



Northern Territory Government

Office of Environment and Heritage

PART A

INFORMATION FOR THE PUBLIC

Public Environmental Report Guidelines

**Compass Resources NL
Browns Oxide Project
Batchelor NT**

May 2005

1 INTRODUCTION

These Guidelines have been developed to assist Compass Resources NL in preparing a Public Environmental Report (PER) for the Browns Oxide Project (BOP) in accordance with Clause 8 of the Environmental Assessment Administrative Procedures of the *Environmental Assessment Act (1982)* of the Northern Territory. These Guidelines consist of two sections:

- Part A (this section) is the introduction and description of the project and the PER process; and
- Part B (attached) details the type and extent of information to be included in the PER. The list includes issues and concerns that were identified before and during the public and Government review period (for the Draft Guidelines).

2 PROJECT DESCRIPTION

The proponent is Compass NL, who manage an unincorporated joint venture between Compass and Guardian Resources NL, which have a right to 90% and 10% of the project respectively.

The project is located approximately 65 km south of Darwin and 7 km northwest of Batchelor Township. The deposit (Browns deposit) is located adjacent to the historic Rum Jungle Mine.

The mining tenements to be utilised are detailed below, and displayed in Figure 1.2

MLN139	MLN140	MLN141	MLN142
MLN143	MLN144	MLN145	MLN146
MLN147	MLN150	MLN151	MLN152

The current proposal is for the extraction of an oxide ore body to the extent of one million tonnes per annum to yield 10 000 tpa copper, 1 000 tpa cobalt and 700 tpa nickel over a project life of two to three years.

History

The region was subject to extensive mineral exploration in the 1950's and 1960's, resulting in base metal potential at Browns being recognised. Compass purchased interests in the deposit from Rio Tinto in 1994. In 2001, Compass proposed the development of the Browns Polymetallic Project, which included the mining of the oxide and sulphide ore bodies, however the proposal was suspended due to low metal prices at that time causing financial strain on a major strategic partner in that project.

Geology

The Browns oxide deposit comprises a body up to 20 m depth of weathered oxide ore overlying a major stratabound polymetallic sulphide deposit hosted by Proterozoic graphitic shales, calcareous sediments and dolomite. It is on the northern limb of a tightly folded synclinal structure adjacent to the Giants Reef fault zone. The mineralisation occurs as four zones: a footwall copper zone; the main copper-cobalt

zone; the main lead-cobalt zone and a hanging wall lead zone. Sulfides within 20 m of the surface are generally oxidised.

Mining

The Browns oxide resource comprises weathered rock from surface to a depth of 15 to 20 metres. The ore will be mined by open pit methods. It is predominately free digging, however some light blasting may be required. Overlying topsoil will be stockpiled for use in rehabilitation.

Mining Waste

A total of one million cubic metres of waste rock will be produced from mining the Browns oxide ore. There will be two main types of waste rock (oxidised sulfidic shales and carbonate-rich sediments). The disturbance of acid-producing bodies will be avoided.

It is intended to use suitable waste rock in the construction of the tailings dam. Geotechnically inferior waste will be impounded or stored upstream of the tailings dam. If transitional waste (transitional between oxide and sulphide) is encountered it would be encapsulated in the tailings dam or other suitable area.

Ore Processing

Processing will involve crushing and grinding of the ore followed by dissolution of the copper, cobalt and nickel into sulfuric acid in agitated leach tanks. Dissolved metals will be separated from the tailing by solid-liquid separation and tailing pumped to a conventional tailings dam. A gravity recovery circuit will be incorporated if required to recover cerussite.

Metals will be recovered from solution by solvent extraction with copper electrowon as cathode copper. Solution will be recirculated and reused.

Infrastructure, Consumables and Workforce

Infrastructure that may be accessed:

- All weather sealed highway from Darwin.
- Modern deepwater port complex at Darwin.
- 132 kV power line (9 km from site).
- Railway (10 km from site).
- Township of Batchelor (7 km from site).

Consumables that would be stored on site:

- Sulfuric acid;
- Diesel;
- Lube oil; and
- Ammonium nitrate.

