



Timbarra Plateau resident Peter Stanford (left) at Nelson's Creek with neighbours Brett Samuels (right) and Johan, who asked that his last name not be used. Mr Stanford claims his water supply from the creek has been already contaminated by blasting at the mine site.



Save the bush, or look after the economy? Gold mining giant Ross Mining says both can be achieved at Timbarra Plateau, near Tenterfield. However, local residents and environmentalists fear the project will devastate the environment. Reporter HANNAH ROSS examines both sides of the debate.

# Battle for Timbarra

**T**HE waters that spring from the heart of Surface Hill and Big Hill, on the Timbarra Plateau near Tenterfield, flow crisp and pure along Nelson's Creek before joining the Timbarra River and eventually the mighty Clarence.

Living just 12km downstream from the creek's source, Peter Stanford occupies a small slice of paradise: a bush property hedged by the chattering stream and a self-sufficient lifestyle made possible only by the constant flow of water.

Twenty kilometres along a dirt road from Drake, the nearest town, and 47km from Tenterfield, Mr Stanford's home would seem to be well away from the worries of the world.

However, the 55-year-old says he is now involved in the fight of his life: a fight that began three years ago when approval was given to Brisbane based company Ross Mining to establish a gold mine at Big Hill and nearby Poverty Point.

Opponents of the mine say the Timbarra Plateau forms a unique high-altitude wetland habitat containing several endangered and vulnerable species, including the Hastings River mouse and the bush tailed rock wallaby.

They are concerned about the effects of the mine on native flora and fauna, damage to significant Aboriginal sites in the area, the potential for erosion and contami-

nation of nearby creeks and rivers, which feed into the East Coast's largest river system.

The NSW Environmental Protection Authority stated that 'the protest area and surrounds have been identified as areas of outstanding and unique conservation value'.

The National Parks and Wildlife Service also stated in 1985 that 'The gold project site occupies a biologically diverse part of the Plateau which is considered to be of very high conservation value'.

Ross Mining, on the other hand, says the plateau is not pristine, nor is it a wilderness, but rather an area that shows 'extensive impact' from logging, grazing and previous mining.

But the company says it too is concerned for the environment surrounding the mine.

The company intends to 'progressively rehabilitate' the 85 hectares of bushland cleared for two open cut mines, two waste rock emplacements, three process water ponds and a heap leach pad.

To extract an expected 60,000 ounces of gold a year, Ross Mining plans to use 700 tonnes of sodium cyanide, which will be percolated through the heap leach pad to separate the gold from crushed rock.

The area is lined with high density polyethylene, which is designed to ensure that contaminated and sediment laden water will

Continued next page

## Mine chief blasts Internet attacks

PROTESTERS were making false accusations on the Internet against the Timbarra gold mine operation, resident mine manager Michael Rosengren said yesterday.

A campaign of 'electronic anarchy' was being waged against the large gold mine, on the Timbarra Plateau, near Tenterfield, he said.

His comments follow phone calls to Timbarra Gold Mines Pty Ltd over the weekend from government bodies wanting information about two employees allegedly overcome by gas from a cyanide spill.

"This was quite intriguing as the mine has not started

using cyanide," Mr Rosengren said.

The mine manager said a protester had been spreading a rumour in Tenterfield the day before about a supposed cyanide spill.

Timbarra gold mine is now the focus of an Internet website campaign encouraging people to join the blockade.

A letterbox drop in Grafton also explained the protesters' concerns for the environment should the open-cut mine continue, using cyanide.

However, Mr Rosengren said Timbarra gold mine had nothing to hide.

"We are committed to in-

forming those with a genuine interest or concern with the project," he said.

"Ross Mining (the Brisbane-based mine owner) has listened to the concerns (of environmentalists and the community) and put systems and designs in place to address these concerns."

The \$15-million mine is also under fire over the low charges it will pay for water drawn from Nelson Creek. It faces a State Government-approved fee of \$209.80 for 180 million litres of water.

A mine full of controversy: Special report Pages 10 and 11



Huge boulders and trees have been used by mine protesters to block the logging road running between the protester's camp at Crooked Creek and the mine site.

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18-DEC-97 (THU) 15:46

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P. 001

New South Wales Government



# HERITAGE OFFICE

Level 11, Signature Tower, 2-10 Wentworth Street, Parramatta  
Postal Address: Locked Bag 5020, Parramatta 2124  
Telephone (02) 9635 6155 Fax (02) 9891 4888

## FACSIMILE COVER SHEET

DATE: Thursday, 18 December 1997	
TO: IAN COHEN MLC	FAX: (02) 966 877 804 FAX: 9230 2893 267
FROM: ROSALIND STRONG	PHONE: (02) 9635 6155 FAX: (02) 9891 4688
RE: TIMBARRA MINE	
CC:	
NUMBER OF PAGES INCLUDING COVER SHEET: 4	

### MESSAGE

Dear Mr Cohen,

Please find attached a copy of the draft recommendations regarding the Timbarra Mine ICO, from the Heritage Council meeting of 11 December. Also for your information I include a copy of our letter to Tenterfield Council regarding the DA, for consideration at their meeting of 18 December.

Yours sincerely

*Rosalind Strong* 18/12/97  
Rosalind Strong  
Director

New South Wales  
Government



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## HERITAGE OFFICE

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Level 11, Signature Tower, 2-10 Wentworth Street, Parramatta  
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Telephone (02) 9835 6155 Fax (02) 8891 4888

Mr William Naylor  
Acting General Manager  
Tenterfield Shire Council  
PO Box 214  
TENTERFIELD NSW 2372

Contact: C. Allen  
Telephone: (02) 9635-6155  
File: H97/01008/001  
Your Ref:

Dear Mr Naylor,

### DA97/30 - Proposed additions to Gold Mine - Timbarra

I refer to our letter of 13 November regarding the above matter.

As we requested, a revised archaeological assessment has been submitted by the applicant to the Heritage Office for comment. The concerns detailed in our previous correspondence have been adequately addressed by the revision of this report. As a result the Heritage Office have no further objections to the approval of DA97/30 by your Council.

Further, it is advised that the Heritage Council have approved an excavation permit (number B579186) under section 140 of the Heritage Act covering works proposed in the Development Application.

We request that the following should be included as consent conditions if Tenterfield Council chooses to approve the Development Application.

1. Development should be carried out in accordance with the requirements of excavation permit number B579186 issued under the Heritage Act.
2. Archaeological investigations shall proceed in accordance with the recommendations made in the Historical Archaeological Survey of the RMT Project area. Any amendments to these recommendations must be approved by the Heritage Council.
3. The Applicant must undertake adequate steps to protect any items of heritage significance not directly affected by the current proposal.
4. If any unexpected archaeological relics are uncovered during the course of work, excavation should cease and the Heritage Council immediately notified.

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It is also requested that the following advice be included as a note attached to the development consent issued by Council.

1. Under section 139 of the Heritage Act, it is illegal to disturb or excavate any land for the purpose of discovering, exposing or moving a relic except in accordance with an excavation permit. A relic is any deposit or material evidence over fifty years old which relates to the settlement of New South Wales. The Applicant must obtain an excavation permit from the Heritage Council prior to commencement of additional works not covered by this DA approval, if disturbance to any site with known or potential archaeological relics is proposed.

I further advise that the Heritage Council of New South Wales considered the matter of an ICO over Timbarra Mine at its meeting of 11 December, 1997. A copy of the draft resolutions are attached for your information.

Please contact Caitlin Allen on (02) 9635 6155 if you have any further questions regarding these proposed conditions of consent.

Yours sincerely



Rosalind Strong  
Director

16/12

18-DEC. '97 (THU) 15:47

HERITAGE OFFICE

TEL: 61 2 98914688

**NSW Heritage Council - 11 December, 1997  
Draft Resolutions****4.1 Nomination - Timbarra Gold Mine****Resolved:**

that the Heritage Council advise the Minister that:

1. the area is of heritage significance because of its Aboriginal, natural and historic values;
2. negotiations aimed at safeguarding these values have taken place with the proponents, Ross Mining NL, and the Native Title Tribunal, Bundjalung Elders Council, NPWS, NSW Heritage Office, Department of Mineral Resources, Department of Land and Water Conservation and Tenterfield Council;
3. these negotiations have resulted in amendment of the mining proposal to minimise adverse impacts on the area's heritage values and to ensure that appropriate management practices are adopted;
4. the proponents have been advised that any excavation on the site will require an excavation permit from the Heritage Council;
5. the proponents will also need to obtain permits from NPWS and other authorities before mining can commence;
6. because of these factors, an ICO is not necessary at this time.
7. it will write to Tenterfield Shire Council advising that the Heritage Council believes the mining site to be of State Heritage Significance and that the Heritage Council will have a continuing interest in any development or mining affecting the area.

DRAFT 2 ~ 4 pm 30/9/97

The Hon. Craig Knowles,  
Minister for Urban Affairs and Planning,  
Level 33, Governor Macquarie Tower,  
1 Farrer Place, SYDNEY 2000  
Phone 02 9228 4499 Fax 02 9228 3716

30 September 1997

Dear Mr Knowles,

**Re: Application for protection of the Timbarra plateau under the Heritage Act 1977**

I write to you in your capacity as the Minister administering the Heritage Act 1977.

