

Frequently Asked Questions

Nowa Nowa Iron Project (Five Mile Deposit) East Gippsland, Victoria

The Company

a. **Who is Gippsland Iron?**

Gippsland Iron Pty Ltd is a wholly owned subsidiary of Eastern Resources Limited, and the company which will develop and operate the Nowa Nowa Iron Project. The parent company, Eastern Resources is a minerals exploration company, which listed on the ASX in May 2008. Eastern Resources is focussed on exploration and development of battery metals in Australia and the development of the Nowa Nowa iron ore project.

About the project

a. **Where is the mine located?**

The project is located approximately 7km north of the township of Nowa Nowa, which is situated on the Princes Highway between Bairnsdale and Orbost in East Gippsland, Victoria. The site is wholly within the Tara State Forest (Crown land) which is primarily managed by the Department of Environment, Land, Water and Planning. The area within the vicinity of the proposed works has been logged periodically over the past 60 years.

b. **What size is the mine?**

The project components cover an area of approximately 100 hectares lying close to the Old Nowa Nowa-Buchan Road, near to its intersection with Tomato Track. The footprint of the open pit is approximately 25 hectares.

c. **How much iron ore will be produced?**

Once the project is operational, it will produce up to 1 million tonnes of iron ore per year from an open pit, over a mine life of approximately 7 years. This is a relatively small operation – and does not compare with operations in locations such as the Pilbara, where BHP Billiton alone is forecasting production of 253 million tonnes of iron ore this financial year.

d. **What infrastructure will be on site?**

All of the mine infrastructure is of a temporary nature including portable huts for site administration, mobile crushing equipment and mobile mining equipment. Mine Operations Centre (MOC) and various roads will be established for mine operations. The MOC includes administration offices, workshops, stores, staff amenities, parking areas, first aid and emergency response facilities. It also includes water and fuel storage areas. A manned security hut on the mine access road will be the first accessible point to the site for staff, visitors and deliveries. It will also restrict any unauthorised public access.

Mine Operation

a. **When will the project start?**

The project is subject to Government and environmental approval and a decision by the Eastern Resources board to commit the required funding for development of the mine.. There is no current estimate of a start-up time.

b. **What are the planned hours of operation of the mine?**

It is proposed to operate the mine 12 hours a day, 7 days a week, subject to interruptions due to adverse weather, planned maintenance and certain public holidays.

c. **How long will the mine operation last?**

The Nowa Nowa Project is planned to have an operating mine life of approximately 5-10 years.

d. **Do you have an OH&S protocol developed for on-site workers?**

While Eastern Resources has detailed work and safety systems in place, it is important that

OH&S practices and procedures are developed specifically for this operation consistent with the Occupational Health and Safety Act and regulations and this will be done as part of the establishment phase of the project.

e. **How is the iron mined and what do you do to it before it leaves site?**

It is planned for the 5 Mile resource to be mined by conventional open pit mining methods. This will involve 120 tonne class hydraulic excavators loading 60 tonne capacity off road dump trucks. At the upper pit levels, material will be able to be free dug but with increasing depth, the majority will require drill and blasting to break up the material for excavation. Following excavation, the ore material will be loaded and trucked out of the pit to the Run of Mine (ROM) stockpile for crushing and screening. The sized product is then ready for loading and trucking offsite.

f. **What chemicals are being used, and what risk do they pose?**

No chemicals or reagents will be used to process the ore. Sufficient water will be added to ensure that dust is not liberated during crushing.

g. **Are any tailings produced in the processing of the ore?**

The whole of the ore mined is crushed, screened and transported to port. No reject stream is produced and therefore, there are no tailings produced and a tailings dam will not be required.

h. **What forms of waste are produced?**

Approximately 15 Mt of unmineralised waste rock will be mined over the life of the mine and a majority will be permanently disposed within a waste rock stockpile adjacent to and upstream of the open pit. The final waste rock pile will be contoured and revegetated on mine closure. A minor component of waste is defined as potentially acid forming material and will be stockpiled during mining to be later deposited in the pit floor after mining and covered by the permanent pit lake to mitigate any potential oxidation and be rendered inert.

Cultural Heritage

a. **Are there areas of cultural significance within the site?**

Gippsland Iron is working with the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) to survey areas of cultural heritage sensitivity. Gippsland Iron is committed to preparing a Cultural Heritage Management Plan (CHMP) in accordance with the Aboriginal Heritage Act 2006 to manage any potential disturbance associated with the project.

b. **What is Gippsland Iron doing to protect the heritage values of the area?**

In addition to the preparation of a CHMP for the site, staff and contractors working on the site or involved in its management will undergo cultural and heritage training with GLaWAC. GLaWAC will also be consulted closely during the preparation, operation and closure/rehabilitation process.