The construction would employ up to 100 people over six months. The operations workforce is expected to be approximately 50 people plus 20 employed by the mining contractor.

Decommissioning

The main objective for all completed areas is to achieve safe and stable landforms that do not cause unacceptable downstream water quality. End use objectives will be settled in consultation with Government and community stakeholders.

Upon final decommissioning, all plant and infrastructure will be made safe or dismantled and removed (to be negotiated with stakeholders). The final rehabilitation of the tailing storage facility and project facility site will be carried out (to be negotiated with stakeholders). Stockpiled topsoil will be distributed to assist revegetation. The pit will remain as a void.

3 PURPOSE OF THE PER

The PER aims to provide:

- a source of information from which individuals and groups may gain an understanding of the proposal, the need for the proposal, the economic and other benefits that might arise from the project, the alternatives, the environment that it would affect, the impacts that may occur and the measures taken to minimise those impacts;
- a social impact assessment of the project that includes Indigenous and non-Indigenous social and cultural impacts;
- a basis for public consultation and informed comment on the proposal; and
- a framework against which decision-makers can consider the environmental aspects of the proposal, set conditions for approval to ensure environmentally sound development and recommend an environmental management and monitoring program.

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).

Not all matters indicated in the Guidelines may be relevant to all aspects of the proposal. Only those matters that are relevant to the proposal should be addressed. 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.

Content in the PER should include both quantitative and qualitative analysis as appropriate. Impacts should not just be treated as adverse: beneficial effects should also be identified.

The justification of the project in the manner proposed should be consistent with the principles of ecologically sustainable development. Assessment of the environmental impacts of the proposal and alternatives should be comprehensive. For the purpose of these Guidelines, the “principles of ecologically sustainable development” are as follows:

- the precautionary principle - namely, that if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;
- inter- and intra-generational equity - namely, that the present generation should ensure that the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations;
- conservation of biological diversity and ecological integrity; and
- improved valuation and pricing of environmental resources.

4 PER PROCESS

The PER process, as described by the Administrative Procedures of the *Environmental Assessment Act 1982* of the Northern Territory, is displayed in Figure 2.

Overview of the Process

Once the Minister has determined that a PER is required, the Office of Environment and Heritage (OEH) prepares Draft Guidelines for Preparation of a PER, after consulting with relevant advisory bodies.

These Draft Guidelines are then subject to public review for a 14-day period. At the end of this period, OEH has 14 days to finalise the Draft Guidelines for Ministerial approval. If approved, final Guidelines are forwarded to the proponent.

When the proponent has prepared a PER, this document is exhibited for public review and comment for a maximum of 28 days, during which time advisory bodies also comment on the document.

OEH then has 14 days to prepare an Environmental Assessment Report and Recommendations based on the PER and responses from the public review, and government circulation. If the Minister approves the Report and Recommendations, these are forwarded to the responsible (consent) Minister(s) for inclusion in permit, lease or license conditions and in relevant management procedures (eg. Environmental Management Plans).

The Assessment Report and Recommendations are included on the OEH website and hard copies are provided to respondents and selected public libraries and viewing sites.

5 ADMINISTRATION

The Project Officer is Ms Denise Montgomery from the Office of Environment and Heritage, Department of Infrastructure, Planning and Environment. The contact number is (08) 8924 4022 and facsimile (08) 8924 4053, e-mail: denise.montgomery@nt.gov.au

Three “Preliminary” copies of the PER should be lodged with the Office of Environment and Heritage for internal review prior to release for public and advisory body comment.

Once this internal review is complete and any necessary changes implemented by the proponent, approximately 20 bound copies of the PER will be required for distribution to NT advisory bodies and public viewing locations (eg. libraries, council offices, etc.). Five hard copies and two CD ROM copies should be lodged with the NLC.

In addition, 8 CD ROM copies (in ADOBE*.pdf format) plus two unsecured Microsoft Word copies should be submitted (to allow placement on the Office’s Internet site and to facilitate production of the Assessment Report and Recommendations).