I apply for an Emergency Stop Work Order under section s.136 (1) of the Heritage Act to be issued urgently by you as the relevant Minister, over lands which are:

- part Portion 37 (C.3682 -1809), and part leasehold lands, Parish of Maclean,
- part Vacant Crown lands and part Portion 57 (C.4032 -1809) Parish of Bloxsome and
- part Malara State Forest No. 305, Parish of Maclean, and part Malara SF No. 305 No. 1 Extension, Parish of Bloxsome, in the Shire of Tenterfield, being lands the subject of a development proposal for a gold mine and processing facilities by Ross Mining P/L on the Timbarra Plateau (the said lands).

The said lands are the subject of Mining Lease 1386 and are under consideration for a second adjacent mining lease.

I am of the opinion that the said lands are "a precinct" and/or items of "environmental heritage" in that they are "places of historic, scientific, cultural, social archaeological, architectural, natural or aesthetic significance for the State" as defined in s.4 of the HA.

Please act immediately to consider this urgent application to stop work for 40 days. Evidence of the urgency of this request is set out below.

I apply also for an Interim Conservation Order (an 'ICO') under s.26 of the Heritage Act to be issued over the 'said lands'. I note that you have power to issue an ICO immediately if necessary. I request that you consider the urgent issue of an ICO over the said lands, pending advice from the Heritage Council of NSW.

Please issue an ICO and refer this application for a further ICO to the Heritage Council for advice.

I further request that you direct the Heritage Council to consider any advice provided by a Commission of Inquiry under s.119 of the Environmental Planning and Assessment Act 1979 (the EP & A Act) into the gold mine. Alternately, I request that you consider appointing the Commissioner undertaking the s.119 Inquiry to also hear any objections raised under s.29A at an Inquiry convened pursuant to s.29B of the Heritage Act 1977.

In addition, I apply for a Permanent Conservation Order (a PCO) under the Heritage Act, to ensure the long term protection of the said lands' nature heritage conservation values. I request that the Commission of Inquiry into the Timbarra gold mine also consider and report on the appropriateness of a PCO over the said lands being issued.

Please act immediately to refer these requests to the Heritage Council of NSW and an appropriate Commissioner.

**EXISTING HERITAGE EVIDENCE**

The following evidence of the site's natural, historic and cultural heritage conservation values is included to satisfy any 'prima facie' need for proof of the existence of such values.

The collection and consideration of additional evidence could be undertaken by the Commission of Inquiry and/or the Heritage Council of NSW with the assistance of the National Parks and Wildlife Service and the Resource and Conservation Council (RACAC).

Biological diversity values

The area of the mine site is known to be of immense biodiversity value.

The NPWS wrote to the Department of Mineral Resources in 1995:

*"NPWS considers the Timbarra Plateau to an area of outstanding and unique conservation value as it is situated in an important biogeographic overlap zone imparting high biodiversity on the area. Fauna influences from the central west, coastal east, sub-tropic north and temperate south overlap with local tablelands influences to produce a rich and seemingly unique vertebrate fauna diversity. The Gold Project site occupies a biologically diverse part of the plateau which is considered to be of very high conservation value."*

Endangered fauna habitat

The list of endangered species known to be located on, and around the mine site, is likely to be increased with further survey effort. At present the species known on the site and in the area include:

- |  |                       |
|--|-----------------------|
| 1. Hastings River Mouse                      | Nationally Endangered |
| 2. Brush-tailed Rock Wallaby                 | Nationally Vulnerable |
| 3. Eastern Chestnut Mouse                    |                       |
| 4. Parma Wallaby                             |                       |
| 5. Rufous Bettong                            |                       |
| 6. Spotted tail (Tiger) Quoll                |                       |
| 7. Koala                                     |                       |
| 8. Yellow-bellied Glider                     |                       |
| 9. Red-legged Pademelon                      |                       |
| 10. Squirrel Glider                          |                       |
| 11. Brushtailed Phascogale                   |                       |
| 12. Long-nosed Potoroo                       |                       |
| 13. Loveridge's Frog ( <i>Philoria</i> spp.) |                       |
| 14. Stuttering Frog                          |                       |
| 15. New England Tree Frog                    |                       |
| 16. Glossy Black Cockatoo                    |                       |
| 17. Masked Owl                               |                       |
| 18. Sooty Owl                                |                       |
| 19. Powerful Owl                             |                       |
| 20. Yellow-bellied Sheath-tail Bat           |                       |
| 21. Eastern Falsistrelle                     |                       |
| 22. Greater Broad-nosed Bat                  |                       |
| 23. Greater Long-eared bat                   |                       |
| 24. Large-footed Myotis                      |                       |
| 25. Eastern Freetail Bat                     |                       |
| 26. Large Bent-wing Bat                      |                       |
| 27. Golden-tipped bat                        |                       |

The rare Strawberry Gum (*Eucalyptus olida*)

In addition the said lands have considerable conservation significance for their vegetation and forest types.

In particular, the Strawberry Gum (*Eucalyptus olida*) which occurs on the said lands precisely where part of the ore leach pad is proposed to be located, is a rare species of Gum with few and disjunct populations.

It has a ROTAP rating 2RCa : restricted distribution, max geographic range of < 100 kms. This species has the highest known concentrations of a flavouring naturally occurring in strawberries and used commercially.

The economic potential of the ecologically sustainable use of this Gum has not been explored or considered.

Other rare plant species

In addition to the Strawberry Gum the said lands contain important populations of the 3 other plant species of conservation significance:

*Acacia floydii*: ROTAP rating 2RC : very restricted distribution, rare

*Eucalyptus scias*: ROTAP rating 2K : restricted distribution, max geographic range < 100kms.

*Pultenaea pycnocephala*: ROTAP rating 3RCa : disjunct distribution, rare.

"The Assessment of Flora and Fauna components of the site" (note: not an EIS) prepared for Ross Mining by Greenloaning Biostudies P/L, in June 1997 relies on inadequate studies done in 1995 by Martin, and says in part "It is possible other species listed on ROTAP (Table 3) may occur, particularly in the more isolated sectors of the Project Site" indicating that no comprehensive flora survey of the mine site has yet been undertaken.

The needs of a CAR reserve system: protection for rare, uncommon and under-represented forest types

The Resource and Conservation Assessment Council (RACAC) has identified the mine area as likely to be required for a comprehensive, adequate and representative reserve system, in accordance with the National Forest Policy Statement.

In 1996 the NSW and Commonwealth Governments included the mine area within the Interim Deferred Area (IDFA) because of its high conservation values. Both governments also endorsed the 'nationally Agreed Criteria for the Establishment of a Comprehensive, Adequate and Representative Reserve System for Forests in Australia'.

These reserve criteria require that "*The reserve system should seek to maximise the area of high quality habitat for all known elements of biodiversity wherever practicable, but with particular reference to: the special needs of rare, vulnerable or endangered species:... areas with high species diversity, natural refugia for flora and fauna, and centres of endemism...*"

The said lands of the Timbarra plateau meet all these criteria. They are definitely needed for a CAR reserve system, since they are one of the 'jewels' around which the reserve system should be built.

#### Historic sites of 1850's 'diggings'

Gold was first discovered at Poverty Point (in the proposed mine area) in the early 1850's, with fossicking continuing until around the turn of the century. The limited diggings which remain are some of the best examples from the once extensive Rocky River goldfields. These diggings are of significant historical and cultural value.

#### THE THREATENING OPERATIONS

The gold mine has already received approval from the Minister for Mineral Resources for what has proved to be only Stage 1 of the operation, via the issuing, in April 1996, of Mining Lease 1386.

A further development of the mine was submitted separately to Tenterfield Shire Council on 3 July 1997 by Ross Mining P/L, which substantially enlarges the mine and its processing facilities (by up to 25%). No EIS or FIS was obtained or considered by TSC when they approved the second DA as 'an extension' of the earlier approved mine. The Minister for Mineral Resources is presently considering the issue of a second mining lease for this Stage 2.

The mine's operation involves two massive open cut pits, heap leach ore processing facilities, the use of 700 tonnes of cyanide, 60 tonnes of hydrochloric acid and 75 tonnes of caustic soda each year and relies on a main access road being constructed.

The access road is presently being constructed through a wetland area the habitat of the Nationally Endangered mammal, the Hastings River Mouse. This endangered species has other habitat nearby precisely where the open pit mine is to be located.

#### IMMINENT THREATS TO 'HARM' HERITAGE VALUES

The HR Mice and other endangered species are in very real and acute danger of being harmed both by being directly killed or injured by the damage and / or destruction of their habitat vegetation by massive earthworks and by being adversely affected by fire, traffic, non-native animals, changed local hydrology, loss of other native vegetation for food, cover and roosts.

These impacts will harm the 26+ endangered fauna species, including the Nationally Endangered Brush-tailed Rock Wallaby, located on or around the mine site. It is likely that these animals will suffer harm as a result of the damage or destruction of native vegetation either through its clearance or by fire. The impacts on these animals has not been adequately examined or considered. Nor have impacts on important flora species been adequately considered.

The flora conservation values of the mine are about to be very significantly harmed by the clearance of over 70 hectares of native vegetation, including the rare Strawberry Gum, and its likely windrowing and burning.

Historic old gold diggings of significant historical and cultural value are currently at very grave danger of being harmed since they are being disturbed by bulldozers.

#### HERITAGE ACT'S SPECIAL ROLE

As you know the Heritage Act 1977 has a special role in the architecture of NSW environmental protection laws. The special nature of its role was clearly spelled out by Stein J in *Corkill Vs Hope and Others* (re: Chaelundi SF).

