PART A

INFORMATION FOR THE PUBLIC

FINAL GUIDELINES FOR PREPARATION OF A PUBLIC ENVIRONMENTAL REPORT

THOR MINING PLC
MOLYHIL TUNGSTEN / MOLYBDENUM PROJECT

MAY 2007

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1 PURPOSE

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

These guidelines have been developed to assist Thor Mining PLC in preparing a PER for the proposed Molyhil Tungsten/Molybdenum 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 PER. The guidelines are based on the initial outline of the proposal in the Notice of Intent (NOI).

These guidelines consist of two sections:

- Part A (this section) is the introduction and brief description of the project and the PER process; and
- Part B details the type and extent of information to be included in the PER.

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 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 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 Thor Mining PLC.

3 DESCRIPTION OF PROPOSAL

3.1 Introduction

The Molyhil site is located 240 km northeast of Alice Springs (320 km by road). The site is accessed from the Plenty Highway, approximately 25 km north from the turnoff to Jinka Station.

Approximately 300 000 tonnes of ore is expected to be treated annually at the mine, with an expected mine life of 4 years. The project is expected to

generate approximately 1.2 million tonnes of tailings over the four year operation period.

Mining is planned to be undertaken by conventional truck and shovel operations under contract mining arrangements.

3.2 Resources

The current ore reserve estimate is for probable reserves of 1.09 million tonnes at 0.21% Molybdenum (Mo) and 0.62% Tungsten (W).

3.3 Mining

Mining operations are to be by conventional truck and shovel methods under contract mining arrangements. The pit depth will resolve at 120m. Ore processing will be at a maximum rate of 300 000 tonnes per year, giving the mine a life of 4 years.

3.4 Mining waste

Mining operations for the proposed pit design will 8.2 million tonnes of solid waste rock and overburden, which will be placed in a purpose built waste dump adjacent to the open pit.

The mine is expected to generate 1.2 million tonnes of tailings over a four year period. Tailings will be produced as three separate streams, pyrite concentrate (7.6%), magnetite concentrate (25.2%) and general plant tailings (67.3%). The tailings storage facility will have a footprint area of approximately 12.76 hectares and functional storage area of approximately 9.9 hectares.

3.5 Ore processing

Recovery of product will use a combination of magnetic separation, flotation and gravity separation processes to recover magnetite, molybdenite and scheelite. The on-site ore processing plant comprises a crushing circuit and fine ore stockpile, milling and classification, flotation plant, gravity plant, concentrate filtering, drying and handling facilities and associated infrastructure.

3.6 Water management

Creek lines within the project area are all ephemeral and only flow after heavy rain in the upper catchment.

Groundwater inflows are expected from geological structures exposed in the walls of the pit. Pit dewatering requirements shall be further assessed by Thor, as will the impact to standing water levels in the adjacent aquifer.

Water requirements will be sourced from four production bores located approximately 7 km northeast of the plant site. Raw water will be delivered via a raw water transfer system to the plant raw water tank, which will provide water to the process plant and to a dedicated reverse osmosis unit for production of potable water.

Process water will be returned to the process from the tailings dam via a decant water pump installed in a decant well in the tailings dam.

3.7 Infrastructure

On-site infrastructure will include:

- Existing access road from the Plenty Highway (to be upgraded);
- Existing airstrip (to be upgraded);
- Accommodation village;
- Power station;
- Pit;
- ROM pad;
- Processing plant;
- Waste rock dumps;
- Tailings storage facility; and
- Associated infrastructure tanks and pipework.

3.8 Workforce

The mine is expected to employ a workforce of 62 personnel during construction and operation.

3.9 Decommissioning

A 12 month rehabilitation plan and a life of mine decommissioning and closure plan will be submitted as a part of the Mining Management Plan. The objective of the rehabilitation program is to rehabilitate the affected areas to ensure that soil erosion is minimised and re-establish endemic plant species.

All buildings and structures are to be removed, the tailings storage facility decant towers and surrounding pond is to be filled with waste rock; and lockable caps are to be provided to all monitoring bores. The surrounding area will then be reshaped, deep ripped and seeded.

4 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.

The Environmental Protection Agency (EPA) Program will prepare an Environmental Assessment Report and Recommendations based on the PER and any comments received. If the Minister approves the Report and

Recommendations, the Report and Recommendations are then forwarded to the responsible Minister (Minister for Mines and Energy) for consent and inclusion in permit, lease or license conditions and in relevant management procedures (e.g. Mining Management Plans).

The Assessment Report and Recommendations are included on the Department of Natural Resources, Environment and the Arts (NRETA) webpage and hard copies are provided to respondents and selected public libraries and viewing sites.

5 ADMINISTRATION

The nominated Action Officer for this project is Ms Annie Andrews from the Environmental Protection Agency Program (EPA), NRETA. Her contact telephone number is (08) 8924 4123, facsimile number is (08) 8924 4053, and e-mail is: annie.andrews@nt.gov.au.

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

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

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