The proponent should also consider producing at least several copies for direct sale to the public, on request.

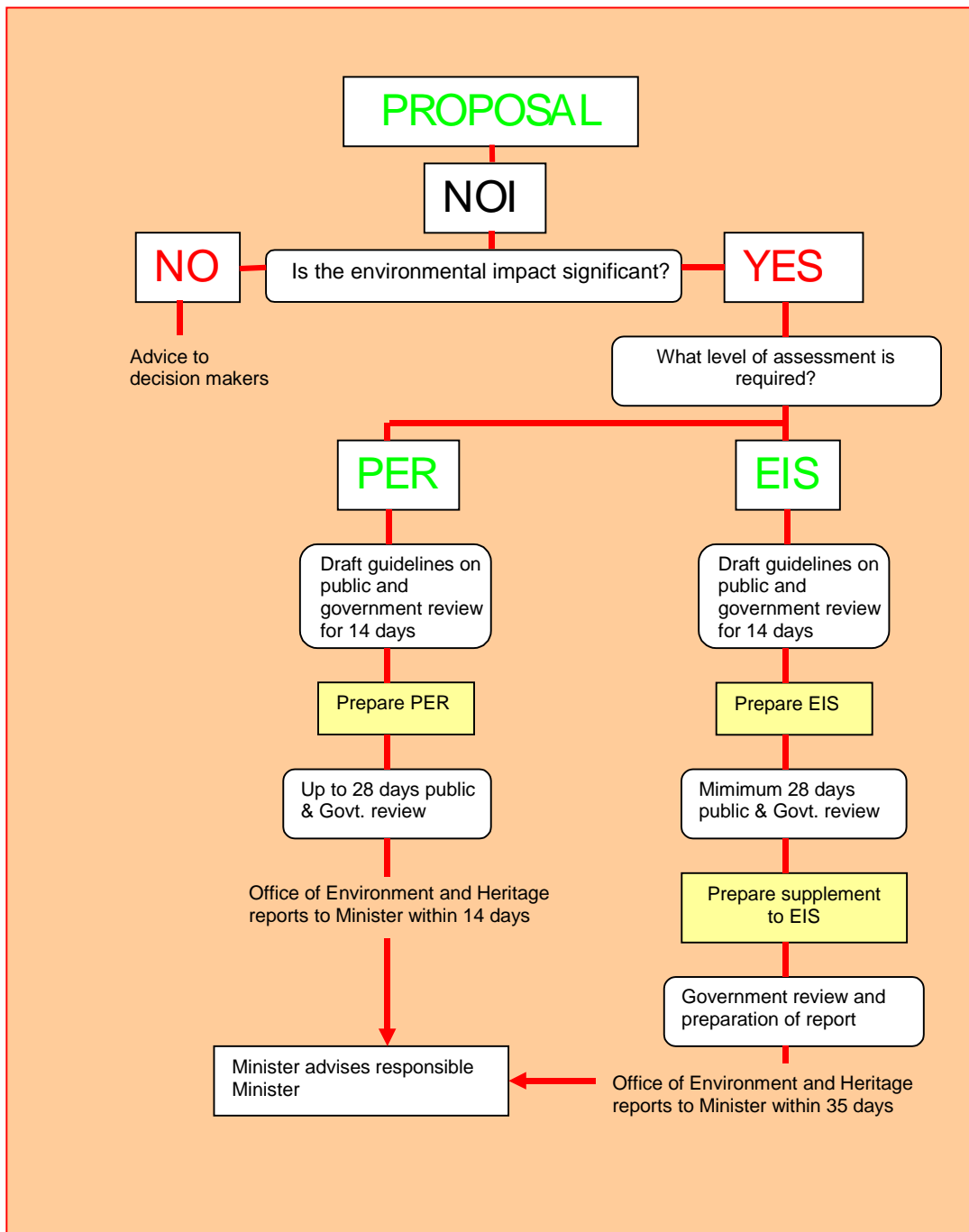


FIGURE 2

The Northern Territory Environmental Assessment Process.