In that matter [No. 40157 /'91 in 74 LGRA 33], the Land & Environment Court found that irrespective of the operations of other Acts such as the EP & A Act, and the Mining Act, the Heritage Act has an over-riding power to consider natural heritage conservation matters and make appropriate orders.

Please bear in mind the lessons of these proceedings against the previous Minister for Planning involving another area of extraordinary conservation value, when considering this application and the above requests.

Thank you for your consideration of this important matter.

Yours sincerely



DRAFT

**TERMS OF REFERENCE for a COMMISSION OF INQUIRY**

**Into the revocation of mining leases and developments approvals for gold mining on the Timbarra plateau and the areas inclusion in a comprehensive, adequate and representative reserve system.**

**That a Commission of Inquiry be constituted under section 119 of the Environmental Planning and Assessment Act 1979 to:**

**A/ Inquire into:**

- i/ the conservation values of the area of the proposed mine and processing sites, and the adjoining Timbarra plateau;
- ii/ the area's significance for maintaining biodiversity as habitat for endangered species, especially the Hastings River Mouse;
- iii/ the economic significance and potential of the Strawberry Gum, and any other alternative economic potential of the region and locality including for tourism and/or recreation;
- iv/ the potential impacts of the mine on streams, aquatic eco-systems and fisheries;
- v/ the process and adequacy of the mine's approval by local and state government;

**B/ report on:**

- i/ the environmental significance and vulnerability of populations of Nationally Endangered Hastings River Mouse and Brushtail Rock Wallaby;
- ii/ the significance for threatened species listed under the Threatened Species Conservation Act and whether any of the area can reasonably be identified as critical habitat for any threatened species;
- iii/ the effectiveness of the development approval process in assessing the development applications for the mine and the adequacy of any conditions applied when granting mining lease approvals;
- iv/ whether the proposed mine and processing facilities are likely to
  - a) reduce the long term viability of threatened species in the region and locality;
  - b) accelerate the extinction of threatened species; or
  - c) place threatened species at risk of extinction;
- v/ whether the development proposed would significantly impact on these values and the Government's commitment to the United Nations Convention on Biological Diversity, the National Strategy for Biological Diversity and the draft State Biodiversity Strategy.

**C/ make recommendations on:**

- i/ the appropriateness of continuing Interim Conservation Orders until the completion of the relevant Regional Forest Agreement, and/or a Permanent Conservation Order under the Heritage Act 1977;
- ii/ the need for the Timbarra Plateau to be included as a component of a comprehensive, adequate and representative reserve system according to the State and Commonwealth Nationally Agreed Reserve Criteria;
- iii/ the desirability of refusing a second mining lease and revoking Mining Lease 1386.

**That the Commission of Inquiry be held in Casino rather than Tenterfield due to the availability of airport facilities.**

DRAFT 1

30 September 1997

The Hon. Craig Knowles,  
Minister for Urban Affairs and Planning,  
Level 33, Governor Macquarie Tower,  
1 Farrer Place, SYDNEY 2000  
Phone 02 9228 4499 Fax 02 9228 3716

Dear Mr Knowles,

**Re: Application for protection of the heritage values of the Timbarra plateau  
under the Heritage Act 1977**

I write to you in your capacity as the Minister administering the Heritage Act 1977.

I apply for an Emergency Stop Work Order under section s.136 (1) of the Heritage Act to be issued urgently by you as the relevant Minister, over lands which are part Malara State Forest No. 305, part leasehold lands and part Vacant Crown lands, in the Parish of Shire of Tenterfield, being lands the subject of a development proposal for a gold mine and processing facilities by Ross Mining P/L on the Timbarra Plateau (the said lands).

The said lands being the subject of Mining Lease 1386 and under consideration for a second adjacent lease.

I am of the opinion that the said lands are "a precinct" and /or items of "environmental heritage" in that they are "places of historic, scientific, cultural, social archaeological, architectural, natural or aesthetic significance for the State" as defined in s.4 of the HA.

Please act immediately to consider this urgent application to stop work for 40 days. Evidence of the urgency of this request is set out below.

I apply also for an Interim Conservation Order (an 'ICO') under s.34 of the Heritage Act to be issued over the 'said lands'. I note that you have power to issue an ICO immediately if necessary. I request that you consider the urgent issue of an ICO over the said lands pending advice from the Heritage Council of NSW.

Please issue an ICO and refer this application for a further ICO to the Heritage Council for advice.

I further request that you direct the Heritage Council to consider any advice provided by a Commission of Inquiry under s.119 of the Environmental Planning and Assessment Act 1979 (the EP & A Act) into the gold mine.

In addition, I apply for a Permanent Conservation Order (a PCO) under the Heritage Act, to ensure the long term protection of the said lands' nature heritage conservation values. I request that the Commission of Inquiry into the Timbarra gold mine also consider and report on the appropriateness of a PCO over the said lands being issued.

Please act immediately to refer these requests to the Heritage Council of NSW and an appropriate Commissioner.

**EXISTING HERITAGE EVIDENCE**

The following evidence of the site's natural, historic and cultural heritage conservation values is included to satisfy any 'prima facie' need for proof of the existence of such values.

The collection and consideration of additional evidence could be undertaken by the Commission of Inquiry and/or the Heritage Council of NSW with the assistance of the National Parks and Wildlife Service and the Resource and Conservation Council (RACAC).

Biological diversity values

The area of the mine site is known to be of immense biodiversity value.

The NPWS wrote to the Department of Mineral Resources in 1995:

"NPWS considers the Timbarra Plateau to an area of outstanding and unique conservation value as it is situated in an important biogeographic overlap zone imparting high biodiversity on the area. Fauna influences from the central west, coastal east, sub-tropic north and temperate south overlap with local tablelands influences to produce a rich and seemingly unique vertebrate fauna diversity. The Gold Project site occupies a biologically diverse part of the plateau which is considered to be of very high conservation value."

Endangered fauna habitat

Endangered species known to be located on and around the mine site include:

- |                               |                       |                               |
|-------------------------------|-----------------------|-------------------------------|
| 1. Hastings River Mouse       | Nationally Endangered |                               |
| 2. Brush-tailed Rock Wallaby  | Nationally Endangered | Phliparia sp.                 |
| 3. Eastern Chestnut Mouse     |                       |                               |
| 4. Parma Wallaby              |                       | 17. Koala                     |
| 5. Rufous Bettong             |                       | 18. Yellow bellied Glider     |
| 6. Spotted tail (Tiger) Quoll |                       | 19. Red legged Pademelon      |
| 7. Stuttering Frog            |                       | 20. Peppercorn Frog. ?        |
| 8. Glossy Black Cockatoo      |                       | 21. New England Tree Frog.    |
| 9. Masked Owl                 | Powerful Owl          | 22. Squirrel Glider           |
| 10. Sooty Owl                 |                       | 23. Bristle-tailed Phascogale |
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| 13. Greater Broad-nosed Bat   |                       | 26. Long nosed Potoroo.       |
| 14. Eastern Freetail bat      |                       |                               |
| 15. Large Bent-wing Bat       |                       |                               |
| 16. Golden-tipped bat         |                       |                               |

The rare Strawberry Gum (Eucalyptus olida)

In addition the said lands have considerable conservation significance for their vegetation and forest types. In particular, the Strawberry Gum (*Eucalyptus olida*) which occurs on the said lands precisely where part of the ore leach pad is proposed to be located, is a rare species of Gum with few and disjunct populations. It has a ROTAP rating 2RCa : restricted distribution, max geographic range of < 100 kms. This species has the highest known concentrations of a flavouring naturally occurring in strawberries and used commercially.

The economic potential of the ecologically sustainable use of this Gum has not been explored or considered.

Other rare plant species

In addition to the Strawberry Gum the said lands contain important populations of the 3 other plant species of conservation significance:

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sectors of the Project Site" indicating that no comprehensive flora survey of the mine site has yet been undertaken.

The needs of a CAR reserve system: protection for rare, uncommon and under-represented forest types

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The said lands of the Timbarra plateau meet all these criteria. They are definitely needed for a CAR reserve system, since they are one of the 'jewels' around which the reserve system should be built.

Historic sites of 1850's 'diggings'

Gold was first discovered at Poverty Point (in the proposed mine area ) in the early 1850's, with fossicking continuing until around the turn of the century. The limited diggings which remain are some of the best examples from the once extensive Rocky River goldfields. These diggings are of significant historical and cultural value.

**THE THREATENING OPERATIONS .**

The gold mine has already received approval from the Minister for Mineral Resources for what has proved to be only Stage 1 of the operation, via the issuing, in April 1996, of Mining Lease 1386.

A further development of the mine was submitted separately to Tenterfield Shire Council on 3 July 1997 by Ross Mining P/L, which substantially enlarges the mine (up to 25%). No EIS or FIS was obtained or considered by TSC when they approved the second DA as 'an extension' of the earlier approved mine. The Minister for Mineral Resources is presently considering the issue of a second mining lease for this Stage 2.

The mine's operation relies on a main access road being constructed. The access road is presently being constructed through a wetland area the habitat of the Nationally Endangered mammal, the Hastings River Mouse. This endangered species has other habitat nearby precisely where the open pit mine is to be located.