The Environment

a. **How much water will the project use?**

Rainwater runoff and water from the open pit will be captured in a series of dams in the two main creeks draining the site, Tomato Creek and Gap Creek. Water from these dams will be used only for the purpose of dust suppression around the site. It is estimated that approximately 110 ML per annum will be required for this purpose.

b. **What impact will the mine have on down-stream creeks and catchments including Lake Tyers?**

The mine and associated operations are designed so that no waste water will leave the area associated with mining and processing during the operating life of the mine. Runoff from the open pit area and crushing area will be stored in dams on site and reused for dust suppression. Environmental flows into the catchment will continue from the remaining licence area and will be monitored for water quality prior to release.

- c. **Will the mine create excessive noise problems for the local community?**
Modelling undertaken to date suggests that operating noise will not impact stakeholders in the area, as the mine is located within the Tara State Forest and approximately 4 km from the nearest private residences. Specialist studies and monitoring will be undertaken as part of the approvals process to carefully measure any impacts.
- d. **Will the mining operation cause dust problems?**
Working areas of the site will be sprayed with water (collected on site) to suppress dust during mining operations.
- e. **How much land will be cleared?**
The total area to be cleared is approximately 100 hectares. This includes the open pit itself (approximately 25 hectares) and all roads and infrastructure. Once mining operations have concluded, all but the open pit itself (which will become a fresh water lake) and an access road will be revegetated.
- f. **Are there any endangered flora and fauna on-site?**
Investigations undertaken to date indicate that there are no species (flora or fauna) within the proposed project area that are protected under the Australian Government's Environmental Protection and Biodiversity Conservation Act 1999 or the Victorian Flora and Fauna Guarantee Act 1998. In addition to the rehabilitation of the cleared area after closure of the mine, a biodiversity offset will be established that protects the biodiversity of an area at least equivalent (in biodiversity terms) to the cleared area – in perpetuity.

Transport

- a. **How will ore be exported to markets?**

Gippsland Iron plans to utilise the Pentarch Holdings ship loading and wharf facilities at Two Fold Bay near Eden in southern NSW. It is proposed that trucks of B Double configuration be used to transport the ore approximately 234 km by road to this facility located on the south side of Two Fold Bay. The majority of the transport route to the Port is via the Princes Highway. Assuming 1 million tonnes per year is produced for export this represents approx 68 one way trips per day.

Benefits and Opportunities

- a. **How many people will be employed by the Project?**
Once fully operational, the project will provide up to 79 full time equivalent positions including haulage contractors.
- b. **What sort of jobs will be available and how can I apply?**
Specific jobs will only be known when the feasibility study concludes but will include:
 - Mining specialists
 - Excavation and crushing equipment operators
 - Truck drivers
 - Administration and support staff
 - Security personnel
 - Environmental related services personnel

The majority of the jobs will be with contractors providing services to Gippsland Iron. Gippsland Iron will work with its contractors, the Shire Council, GLaWAC and the local community to maximise the employment of people from the surrounding region. In addition to the direct jobs, a significant number of indirect jobs – jobs that support the project's service providers - will be created.

c. **How much economic activity will be generated by the project?**

At this stage Gippsland Iron expects to spend up to \$350 million in the local and regional economy over a 7 year period.

d. **Will you be flying people in and out?**

The Company will not be using Fly-In-Fly-Out (FIFO) workers. Almost all employees and contractors will be sourced from the local area.

After Completion

a. **What happens when the operation of the mine ceases?**

A number of steps will be taken to rehabilitate the site:

- All mine infrastructure will be removed.
- Any waste rock requiring sub-aqueous disposal for geochemical stability and any low-grade ore remaining on mine closure are to be backfilled into the base of the pit to remain well below the permanent water level in the pit.
- The open pit will be allowed to flood via groundwater and surface water inflows.
- The Operations Water Storage is to be decommissioned but the structure retained as a wetland to passively treat overflow from the pit lake.
- The Clean Water Storage downstream of the Operations Water Storage will be decommissioned, but the structure retained as an additional wetland to polish water draining from the pit lake.
- All cleared areas, except the pit and an access road to the pit will be revegetated via the following process:
 - The waste rock stockpile will be recontoured to fit in with the surrounding landscape.
 - The area will be covered with topsoil gathered during the original clearing process.
 - Seeds collected from the local area will be propagated in a nursery for use during revegetation of the area.
- The end use of the pit lake will be determined in consultation with the regulators, Council and community. It is envisaged that it will be available for firefighting and may be populated with fish.

Stakeholder Engagement

a. **Where can I get more information?**

The Company welcomes any enquiries from the local community and any other stakeholders, and can be contacted directly through the details below.

Gippsland Iron Pty Ltd
Level 1, 80 Chandos Street

St Leonards NSW 2065

Phone: 1800 595 171

Email: info@easternresources.com.au

Web Site: www.easternresources.com.au

b. **Will there be further consultation later in the process?**

Yes. Additional public consultation initiatives will be taken later in the process with more definitive information about the project.