PART A

INFORMATION FOR THE PUBLIC

GUIDELINES FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT STATEMENT

TERRA GOLD MINING LTD
MAUD CREEK GOLD PROJECT

MAY 2007

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1 PURPOSE

The Northern Territory Minister for Natural Resources, Environment and the Arts has determined that this proposal requires assessment under the *Environmental Assessment Act* at the level of an Environmental Impact Statement (EIS).

These guidelines have been developed to assist Terra Gold Mining Ltd in preparing an EIS for the proposed Maud Creek Gold Project in accordance with Clause 8 of the Administrative Procedures of the *Environmental Assessment Act*. The object of these guidelines is to identify those matters that should be addressed in the EIS. The guidelines are based on the initial outline of the proposal in the Notice of Intent (NOI) and amendments made by the proponent to the NOI.

These guidelines consist of three sections:

- Part A (this section) is the introduction and brief description of the project and the EIS process;
- Part B details special considerations for the assessment, and sets the context and required environmental outcomes of the development; and
- Part C details the type and extent of information to be included in the EIS.

The object of these guidelines is to identify those matters that should be addressed in the EIS. The guidelines are based on the initial outline of the proposal in the proponent's NOI. 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 EIS 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 EIS.

2 THE PROPONENT

The proponent is Terra Gold Mining Ltd (Terra Gold).

3 DESCRIPTION OF PROPOSAL

3.1 Introduction

The proponent is Terra Gold which is a subsidiary of GBS Pty Ltd. Terra Gold is proposing to recommence mining operations at Maud Creek, Northern Territory. This is part of a wider operation where several old mines are being reopened and expanded and several new mines are being developed in the Katherine – Pine Creek area. Additionally, a new processing circuit is planned for the Union Reefs plant.

Much of the information provided in the Notice of Intent is based on the draft Environmental Impact Statement prepared for Kilkenny Gold NL by Dames & Moore, with the exception that Terra Gold does not propose open cut mining, nor the construction of a Processing Plant at Maud Creek.

3.2 Location

The site is located 20 km east north east of the regional centre of Katherine, NT, within Maud Creek Station, NT Portion 4192. Maud Creek station is also owned by Terra Gold.

It is the site of a former oxide mine which operated in 2000.

The site borders an isolated section of Nitmiluk National Park, and is in the catchment of the Katherine township water supply.

3.3 Mining

The proponent does not propose further development of the existing open pit. Instead underground operations will commence from the existing pit, to a depth of approximately 400 metres.

The underground mining phase is expected to be carried out using long hole, sub-level retreat and open stoping techniques. Mining will be mechanised using trackless diesel mining equipment. Transport underground is expected to be by 35 tonne haul trucks.

Mine production is estimate at 500,000 tonnes per year. Mining is proposed to start in 2008 subject to the environmental and mine management approval processes, and current estimates puts the life of the mine at 10 years.

3.4 Ore processing

There will be no on site processing of ore at the Maud Creek site. Ore will be transported to a central processing plant at Unions Reef (north of Pine Creek) by road train.

3.5 Mining waste

There is no plan for the construction of a waste rock dump. It is proposed that all development waste associated with the underground mining operations will remain underground as backfill. Waste from the initial declining will be stored in the current pit and possibly used as backfill during later ore mining operations.

3.6 Water management

Gold Creek, and an unnamed tributary, run through the mine lease area along the eastern section of the site. The edge of the mine lease is close to the point at which Gold Creek flows into Maud Creek, which parallels the north-eastern boundary of the survey area. A protection levee will be required to protect the underground mining operations from potential flooding.

The existing pit is approximately 200m long, 100m wide and approximately 26m deep, and currently contains approximately 300 million litres of water. Prior to the commencement of mining, it will be necessary to dewater the open-pit and dispose of the water. This is planned through irrigation of the pit water.

Potable water for the operations will be sourced either from the Katherine regional water supply or supplied in bottled form. Raw water from dewatering will supply much of the supplementary water for ablutions, wash down facilities and dust suppression.

3.7 Transport

All ore will be transported from Maud Creek Gold Mine to Union Reefs Processing Plant by road train. It is expected that the traffic volume will comprise 12 - 15 trips per day.

3.8 Workforce

The workforce required for operating the mine is summarised below:

Category	Type	Day Work	Shift Work	Total
Exploration	Staff	3	-	3
Mining	Staff	7	-	7
	Contractor	12	25	37
Processing	Staff	-	11	11
Administration	Staff	7	-	7
	Contractor	4	-	4
Sub-total	**Staff**	**17**	**11**	**28**
	Contractor	**16**	**25**	**41**
TOTAL		**33**	**36**	**69**

3.9 Decommissioning

Rehabilitation will be undertaken continuously as part of the mining operation. Before mining commences in a new surface area, detritus, underbrush and topsoil will be removed and stockpiled for rehabilitation purposes.

Upon cessation of all operations Terra Gold will design and execute a plan for site decommissioning and closure according to the relevant legislative requirements and in consultation with relevant stakeholders.

4 EIS PROCESS

The proponent has been directed to prepare an EIS. Once prepared, the EIS will be exhibited for public review and comment for a period of 56 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 EIS addressing issues raised.

The Environmental Protection Agency Program (EPA) will prepare an Environmental Assessment Report and Recommendations based on the EIS, Supplement to the EIS and any comments received. If the Minister endorses the Report and Recommendations, these are forwarded to the responsible (for consent) Minister 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 Department of Natural Resources, Environment and the Arts (DNRETA) webpage and hard copies are provided to respondents and selected public libraries and viewing sites.

4.1 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.

4.2 Risk Assessment Process

Processes for risk management are formalised in Australian standards (Standards Australia/Standards New Zealand 2004, 2005) which provide generic guidance for application and more detailed guidelines for specific risks, including environmental. In addition, organisations such as the US Environmental Protection Agency have published guidelines for ecological risk assessment (e.g. US EPA 1998).

In summary, the process for risk assessment described by Standards Australia/Standards New Zealand 2005 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; and

7. Communicate and consult

5 ADMINISTRATION

The nominated Action Officer for this project is Ms Lisa Bradley from the Environmental Protection Agency Program (EPA), Department of Natural Resources, Environment and the Arts (NRETA). Her contact telephone number is (08) 8924 4149, facsimile number (08) 89244 4053, and e-mail is: Lisa.Bradley@nt.gov.au.

Copies of the final guidelines will be posted on the NRETA website www.nreta.nt.gov.au/enviro.

Copies of the EIS will be available to the public for purchase from the proponent.

6 REFERENCES

Standards Australia/Standards New Zealand 2004. Risk Management AS/NZS 4360:2004. Standards Australia, Sydney and Standards New Zealand, Wellington.

Standards Australia/Standards New Zealand 2005. Risk Management Guidelines HB 436:2004, Companion to AS/NZS 4360:2005. Standards Australia, Sydney and Standards New Zealand, Wellington.

US EPA 1998. Guidelines for Ecological Risk Assessment. EPA/630/R-95/002F. US Environmental Protection Agency, Washington DC.