**IMMINENT THREATS TO HARM HERITAGE VALUES**

The Hasting River Mice and other endangered species are presently in very real and acute danger of being harmed both by being directly killed or injured by massive earthworks and by being adversely affected by fire, traffic, non-native animals, changed local hydrology, loss of native vegetation for food, cover and roosts.

These impacts will harm the 26 endangered fauna species, including the Nationally Endangered Brush-tailed Rock Wallaby, located on or around the mine site. They have not been adequately examined or considered. Nor have impacts on important flora species been adequately considered.

The flora conservation values of the mine are about to be very significantly harmed by the clearance of over 70 hectares of native vegetation, including the rare Strawberry Gum, and its likely windrowing and burning.

Historic old gold diggings of significant historical and cultural value are currently at very grave danger of being harmed since they are being disturbed by bulldozers.

#### HERITAGE ACT'S SPECIAL ROLE

As you know the Heritage Act 1977 has a special role in the architecture of NSW environmental protection laws. The special nature of its role was clearly spelled out by Stein J in *Corkill Vs Hope and Others* (re: Chaelundi SF).

In that matter [No. 40157 /'91], the Land & Environment Court found that irrespective of the operations of other Acts such as the EP & A Act, and the Mining Act, the Heritage Act has an over-riding power to consider natural heritage conservation matters and make appropriate orders.

Please bear in mind the lessons of these proceedings against the previous Minister for Planning involving another area of extraordinary conservation value, when considering this application and the above requests.

Thank you for your consideration of this important matter.

Yours sincerely



New South Wales  
Minister for Mineral Resources  
Minister for Fisheries

Level 12, 1 Francis Street  
DARLINGHURST  
NSW 2010  
Phone: (02) 339 7109  
Fax: (02) 339 7788

The Hon. Ian Cohen MLC  
Legislative Council  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

T95/0114

Dear Mr Cohen

I refer to your representations of 25 September 1997 on behalf of the Timbarra Protection Coalition, 1/69 Magellan Street Lismore, 2480, concerning the Timbarra gold project and its Plan of Management.

The Timbarra project comprises Mining Lease 1386 (Act 1992) and Mining Lease Application 77 (MLA 77).

It is correct that Condition 3 of Mining Lease (ML) 1386 requires the preparation and approval of a Plan of Management. A Plan of Management and a Mining Operations Plan (MOP) are the same document, it is the terminology that has changed. The MOP for ML 1386 was prepared and approved for the first twelve months of operations. The plan and approval relate to associated construction and mining activities within the area of ML 1386 and does not include aspects linked with the proposal for MLA 77.

During 1998 Ross Mining NL will be required to prepare a further MOP for ML 1386 detailing proposed activities for the next five years. Should a mining lease be granted for MLA 77 then a MOP will be required for that lease. If this does occur then it is expected that a consolidated MOP would be prepared to incorporate the activities on both areas.

The MOP is not a public document, it is a company document prepared for my Department of Mineral Resources as required by lease condition. I do not propose to release a copy of this plan to the Timbarra Protection Coalition unless permission from Ross Mining NL is obtained.

As to the matter concerning "roading work" taking place, I have been advised by my Department that Ross Mining NL has approached various agencies to ascertain any outstanding approvals for the associated works. Although Tenterfield Shire Council, the Environmental Protection Authority, the Department of Land and Water Conservation and National Parks and Wildlife Service have formed the view that no further approval was necessary for the access road upgrading, Ross Mining NL is proceeding to conduct investigations for the purpose of identifying any threatened species in the areas along the road that may be cleared.

At the conclusion of these investigations Ross Mining NL will make a copy of the report available to Tenterfield Shire Council and the National Parks and Wildlife Service.

For further information please contact Mr Ken Long of my office on telephone (02) 9339 7109.

Yours sincerely



**BOB MARTIN MP**  
**MINISTER FOR MINERAL RESOURCES**  
**MINISTER FOR FISHERIES**

12 NOV 1997

15-DEC.'97(MON) 16:22

HERITAGE OFFICE  
61 2 98914688

TEL: 61 2 98914688

Heritage Office

MINUTE

Re: Timbarra Gold Mine

---

The matter of the Timbarra Gold Mine has been under consideration by the Heritage Office for just under two months with the first nomination being received on 22nd October 1997. = *Timbarra Protection Coalition*

On 3rd December 1997 the Heritage received a copy of a letter sent to the Minister which has now come to my attention. - *Yam Lattel*.

Matters covered in this letter were dealt with in the report which was considered by the Heritage Council at its meeting of 11th December. A copy of this report is attached.

After considering the report the Heritage Council resolved that:

1. the area is of heritage significance because of its Aboriginal, natural and historic values;
2. negotiations aimed at safeguarding these values have taken place with the proponents, Ross Mining NL, and the Native Title Tribunal, Bundjalung Elders Council, NPWS, NSW Heritage Office, Department of Mineral Resources, Department of Land and Water Conservation and Tenterfield Council;
3. these negotiations have resulted in amendment of the mining proposal to minimise adverse impacts on the area's heritage values and to ensure that appropriate management practices are adopted;
4. the proponents have been advised that any excavation on the site will require an excavation permit from the Heritage Council;
5. the proponents will also need to obtain permits from NPWS and other authorities before mining can commence;
6. because of these factors, an ICO is not necessary at this time; and
7. it write to the Tenterfield Shire Council advising that the Heritage Council believes the mining site to be of State Heritage Significance and that the Heritage Council will have a continuing interest in any development or mining affecting the area.

Rosalind Strong  
Director



Att John Cockill



OFFICE OF THE  
PREMIER OF NSW

Level 39, Governor Macquarie Tower  
1 Farrer Place, Sydney 2000.  
Telephone (02) 9228 5239 Fax: 9241 3616  
CPO Box 5341, Sydney 2001.

**FAX MESSAGE**

- To: Jan Cohen
- Fax no: 02. 66 877 804
- From: R. Spence
- Date: 15. 12. 97.
- No of pages (including this page): 2

**Message:**

Jan,  
Summary of Heritage Office report on  
Timbarra — Full report will be sent  
ASAP from Council.

Writing after last two paragraphs is  
mine — Issue has been under active  
consideration since 22nd October.

STAGE ONE of mine is approved therefore  
cannot be "called in"

STAGE TWO — is before L&E Comt cannot be  
called in —

Rob Spence

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IAN COHEN MLC

THE GREENS

LEGISLATIVE COUNCIL

PARLIAMENT HOUSE

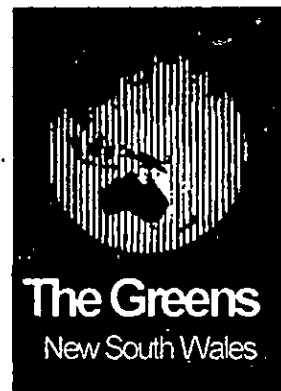
MACQUARIE STREET

SYDNEY NSW 2000

PH: 230 2603

FAX: 230 2267

EMAIL: CCOHEN@PH.NSW.GOV.AU



29 September 1997

The Hon. Bob Carr, Premier of NSW,  
Parliament House, Macquarie Street,  
SYDNEY 2000

< CONFIDENTIAL >

Attention: Mr Rob Griggs

Dear Premier,

**Re: The Government's position on the Gold Mine adjacent to the Timbarra River**

I refer to my letter of 25 September 1997 in which I requested the issuing of an Interim Conservation Order (ICO) for the land the subject of Ross Mining's Gold mine adjacent to the Timbarra River in Tenterfield Shire. I refer also to recent discussions with you and your staff.

As you are now aware I have grave concerns about the Government's handling of the consideration and approval of this gold mine, determined by the Minister for Minerals Resources and Fisheries, Mr Bob Martin.

**SUMMARY OF CONCERNS**

These concerns include the mine's

- \* impacts on biodiversity, including on threatened species, such as the rare Hastings River Mouse;
- \* potential to pre-empt the comprehensive, adequate and representative reserve system;
- \* destruction of native vegetation, and the absence of any effective plan for the site's rehabilitation;
- \* elimination of the rare and aromatic Strawberry Gum despite its emerging economic potential;
- \* threats to the Clarence River's \$20 million fishing industry and massive recreational fishing amenity;
- \* damage to the area's historical and recreational resources without consideration of their potential value;
- \* approval failing to observe due process, with the result that native title claimants were not initially considered;
- \* construction has triggered an escalation of community concern and protest action.

Further I am concerned that

- the initial lease was invalidly issued due to the failure to first obtain a non-claimant determination;
- the Minister accepted legal advice from the initial mining company's solicitor's which was wrong, and
- when granting the lease the Minister did not obtain advice from NSW Government law officers, or ignored it.

Details of these concerns are contained in the attached Issues Paper prepared by my office.

I understand that the Government has only recently realised the dimensions of the concerns surrounding the Timbarra gold mine, and the extent of the mishandling of the matter by the Minister for Mineral Resources.

**POSSIBLE AVENUES FOR RESOLUTION**

Though the Timbarra mine is now headed for protracted conflict, legal advice available to me indicates that the government has considerable scope to rescue the situation, since it has not yet reached a point of no return.

**REFUSE THE 2ND LEASE AND REVOKE THE 1ST**

The Minister for Mineral Resources is presently considering the Mining Warden's report on the granting of approval for a new mining lease, which has not been the subject of an adequate EIS.

Clearly, the granting of this second lease could be, and should be, refused by the Minister.

Further, since the initial lease was not issued validly the Government may at any time revoke it.

