

Public Notice

Environmental Protection Act 1994 (EP Act) – Sections 51 and 52

Public notice of an Environmental Impact Statement (EIS)

Proposed Mungana Gold Open Pit Development Project

Kagara Ltd is the proponent for the Mungana Gold Open Pit Development (MGOPD) Project. The project would involve open pit mining of a high grade gold resource at a rate of approximately 1.2 million tonnes a year adjacent to polymetallic reserves currently being mined at Mungana. The project would be situated on the existing Red Dome Project leases, which lie 15 km west of Chillagoe in north Queensland. The existing tenures are mining leases (ML) 4928, 4977, 5176 and 5319, and Exploration Permit Minerals 15458. The life of the project would be approximately 3.5 years.

Red Dome Gold Mine operated from 1988 until 1997. Kagara recommenced operations in 2006. The current Mungana mine lies within existing mining leases on land that has previously been disturbed by mining or exploration. Kagara has approval to undertake underground mining and the construction of associated infrastructure, such as offices, workshops, a power corridor, roads and water impoundments.

The MGOPD would use the infrastructure originally intended for processing of polymetallic minerals with modifications for gold and copper recovery, additional crushing and grinding, copper flotation filtration, carbon-in-leach process, elution circuit, gold room and a cyanide treatment circuit.

The proposed open pit would have a depth of 260 m and an area of 23.5 ha. Development would include construction of non-acid-forming and potential-acid-forming waste rock dumps. With the exception of waste dumps, the development would lie within the existing site disturbance footprint.

The proponent made application on 7 July 2009 under section 71 of the *Environmental Protection Act 1994* for the preparation of a voluntary environmental impact statement (EIS). The application was approved by the Department of Environment and Resource Management (DERM) on 10 July 2009. The final terms of reference for the EIS was issued on 17 December 2009.

The proponent has now prepared the EIS for the Mungana Gold Open Pit Development Project. The EIS is currently available for review and anyone may make a submission to the chief executive about the submitted EIS. A copy of the EIS can be inspected at the locations listed below:

Department of Environment and Resource Management
Level 3, 400 George Street
BRISBANE QLD 4000

Department of Environment and Resource Management
5B Sheridan Street
CAIRNS QLD 4870

Mareeba Library
221 Byrnes Street
MAREEBA QLD 4880

Chillagoe Library
(Tuesday afternoons and Wednesday mornings only)
The Hub, King Street
CHILLAGOE QLD 4871

A printed copy, extracts or a CD version can be obtained by contacting NRA Environmental Consultants on (07) 4031 5122 or by mail at 320 Sheridan St, Cairns QLD 4870.

Submissions may be made on the EIS in the **period from Monday 27 September 2010 until the close of business on Friday 5 November 2010**. Submissions should be addressed to:

The Chief Executive
Attention: The EIS Coordinator, Mungana Gold Open Pit Development Project
Environment and Natural Resource Regulation Division
Department of Environment and Resource Management
GPO Box 2454
BRISBANE QLD 4001

A properly made submission is one that:

- is written
- is signed by or for each person who made the submission
- states the name and address of each signatory
- is made to the chief executive
- is received on or before the last day of the submission period

Please note that it is a statutory requirement that all submissions will be forwarded to the proponent so that they may consider them and provide a response to DERM.

For further information regarding the EIS process for this proposal, contact the EIS Coordinator on 13 74 68.