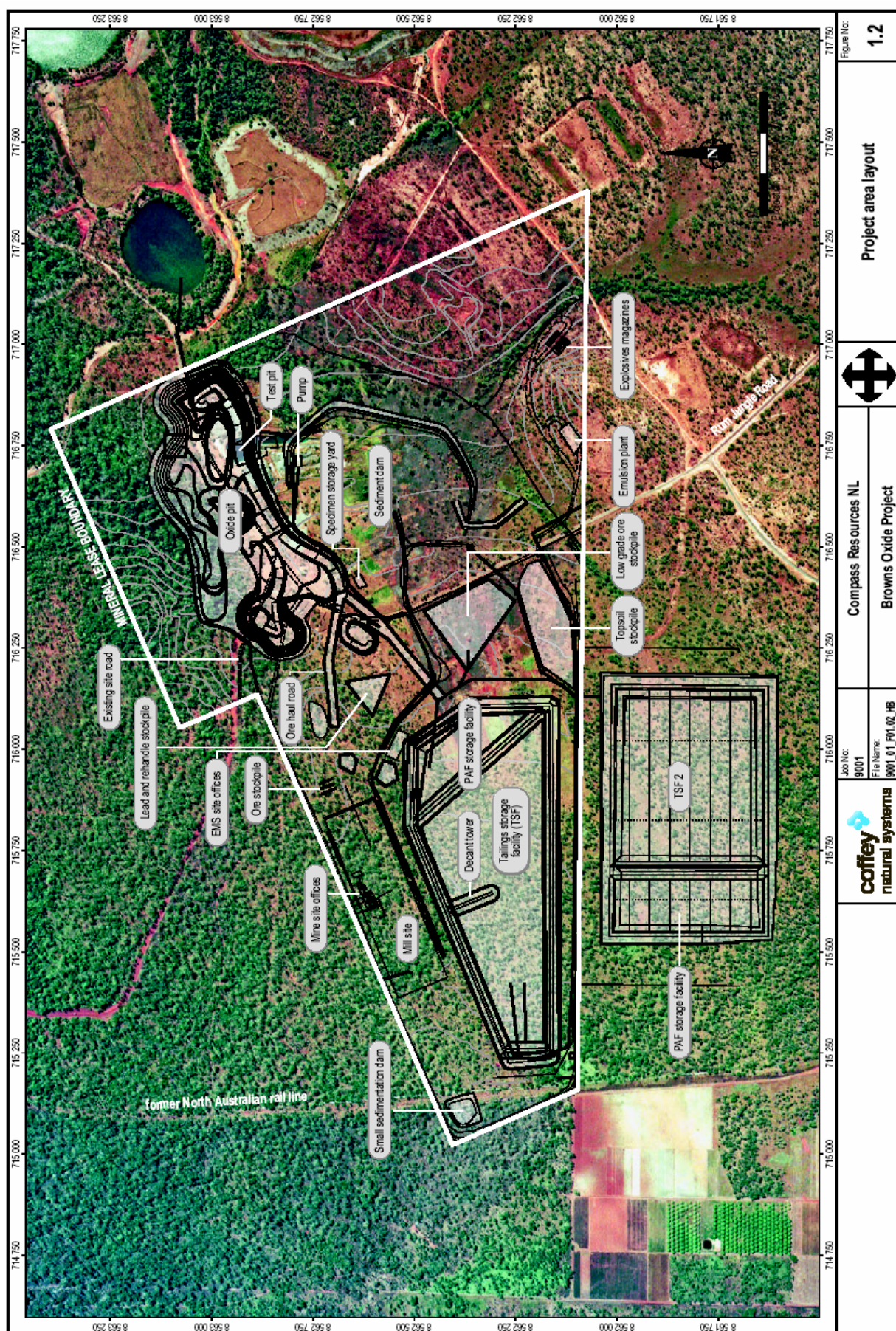


Figure 1 - Browns Oxide Project Area - Layout

2.3 Overview

The Browns polymetallic oxide deposit comprises weathered rock from surface to a typical depth of 20 to 25 metres, with two deeper pockets reaching 50 metre depth. The oxide deposit overlies a major strata-bound polymetallic sulphide deposit hosted by Proterozoic graphitic shales, calcareous sediments and dolomite. The deposit is located on the northern limb of a tightly folded synclinal structure adjacent to the Giants Reef fault zone.