## SEEK THE FEDERAL COURT'S DETERMINATION

If there be any contention within Government that the original mining lease is invalid, the NSW Government could make an application to the Federal Court for a determination of the leases validity to settle the matter.

This would be seen publicly as a fair and appropriate course of action to resolve a difficult question. Certainly voluntarily seeking the court's decision on the mining lease's validity, would be preferable to being dragged to the court by a native title claimant at some time in the future, where the Government's failure to consider Aboriginal people's interests would be defended with public funds.

## COMPANY'S OWN ERROR : NO COMPENSATION DUE

I am advised that if the question of compensation to the company is raised it should be rejected outright since it was reliance on the original mining company's own legal advice, later proved wrong by the Wik judgment, which led the Minister into legal error. It's unlikely that the courts would hold the Government liable for compensation for a wrong act, when it had acted according to the company's wishes in granting the initial lease!

## COMMISSION OF INQUIRY

I have considered asking the Government to initiate a Commission of Inquiry under the EP & A Act. However, convening an Inquiry into only the proposed mine 'extension', would not do much to resolve the fundamental concerns outlined above. Any effective Inquiry would require Terms of Reference broad enough to allow the consideration of the whole of the lands the subject of Ross Mining's mine and processing proposals.

Further, I consider it essential that any Inquiry investigate the following fundamental issues:

- \* the conservation values of the Timbarra plateau and especially, the proposed mine site;
- \* an evaluation of any alternative economic opportunities in the area, including the fishing industry;
- \* the impacts of the mine on these values and opportunities;
- \* the suitability of the gold mine's construction and operation given the above;
- \* the extent of any government liability if the mine's initial lease was revoked.

Please find attached to this letter a preliminary draft of Terms of Reference for a Commission of Inquiry which sets out how I see an Inquiry could address these issues. Should you consider formally constituting a Commission of Inquiry I would appreciate being further consulted on the final Terms of Reference.

## AN URGENT INTERIM CONSERVATION ORDER (I.C.O.) IS CALLED FOR

I acknowledge that my letter to you of 25 September seeking an Interim Conservation Order (ICO) needs to be directed to the Minister for Urban Affairs & Planning. I intend to place a formal application for a ICO before him in due course. In the meantime your consideration of an ICO's power to 'cool down' the dispute and obtain available evidence is certainly worthwhile.

In tandem with refusing the second lease, an urgent ICO could halt all work on the site: and hopefully any further destruction of endangered species habitat, until the Government has constituted the Commission of Inquiry, and considered the evidence for revoking or modifying the original lease. The ICO could also maintain the integrity of the local environment, especially the habitat of endangered species, pending a Federal Court hearing if this was the course chosen by the Government.

## CONCLUSION

Revoking the initial mining lease and refusing the second lease would have the beneficial effects of:

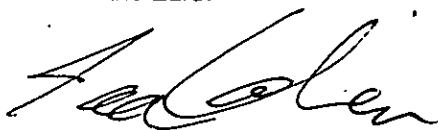
- i. allowing the lands conservation values and ecologically sustainable economic potential to be documented;
- ii. permitting the native title claims to be considered on their merits by the Native Title Tribunal and resolved;
- iii. keeping open the area's possible inclusion in the CAR reserve system via a new Demon National Park.

I hope that the above comments assist you in considering what the Government can do to remedy what is clearly becoming a major state environmental issue.

I would like to take this opportunity to invite you to inspect the Timbarra site. I believe that an onsite inspection would provide a convincing argument to include this area in NSW's world class reserve system.

Thank you for giving this issue your serious consideration. I look forward to your response.

For the Earth



IAN COHEN

Encl: Issues paper (4pp); and a draft Terms of Reference for a Commission of Inquiry (1pp)

**DRAFT**

**TERMS OF REFERENCE for a COMMISSION OF INQUIRY**

**Into the revocation of mining leases and developments approvals for gold mining on the Timbarra plateau and the areas inclusion in a comprehensive, adequate and representative reserve system.**

**That a Commission of Inquiry be constituted under section 119 of the Environmental Planning and Assessment Act 1979 to:**

**A/ inquire into:**

- I/* the conservation values of the area of the proposed mine and processing sites, and the adjoining Timbarra plateau;
- ii/* the area's significance for maintaining biodiversity as habitat for endangered species, especially the Hastings River Mouse;
- iii/* the economic significance and potential of the Strawberry Gum, and any other alternative economic potential of the region and locality including for tourism and/or recreation;
- iv/* the potential impacts of the mine on streams, aquatic eco-systems and fisheries;
- v/* the process and adequacy of the mine's approval by local and state government;

**B/ report on:**

- I/* the environmental significance and vulnerability of populations of Nationally Endangered Hastings River Mouse and Brushtail Rock Wallaby;
- ii/* the significance for threatened species listed under the Threatened Species Conservation Act and whether any of the area can reasonably be identified as critical habitat for any threatened species;
- iii/* the effectiveness of the development approval process in assessing the development applications for the mine and the adequacy of any conditions applied when granting mining lease approvals;
- iv/* whether the proposed mine and processing facilities are likely to
  - a) reduce the long term viability of threatened species in the region and locality;
  - b) accelerate the extinction of threatened species; or
  - c) place threatened species at risk of extinction;
- v/* whether the development proposed would significantly impact on these values and the Government's commitment to the United Nations Convention on Biological Diversity, the National Strategy for Biological Diversity and the draft State Biodiversity Strategy.

**C/ make recommendations on:**

- I/* the appropriateness of continuing Interim Conservation Orders until the completion of the relevant Regional Forest Agreement, and/or a Permanent Conservation Order under the Heritage Act 1977;
- ii/* the need for the Timbarra Plateau to be included as a component of a comprehensive, adequate and representative reserve system according to the State and Commonwealth Nationally Agreed Reserve Criteria;
- iii/* the desirability of refusing a second mining lease and revoking Mining Lease 1386.

**That the Commission of Inquiry be held in Casino rather than Tenterfield due to the availability of airport facilities.**

## Issues paper on the Gold mine proposed for Timbarra plateau, Tenterfield Shire prepared for The Hon. Bob Carr, Premier of NSW - September 1997

final - 29/9/1997

[timisspr.doc]

### 1. INTRODUCTION

This issues paper has been prepared at the request of Ian Cohen MLC, for the purpose of informing the Premier of issues and concerns of The Greens relating to Ross Mining's gold mine on the Timbarra plateau, Tenterfield Shire.

### 2. BACKGROUND INFORMATION

The mine is proposed to be sited on land which includes Malara State Forest, leasehold lands and apparently vacant Crown lands.

It involves clearing 76.4 hectares of native vegetation, two open cut pit excavations up to 150 m deep on the sides of the Bold Top mountain, massive waste rock heaps, new road access construction and an ore processing plant which employs the heap leach method of gold extraction.

700 tonnes of cyanide will be used on site each year, as will 60 tonnes of hydrochloric acid, & 75 tonnes of caustic soda. The leaching process will liberate large quantities of arsenic compounds from the ore body. The site is protected by a 1.5 mm thick plastic membrane which has been known to puncture.

While the retaining dams are said to be designed to withstand a 1 in 100 year peak event the consequences of a 'wash out' would be disastrous for the down stream environment.

The mine was originally proposed by Auralia Pty Ltd.

An EIS for what has proved to be only stage 1 was prepared for Capricornia Pty Ltd in 1995.

Ross Mining P/L took over the mine development in October 1995.

The Minister for Mineral Resources granted the initial mining lease ML 1386 in April 1996.

A Development Application for an extension to the mine was lodged with the Tenterfield Shire Council in 3 July 1997. TSC approved the 'extension' without requiring or considering an EIS or Species Impact Statement. Ross Mining have recently lodged a second Development Application for this extension.

### 3. BIODIVERSITY IMPACTS

The area of the mine site is known to be of immense biodiversity value. The NPWS wrote to the Department of Mineral Resources in 1995:

*"NPWS considers the Timbarra Plateau to be an area of outstanding and unique conservation value as it is situated in an important biogeographic overlap zone imparting high biodiversity on the area. Fauna influences from the central west, coastal east, sub-tropical north and temperate south overlap with local tablelands influences to produce a rich and seemingly unique vertebrate fauna diversity. The Gold Project site occupies a biologically diverse part of the plateau which is considered to be of very high conservation value ..."*

#### 3.1 THREATENED SPECIES

The mine area is of national and state significance for endangered species.

To date some 26 endangered fauna species have been located on and around the mine site, and more are still being found. The floral significance of the area has not been properly assessed, given the known presence of species endemic to the area it is likely that endangered or new species await to be identified.

The area is a major refuge for numerous threatened species whose populations and ranges have been in decline (i.e. Hastings River Mouse, Brush-tailed Rock Wallaby, Parma Wallaby, Rufous Bettong, Tiger Quoll and Stuttering Frog) and for species with limited and disjunct populations.

It is unbelievable that populations of so many endangered species, of both state and national significance, can be approved for elimination by the NSW Government.

There can be no doubt that the proposed mine will reduce the long-term viability of threatened species in the region, accelerate the national extinction of many species and thus further increase the likelihood of species becoming extinct. It would appear that distinct races (or possibly distinct species) of some threatened species will be rendered extinct within the next few months if the mine goes ahead.

