



CHALLENGER
MINES PTY LTD

ADELONG GOLD MINE

AGENDA:

1. Environmental Summary

Environmental Management

Compliance – Issues - Improvements

2. Community and Sustainability

Local Employment

Local Business

Stakeholder Engagement

3. Project Progress

Project Update

Project Schedule

4. Other Matters

ENVIRONMENTAL SUMMARY

Environmental Management

Water Quality - A total of 144 water samples have been collected during the year. The EPL prescribes seven sampling points for water quality monitoring with each point requiring specific sample elements for analysis. There are fifteen different elements required for analysis that identify changes in site water and environmental conditions.

Air Quality – A total of 36 air quality samples were collected and tested for specific air quality elements as prescribed by the EPL . Although the EPL does not require sampling while the mine is not currently in the production phase it was considered essential to establish background air quality with minimal activity on site.

ENVIRONMENTAL SUMMARY

Environmental Management

Compliance

No water quality sample results exceeded the limits prescribed under the EPL.

No air quality sample results exceeded the limits prescribed under the EPL.

The Company has set up a website where the air and water sampling results are accessible by the public.

ENVIRONMENTAL SUMMARY

Issues

Traffic - There was one incident of a potential dust complaint as a result of the increased traffic using Golden Gully Rd to access the mine. The potential issue was addressed by re-routing all traffic access to the mine through Ryans Rd for all site visitors including suppliers and contractors. Signage was posted at strategic locations to provide direction through Ryans Rd.

Water conservation – Minimising water loss and escape from rainfall that could be captured and conserved for site use. The Goodwin Dam dam walls were repaired to optimise the holding capacity of the dam. This helped capture and store run-off coming through the affected mine area and from mine de-watering activities.

ENVIRONMENTAL SUMMARY

Improvements

Water management - Improve and repair earthen bunds and road drainage systems to direct runoff towards the capture dams.

Weed control – Aerial and hand spraying of target noxious weeds were conducted as part of the weed control programme prescribed under the EPL and as part of the Mine Operating Plan.

Dust control – Access roads were repaired and compacted to reduce dust generation. A speed limit was introduced to ensure vehicular traffic did not generate excessive dust.

Complaints Line – A 24 hr contact number has been established to receive any complaints from the public. The number is posted at the gate.

Community and Sustainability

Employment

Local hire – During the construction and mine development period a total of eight individuals for casual and contractual employment were hired that reside within the Tumut Shire district.

Local Business Input - A total of \$940,933 worth of business was generated within the local Tumut Shire economy related to the mine development activities.

Stakeholder Engagement

Emergency Response Team – The local and State emergency response stakeholders were engaged through the assistance of the Tumut Council emergency preparedness team and the Mines Safety Department Emergency Response Unit.

Project Progress

Project Update

Plant Construction And Site Development - Site development and the processing plant construction work has reached practical completion.

Production Plan - The project production plan has been modified in order to facilitate early production from mullock processing. This means the underground mine rehabilitation and development schedule has been deferred with the focus on commissioning and operating the processing plant.

Project Progress

Project Update

Underground Decline Rehabilitation and De-watering - The mine decline was de-watered and inspected to facilitate development of a detailed scope of work to for underground production. All existing decline ground support was replaced based on a geotechnical report and guide to ensure safe access.

Modifications to design – A change to the plant design was instituted to eliminate the need to construct and manage a tailings pond. The plant will be fitted with a tailings filtration plant with the aim of producing and managing dry tailings. It is envisaged that the dried tailings product will be of suitable grade and quality to meet construction sand specifications. This design will also significantly improve water recovery and recycling.

Project Progress

Project Update

The dry tailings management system will optimise process water recycling and eliminate the need to construct a tailings dam and associated infrastructure.

Project Schedule

Testing and Commissioning

Power Plant – COMPLETED

Ball Mill – COMPLETED

Crushing Plant – Practical Completion, testing and commissioning March 2016.

Processing Plant – Practical Completion, testing and commissioning April 2016.

Project Progress

Project Schedule

Testing and Commissioning

Tailings Management System – Practical Completion, testing and commissioning April 2016.

Production Plan

Plant Production

Stage One – Utilising only the gravity and flotation recovery circuit and defer the leach circuit. April 2016

Stage Two – Integrate the leach circuit to optimise recovery. July 2016

Project Progress

Project Schedule

Mine Production

Phase One – Gold Production from Mullock recovery and processing April 2016

Phase Two – Gold Production from underground ore – September 2016

Progress Photos



CHALLENGER MINES PTY LTD: COMMUNITY CONSULTATIVE COMMITTEE MEETING FEBRUARY 2016

Progress Photos



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