Current oxidised resources at Browns, as reported in the 2006 Compass Annual Report, comprise 2.64 Mt of ore at 1.02% copper, 0.12% cobalt and 0.15% nickel. This tonnage is based on a cut off grade of 0.5% copper or 0.10% cobalt and due to high metal prices additional high grade ore will be milled.

Development of the deposit involves open pit mining techniques over a mine life of approximately three years. Ore will be milled and processed at a rate of approximately 1.3 Mt/a using a conventional crushing, grinding, atmospheric acid leach and solvent extraction-electrowinning circuit to produce 10,000 tonnes of copper cathodes. The project will also use a resin in pulp and chemical precipitation circuit to produce 1000 tonnes of cobalt and 700 tonnes of nickel as a mixed metal carbonate concentrate, for each year of operation. A gravity recovery circuit would be incorporated if required to recover lead carbonate. All products will be transported by road to the Port of Darwin for export by ship. Tailings will be disposed of to either the approved TSF or the New TSF.

Suitable waste rock from the Browns Oxide Project would be utilised in the construction of the initial and the New TSF. It is planned that only the first "lift" of the TSF assessed in the Mining Management Plan (MMP) would be utilised, with the New TSF being used for tailings storage as soon as it is completed. Potentially acid forming waste rock would be encapsulated in the tailings dam.

2.4 Approvals Required / Applicable legislation

The following pieces of legislation may apply to the project:

- *Aboriginal Land Act;*
- *Bushfires Act;*
- *Environmental Assessment Act 1982 (NT);*
- *Environmental Offences and Penalties Act;*
- *Environment Protection and Biodiversity Conservation Act 1999 (Cth);*
- *Heritage Conservation Act 1991 (NT);*
- *Local Government Act;*
- *Mining Act 1980 (NT);*
- *Mining Management Act (NT)*
- *National Environment Protection Council (Northern Territory) Act;*
- *Northern Territory Aboriginal Sacred Sites Act 1989;*

- *Planning Act;*
- *Soil Conservation and Land Utilisation Act;*
- *Territory Parks and Wildlife Conservation Act 2000 (NT);*
- *Waste Management and Pollution Control Act 1998 (NT);*
- *Water Act 1992 (NT); and*
- *Weeds Management Act.*

3. PER PROCESS

The proponent has been directed to prepare a PER. Once prepared, the PER will be exhibited for public review and comment for a period of 28 days, during which time advisory bodies will also comment on the document. After taking into consideration the comments received during the public review period, the proponent will be directed to prepare a Supplement to the PER addressing issues raised.

The EHA Division will prepare an Environmental Assessment Report based on the PER, Supplement to the PER, any further information submissions and any comments received. If the Minister endorses the Report and Recommendations, these are forwarded to the Minister(s) responsible for consent, for inclusion in permit, lease or license conditions and in relevant management procedures (e.g. Environmental Management Plans).

The Assessment Report and Recommendations are included on the NRETA website and hard copies are provided to respondents to the PER if requested.

The website is at:

www.nt.gov.au/nreta/environment/assessment/register/brownsoxide/index.html.

3.1 Risk Assessment Approach

This Environmental Impact Assessment (EIA) will be undertaken with specific emphasis on identification, analysis and treatment of risks through a whole of project risk analysis. Through this process, the EIA will:

- Acknowledge and discuss the full range of risks presented by proposed actions including those of special concern to the public;
- Quantify (where possible) and rank risks so that the reasons for proposed management responses are clear;
- Acknowledge levels of uncertainty about estimates of risk and the effectiveness of risk controls;
- Extend risk assessment to problems in realising benefits, leading to more realistic claims and community expectations; and
- Explicitly identify those members of the community expected to accept residual risks and their consequences, providing better understanding of equity issues.

3.2 Risk Assessment Process

Processes for risk management are formalised in Australian Standards. The process for risk assessment; described by Standards Australia / Standards New Zealand (eg. AS/NZS 4360:2004; HB 436:2004; HB 158:2006) is outlined in the following steps.