For example, recent evidence suggests that the population of the nationally endangered Hastings River Mouse at Timbarra may be a distinct race. The only two other populations in the vicinity (which may have also been different races) may have already been eliminated. The population on Boundary Creek in Forestland SF was apparently eliminated following logging and burning in 1986, and the population in Billilimbra SF appears likely to have been eliminated following burning in 1995.

Two mice were found in the middle of the proposed mine and despite over 20,000 trapnights only three individuals have been found elsewhere on the plateau. So of a total known population of 5 individuals, two are to have their habitat mined, one or possibly two will have their habitat obliterated by the access road, while the remaining individual will remain at risk from traffic, fires and grazing impacts.

The likely elimination of the only known population of an endangered species within the region, which is likely to be a distinct race, should never have been approved by the NSW Government.

That the mine's EIS failed to correctly identify the site as a core habitat area for the Mouse is evidence of its inadequacy. That the EIS did not properly address the impacts of the road's construction on the Mouse and the other endangered species present, such as the Stuttering Frog, is further cause for concern.

FOI applications to NSW Government agencies have gained considerable evidence of numerous other concerns with the EIS's adequacy. Regrettably it appears that, due to the passage of time, the adequacy of this EIS is now beyond legal challenge.

### **3.2 C.A.R. RESERVE SYSTEM**

The Resource and Conservation Assessment Council has identified the mine area as likely to be required for a comprehensive, adequate and representative reserve system.

In 1996 the NSW and Commonwealth Governments included the mine area within the Interim Deferred Forest Area because of its high conservation values. Yet this year in 1997, the NSW Government is intending to allow it to be mined before the assessment process is complete.

The State and Commonwealth Governments this year endorsed the "Nationally Agreed Criteria for the Establishment of a Comprehensive, Adequate and Representative Reserve System for Forests in Australia". These reserve criteria require that *"The reserve system should seek to maximise the area of high quality habitat for all known elements of biodiversity wherever practicable, but with particular reference to: the special needs of rare, vulnerable or endangered species; ... areas of high species diversity, natural refugia for flora and fauna, and centres of endemism ..."*

Timbarra meets all these criteria. It is definitely needed for a CAR reserve system as it is one of the jewels around which the reserve system should be built.

### **3.3 NO REHABILITATION CONTEMPLATED**

While a \$3m bond has been lodged, a further concern is that there appears to be no binding legal obligation on the company to rehabilitate the site once its mining activities are completed. It is conceivable that the rehabilitation required will require well in excess of \$3m. Many of the lease conditions are believed to be unenforceable and advisory only. It appears that there is no legal obstacle to the company finishing its activities and then moving on, leaving a massive hole in the ground, mountains of waste rock and a toxic processing site.

## **4. SOCIO-ECONOMIC CONSIDERATIONS**

### **4.1 STRAWBERRY GUM**

A significant proportion of the site, particularly around where the 'heap leach pad' is proposed, is dominated by Strawberry Gum (*Eucalyptus olida*). This species has the highest known concentrations of a flavouring naturally occurring in strawberries and used extensively as a commercial flavouring.

There has already been export of this gum to America. There is immense economic potential for this species, which needs to be actively pursued before, like the Macadamia, it too is lost overseas.

As it is a rare species, with few and disjunct populations, it is evident that there may be genetic traits within the stand proposed for destruction that are found nowhere else and could be lost forever.

It seems that the Strawberry Gum's value was not considered by the Minister for Mineral Resources before granting the original mining lease.

#### **4.2 CLARENCE RIVER FISHING INDUSTRY AT RISK**

The Legislative Council's Standing Committee on State Development is currently conducting an inquiry into the fishing industry.

The potential impacts of the \$16.5 million gold mine and processing facilities, on the \$20 million a year Clarence River fishing industry were not properly examined in the Minister's decision to grant the initial mining lease, despite the obvious threats which mine's water demand, cyanide & arsenic pose to its long term future.

Concerned has been expressed that given the Minister's portfolio includes Fisheries, he is faced with a conflict of interest in acting as the mine's consent authority. Certainly the local fishing industry believes that the Minister's decision to approve the mine was recommended by the Department of Mineral Resources who discounted and overrode Fisheries' concerns.

#### **4.3 HISTORICAL**

Gold was first discovered at Poverty Point (the proposed mine area) in the early 1850's, with fossicking continuing until around the turn of the century. The limited diggings remaining are some of the best examples from the once extensive Rocky River Goldfields. These old diggings are of significant historical and cultural value and are currently being vandalised by bulldozers.

Their economic potential as a tourism resource were not been assessed or considered before the grant of the initial mining lease.

#### **4.4 RECREATION**

The area around the mine site is aesthetically pleasing with its old eucalypts, diverse heaths, wetlands and granite boulders. It provides spectacular vantage points to view the upper Clarence and Richmond River valleys, with the Border Ranges dominating the skyline. It is an area with significant recreational and tourism potential, provided this is undertaken in a manner compatible with the values of the area.

The value of this recreation resource appears to have not been assessed or considered either.

### **5. OTHER CONCERNS**

#### **5.1 TOTAL IMPACTS NOT ASSESSED**

Concerns have been raised at the failure of the approval process to properly consider the totality of the mining and processing operation contemplated by the company. The 'little bit now and more later' approach ensures that consideration of the proposed activity is staggered, fragmented and confused. It is apparent that the mine's developers have succeeded in manipulating the NSW planning system to ensure that an accurate assessment of the mine's total environmental and economic impacts will never be undertaken.

While this criticism can be legitimately directed to the Tenterfield Shire Council, and its complicit decisions, the NSW Government has done nothing effective to prevent this manipulation from occurring.

#### **5.2 ABORIGINAL VALUES**

The area is known to have significant Aboriginal values, and is subject to Native Title claims.

#### **5.3 INITIAL MINING LEASE ISSUED INVALIDLY**

It's a concern that the Minister did not observe due process when approving the mine, in that he didn't have proper regard to the native title rights of any Aboriginal claimants. It may be that the initial mining lease 1386 was invalidly issued due to his failure to seek a non-claimant determination from the Native Title Tribunal.

The basis for this failure in proper procedure was the Department of Mineral Resources' acceptance, apparently in total, of the legal advice of the solicitors 'Hopgood and Ganim' for Capricornia P/L.

Apparently that advice indicated that there were grazing leases over the land in Malara SF (and adjacent Crown lands), and that therefore any surviving native title had been extinguished and that therefore no non-claimant determination was necessary before the Minister issued the lease.

As events have shown, that advice was quite wrong. No lease has been found to apply to part of the site. Native title claims have since been lodged over the area including the proposed mine site.

#### **5.4 LEGAL POSITION**

Judgment in the Wik case by the High Court of Australia established that a grazing or pastoral lease did not necessarily extinguish native title. A non-claimant application was required by law in order to validly grant the mining lease, and no application was made by the Minister.

Further, a number of native title claimants have since come forward and made applications to the Native Title Tribunal asserting their interests in the land the subject of the gold mine.

Thus the Minister's willing acceptance of the developer's wrong legal advice has made a farce of the notions of good governance and adherence to due process.

It is unknown if the Solicitor General's advice was obtained by the Minister for Mineral Resources before he granted the lease, but it would have been prudent and for him to have done so.

It is likely that if advice was obtained from a senior NSW government law officers, it would have disclosed the legal requirement for the Commonwealth *Racial Discrimination Act* to be observed and the procedures for determining native title rights to be addressed, before any grant of a mining lease. That in summary is the thrust of the legal advice available to me.

If no advice from the Solicitor General was obtained, it would be very surprising.

If advice was obtained and ignored, that blatant disregard for due process and the observance of basic human rights for Aboriginal people would be cause for great concern and alarm.

In any event, it would be appalling if the Minister failed in his responsibility, to observe due process and to consider native title rights, on the basis of a reliance on the developer's legal advice, and/or in ignorance of advice from Government law officers.

#### **5.5 ESCALATING COMMUNITY ACTION**

These failures to properly address environmental, economic, fisheries and native title issues have now brought the mine's construction into the public spotlight, with adverse publicity, and lately, protest actions at the mine site as the road is pushed through the wetland habitat of the one of Australia's rarest mammals.

Additionally, various proceedings against the mine have been commenced in the Land & Environment Court, including a matter against the Tenterfield Shire Council, challenging the Council's failure to require an EIS for the mine extension. These proceeding will no doubt tender the available evidence which documents the paucity of proper government consideration of this mine and the power struggles between government agencies.

As a result of these actions and the mounting public outcry, the NSW Government will be identified with destruction of endangered species habitat, threatening the Clarence fishing industry and hence the region's coastal economy and the denial of basic human rights to Aboriginal people.

ends.



Yamaha

FM Expander

~~TX7~~

Tone Exciter

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Digital Rhythm  
Programmer

~~RXZ1L~~



# BATS

Volume 9, No. 3, Fall 1991

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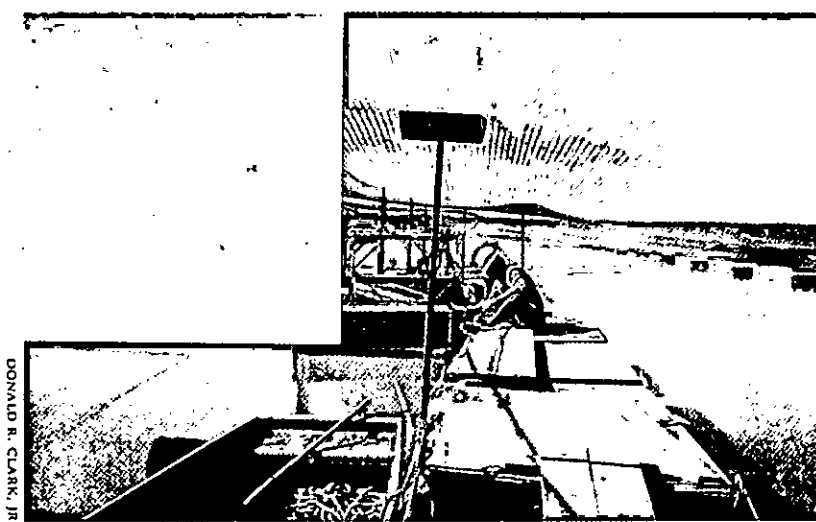
RED BATS (*Lasiurus borealis*) are North America's most abundant "tree bats." In summer they often can be seen catching moths around street lights. Their daytime roosts are in tree foliage, where they hang by only one foot, looking like dead leaves. In fall, they travel south in migratory waves, often with small birds. They overwinter from the Ohio River Valley southward and in mild coastal areas, apparently hibernating in tree hollows.

Red bats are especially well-adapted

for survival during the drastic temperature fluctuations of colder climates. Their long, silky fur provides extra protection from severe cold, and they also use their heavily furred tail membrane like a blanket, wrapping themselves up almost completely. While in hibernation, they respond to subfreezing temperatures by raising their metabolic rate to maintain a body temperature above their critical lower survival limit.

PHOTO BY MERLIN D. TUTTLE

Color cover made possible by a generous donation from Futura Communications.



DONALD R. CLARK, JR.

# Bats, Cyanide, and Gold Mining

*Where a drink of water may mean death: gold isn't the only legacy from mines . . .*

BY DONALD R. CLARK, JR.

**A**LTHOUGH THE BOOM DAYS of prospectors and gold nuggets are long gone, modern technology enables gold to continue to be extracted from ore. Unfortunately, the extraction method has often been disastrous for bats and other wildlife, an issue I first became aware of in early 1989. Phone calls from Drs. Merlin Tuttle and Elizabeth Pierson, a BCI member and bat researcher from Berkeley, California, alerted me that bats were dying from apparent cyanide poisoning at gold mines in the western United States.

After extensive investigation, I concluded that the problem was major. Based on data collected since 1980, and provided by 75 mines in Arizona, California, and Nevada, wildlife deaths through 1989 totalled 7,609 vertebrates. Ninety-two percent were birds and 7% were mammals. Among the reported 519 mammals between 1984 and 1989, 34% were bats. The number of gold mines in these three states is estimated to be 160 and growing.

Today's gold is microgold. High-grade ore contains only 0.05 ounces per ton but the gold is recoverable because it dissolves in a cyanide solution like sugar dissolves in water. The solution (usually with 100-300 parts per million cyanide) is channeled into

ponds which are often left exposed. Mortality likely occurs when wildlife come to drink, and it is also possible that scavenging birds, mammals, and reptiles may ingest cyanide-poisoned wildlife.

To understand the problem, it is helpful to know a few basics of modern gold mining. There are two principal methods of using cyanide solution to extract gold from ore. In vat leaching, it is mixed with crushed rock in large enclosed vats where gold adheres chemically to pieces of added carbon. When the spent ore (tailings) and cyanide are sluiced to a mill-tailings pond, the carbon is retained. Gold is then removed from the carbon in a closed system, using stronger cyanide solutions and heat. Ultimately, gold is electroplated from the mixture.

The resulting mill-tailings ponds are often vast, sometimes 200 or more acres. They may last the life-span of the mine (five to 15 years) and, in most operations, are surveyed for dead wildlife only depending on degree of concern or availability of mining personnel.

Heap leaching is the other method. Crushed ore is piled on plastic sheeting on a large, flat-topped hill, or heap, where cyanide is sprinkled or dripped from hoses on top. After the solution percolates through the heap,

it is collected and channeled by pipes to a pregnant pond (i.e., containing gold). It then passes through carbon filters that separate the gold, which is extracted the same way as in vat leaching. The solution, now without gold, is piped to a barren pond where it is recharged and returned to the top of the heap in a continuous cycle.

Pregnant and barren ponds average about one acre, are easily surveyed for dead wildlife, and are maintained for months or years. To prevent leakage, the bottoms are fitted with a plastic liner, as are most mill-tailings ponds.

Additional pools are also formed on top of heaps. These long, narrow pools lie in furrows of ore and are relatively small. Since they are transitory and difficult to reach by vehicle, mining personnel usually do not check them for dead wildlife.

Solutions to prevent mortality at these ponds have included various noise-making devices and colored flagging, which not only is ineffective for nocturnal animals, but also is ignored by other wildlife. Nothing has

*Research biologist Roger Hothem takes a sample of cyanide solution from the completely netted 18-acre mill-tailings pond at Cyprus Copperstone Mine in Arizona. Wildlife mortality ended completely after the pond was netted.*

*Bat deaths from cyanide leaching ponds appear to be concentrated during months when many bats are migrating. Transitory ponds on top of heaps, such as this one, are difficult to survey for wildlife mortality.*

been as successful as covering ponds with nets to prevent wildlife from visiting them. The Cyprus Copperstone Mine, a vat-leach operation near Quartzsite, Arizona, has two relatively small mill-tailings ponds, 18 and 23 acres. Netting these ponds has completely ended mortality.

Unfortunately, most mill-tailings ponds are too large to cover, and because ponds on top of heaps are difficult to reach, they also are never netted. Most pregnant or barren ponds, however, are easily netted, though factors such as being torn by wind or loads of snow and ice must be taken into consideration.

**D**ATA ON WILDLIFE DEATHS are minimum estimates, most notably for bats. Because bats are small and dark, they are difficult to find and identify. Bats drink in flight over open water and so are likely to disappear into the pond, while many kinds of birds and other animals are more likely to die on land where they can be found. Bats are also of much less concern to most miners than birds. The Migratory Bird Treaty Act makes it illegal to kill most migratory birds except game. Although it subjects miners to fines and other legal actions, thus far, enforcement has been limited to two cases in Nevada.

What data there are on bat deaths seem to indicate that mortality is concentrated in late summer and fall when many bats are migrating. Of 172 deaths reported by quarter one year by 15 mines, 16% occurred between April and June, 59% from July through September, and 25% from October through December. None were reported from January through March.

In Arizona, California, and Nevada, the geographic ranges of six bat species on federal or state lists of endangered, threatened, or otherwise protected wildlife have cyanide-



DONALD R. CLARK, JR.

extraction gold mines within their jurisdictions. Whether cyanide is killing any of these bats is not known. However, Dr. Patricia Brown, a BCI member and bat researcher with the Maturango Museum in Ridgecrest, California, believes that cyanide may have destroyed a population of Townsend's big-eared bats (*Plecotus townsendii*) in east-central California. The species is considered endangered in part of its range and is a candidate for federal listing as well.

Cyanide gold mining is also occurring in the northern plains, the American Southeast, and Alaska. Ridgeway Mine in South Carolina is a vat-leach operation with a 200-acre tailings pond. Between its opening in December 1988 and the end of 1990, 271 dead vertebrates were reported. Eighty-six percent were birds, 13% mammals, and the rest reptiles and amphibians. Of the 35 mammals, 29 were bats. They included 12 red bats (*Lasiurus borealis*), all found in September and October, indicating that they may have been migrating. The 1990 bat deaths at Ridgeway occurred when the mine reported cyanide less than 20 parts per million in the tailings pond, a concentration considered very low. Previously, miners and others believed wildlife to be safe with 50 parts per million cyanide.

A colleague of mine, Dr. Elwood Hill, was also concerned with the wildlife deaths and proposed that the Patuxent Wildlife Research Center (U.S. Fish and Wildlife Service) investigate the problem. A study is now underway that will measure the sensitivity of representative wildlife species to cyanide and will determine methods to identify whether cyanide poisoning is the cause in any specific wildlife death. It also seeks to determine the importance of several metals to cyanide toxicity when each is bound with cyanide, and to evaluate the importance of solution pH to toxicity. These basic data will be essential in understanding cyanide-induced wildlife deaths.

The real effects of cyanide-extraction gold mining on bat populations are unknown. The method is expanding into new areas and involving states that have not dealt with it before. New poisonous watering sites, especially those created in arid areas, have the potential for destroying large numbers of both local and migrating bats. Such ponds along a migration flyway could affect bat populations as far north as Canada. These sites also could have major impact on local populations who, especially during summer, often travel long distances just to reach water.

Officials need to know of the threats to wildlife to preclude erroneous opinions of "there's-nothing-living-out-there-anyway." They also need to know that netting of ponds or detoxification are the best approaches to preventing deaths. As gold mining expands, people concerned about bats and other wildlife must become aware of the potential hazards.

*Donald R. Clark, Jr. is a senior research biologist with the U.S. Fish and Wildlife Service at the Patuxent Wildlife Research Center in Laurel, Maryland, where he has worked on the effects of environmental contaminants on bats for the past 19 years. He is a longtime member of BCI.*

NOTE: This article is based on a paper published in California Fish and Game, vol. 77, Spring 1991, in which sources are cited.



THE CABINET OFFICE  
NEW SOUTH WALES

A97/20937G - NRB

29/10/97

Mr S Cooke  
Treasurer  
The Big Scrub Environment Centre  
149 Keen Street  
LISMORE NSW 2480

Dear Mr Cooke

The Premier has received your recent letter concerning the proposed Timbarra gold mining project.