1. Establish context
To define the parameters within which risks must be managed and determine the scope of the risk management process.
2. Identify risk
To produce a comprehensive list of sources of risks or events that might have an impact on the objectives identified in the context (step 1).
3. Analyse risk
To develop a deeper understanding of the risk including:
 - Consequences and likelihood, expressed quantitatively or qualitatively;
 - Available methods or tools to control risk; and
 - Examination of uncertainties about risks and the potential influence of uncertainty on decision making.
4. Evaluate risk
To compare the level of risk with criteria established during the description of context and to make decisions about:
 - Whether a risk needs treatment;
 - Whether an activity should be undertaken at all; and
 - Priorities for risk treatment.
5. Treat risk
To reduce the risks and their impacts by:
 - Identifying options for mitigating risk;
 - Assessing options in terms of benefit-cost; and
 - Preparing and implementing treatment plans.
6. Monitor and review
7. Communicate and consult

3.3 Administration Details

The Project Officers are Mr. Michael Browne and Ms Annie Andrews from the Environment, Heritage and Arts Division of NRETA. The contact numbers are (08) 8924 4028 and (08) 8924 4028, facsimile (08) 8924 4053, and e-mail: michael.browne@nt.gov.au or annie.andrews@nt.com.au.

Once the draft PER is complete, bound copies should be submitted to the EHA Division for distribution to NT Government advisory bodies.

These should be in the form of:

- ~20 hard copies of the Main Report, and ~10 hard copies of the Appendices (if separate from the main report)(contact EHA Division to confirm required numbers).
- CDs including .pdf versions of both Main Report and Appendices, attached to each hard copy of the Main Report. Individual Chapters and Appendices should be separate files.

The PER is to be provided to the EHA Division electronically (via CD or email) at least 4 days prior to publication of the Newspaper ads. Files should be in word.doc and .pdf formats (separate all chapters and appendices) so that the PER / EIS can be placed on the NRETA Internet site in time for the beginning of the exhibition period.

The PER is to be publicly advertised as being available for review and comment in local papers (*NT News* and papers local to the project) and in *The Australian* newspaper. The PER is to be made available for public comment for a period of at least 28 days.

The PER should be made available for public review at least at the following locations:

- Environment, Heritage and Arts Division (Dept. Natural Resources, Environment and the Arts), 2nd Floor, Darwin Plaza, 41 Smith Street Mall, Darwin. (see above);
- Development Assessment Services (Dept. Planning and Infrastructure), Information Desk, Ground Floor, Cavenagh House, Cnr Cavenagh and Knuckey Streets, Darwin;
- Minerals and Energy Information Centre, Department of Primary Industry, Fisheries and Mines, 3rd Floor, Paspalis Centrepont, 48 Smith Street Mall, Darwin;
- Northern Territory Library (NTL), Parliament House, Darwin. (contact Anne Devenish, Ph 8999 7364);
- Darwin City Council Library;
- Casuarina Public Library (e-mail citylibrary@darwin.nt.gov.au , Ph: 8930 0230);
- Palmerston City Library, Goyder Square, Palmerston (Contact Sarah.White@palmerston.nt.gov.au);
- The Environment Centre, Unit 3, 98 Woods St Darwin;
- Northern Land Council offices in Darwin [45 Mitchell St Darwin] and in the Batchelor region;
- Katherine Public Library, Randazzo Centre Katherine; (contact library@krc.nt.gov.au);
- Coomalie Community Government Council; and
- Batchelor Institute of Indigenous Tertiary Education (library).

Copies of the final guidelines when finalised, and the PER once submitted will be posted on the NRETA website at:

<http://www.nt.gov.au/nreta/environment/assessment/register/brownsoxide/index.html>

Comments on the PER should be forwarded to the nominated Project Officer.

Ms Annie Andrews
Environment Heritage and the Arts Division
Department of Natural Resources, Environment and the Arts
PO Box 496
PALMERSTON NT 0831

Telephone: (08) 8924 4123
Facsimile: (08) 8925 4053
Email: annie.andrews@nt.gov.au