Your views have been noted and Mr Carr appreciates the reason which prompted you to write to him on this occasion.

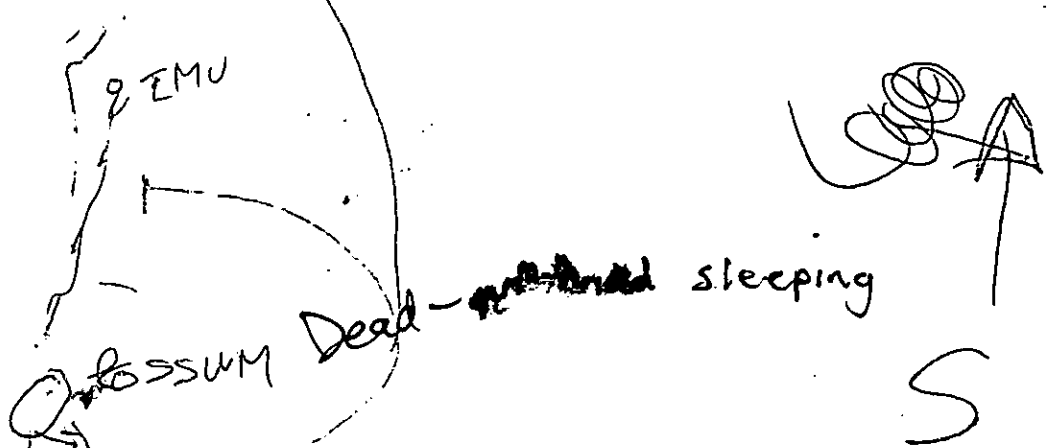
As the matter you have raised primarily concerns the administrations of the Minister for Mineral Resources, and Minister for Fisheries, the Hon R D Martin, MP, and Minister for Urban Affairs and Planning, and Minister for Housing, the Hon C J Knowles, MP, the Premier has arranged to bring your approach to the Ministers' attention.

You may be sure that your comments will receive close consideration.

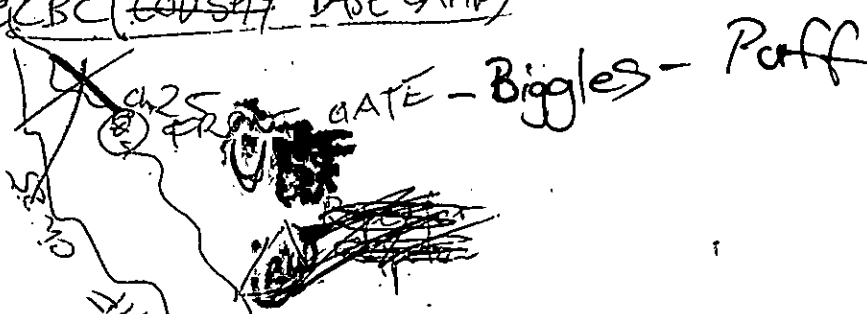
Yours sincerely

A handwritten signature in black ink, appearing to read "Roger B Wilkins".

✓ Roger B Wilkins  
Director-General



3NMX 1 025 019 450021  
CBC (COUSHY BASE CAMP)



H/F 3NMX



Medic  
1  
2 SMH

Tambourna Road

3NMT Base  
02 66 22 2765

Rave -



2.20.

1.00

1.00

1.10.

11.

27 + Matt

27 + Peter.

7 + Food.

16 + Clothes

7 + Taxi

35 + Food.

89 +

10 + Odey

99.

2.4 Green Left article: John Corkill apologised for not having written a letter to Green Left explaining the local view of the Summerland Greens regarding the de-registration of the Richmond

2.3 Standing Orders: will come up later on the agenda.

bank's signing of our minutes. John suggested getting together a draft Financial Administration Standing Order.

June or July : Walker / NSWATC / Ratis Mining

---

McCarthy QC - govt has insisted on mine proceeding.

Company has been inc. for Tabularin community  
Roth Wall is solicitor to receive RM's money. \$1.3m?

① Cook Conrighs<sup>sp?</sup>

Robinsons, Danelly's

TFR initiated by

Eddie Neuman

NSWATC's grand plan: Bundjalung people.  
anthropological evidence re: identity

Tindale: mapped boundaries: "Danelly's", "Robinsons".

Oligive: ~~Yugilbar~~ "Yugilbar."

genealogical lines very clear:

Tom Roberts' partracts:

"no evidence of tradition or culture  
continuing to be observed."

sad + sorry statement of effect of  
dispossession:

Osblack spent "month" to get "1 hour" with  
Slater.

Ollie solicitor: taken over case ①: bent



Notes on Phone Call with Tim Robertson <sup>barometer</sup>  
26/9/97

March 96 - Approval

3 months appeal.

November 96

→ advice to TPC per Melinda

lease inchallengeable ~~except~~ by Nat Title Court  
lease vulnerable due to Man Res to not  
<sup>selecting</sup> making as non-claimant ruling

possible representative for Eric Walker (didn't know)

Slater + Gordon acting for Timbarra re Salomons  
TPR recommended that TPC get contract & STA.

early 97

decision to not require an EIS.

Statement of En reflects

TSC granted consent: this a condition precedent

August 97

→ Mining Warden's Court

Minister rec'd report no decision to approve 2nd stage

→ TPC proceedings: EPA <sup>class IV</sup>: 2nd stage <sup>set</sup> return <sub>gr</sub>  
no interlocutory relief.  
conditions of lease increase: not mandatory

since UK

revoke lease: tomorrow if it wanted.

Gart relied on Company's advice.

Let NSW Gart could go to

Federal Court to seek

September '97

(Right to Negotiate) on 2nd part: extension

What decision would Commissioner's Inquiry  
into? → ICO?

? Missing Warden's Inquiry?

Commissioners' of Inquiry pro development

I was told Una

signed not Eric

therefore not valid

**PETER HARDWICK,  
WOORABEE BUSHFOODS, LISMORE.**

**MEDIA RELEASE      3/10/97**

**Re: PLANTS MORE VALUABLE THAN GOLD**

Lismore bushfood researcher, Peter Hardwick, confirmed claims that valuable native essential oil producing plants grow on the Timbarra gold mine site.

"If these were developed into crops and products they could be more valuable than the gold mine itself. There needs to be an economic development strategy for the Tenterfield Shire that includes these new native essential oil products," Mr Hardwick said.

Apparently the Timbarra Protection Coalition have been pushing for the development of native essential oils, bushfoods and wild flowers, as well as other crops and industries, as alternatives to the gold mine.

Mr Hardwick said that there are at least three to five native essential oil producing plants growing on the Timbarra Plateau which have commercial potential. One of these is the rare 'strawberry gum', a Eucalyptus which has already been exported.

The strawberry gum can be dried and ground as a spice. It is the highest yielding and most pure source of methyl cinnamate, a natural flavour component of strawberry and cinnamon. It is used to enhance the flavour of fruit products as well as in perfumery.

"Rather than locals just being raw product suppliers, it's important to consider value-adding to maximise local employment opportunities with exported product. Tea-tree oil is worth an estimated \$14 million annually at the farm-gate, but many more times that is earned through value-adding.

"I've used strawberry gum very successfully with spiced roasted macadamia nuts, and it could be used in confectionary products, preserves and beverages.

"Scientists and essential oil businesses are often aware of a particular plants essential oil attributes, but it needs an innovative entrepreneur to really open-up niche marketing opportunities. It's also important to avoid the 'bandwagon' approach, making sure that increases in farm production match market expansion.

2/

" As with macadamia and tea-tree, these native niche market industries can prove regionally significant if developed and marketed properly.

" From a cropping point-of-view native plants are often better than introduced crops because some are exceptionally drought tolerant, and that's a huge advantage with the ongoing dry weather."

Mr Hardwick said that it was also important to make sure that wild populations of native crops were not destroyed, especially where they are rare like the strawberry gum.

" With the tea-tree oil plant only some wild stands have the right oil composition, and if those stands had been destroyed there may not have been an industry. Wild stands are valuable reference if there is a problem in cropping.

" The Timbarra Plateau is geographically isolated, potentially resulting in genetic uniqueness among the plants and animals, including the native spices and essential oils.

" While the gold mine will only be operational for ten years or so, new native crops could provide an ongoing source of employment," he said:

" Given developments with bushfoods, native essential oils and wild flowers, native habitat should now be recognized as the most significant source of new crops and plant-based products."

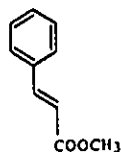
Mr Hardwick said that he supports the NSW State Forests licensing system for native seed collection, and that he understands conservationists at Timbarra will be keeping a look-out to prevent anyone damaging the rare native plants on the plateau.

### **Background**

Peter Hardwick, from northern NSW, started researching native food plants in 1977, studying horticulture at Ryde in 1978, and working with the NSW Department of Agriculture in the 1980's. He is considered one of the original visionaries and pioneers of the subtropical bushfood industry, including product assessment, trial marketing and horticultural production. He currently teaches bushfood production at Wollongbar TAFE and consults to farmers.

**Contact: Peter Hardwick, ph. 02 66 251 816.**

## 8. Methyl cinnamate



- Alpinia sp.
- Basil  
(*Ocimum canum*)

### # *Eucalyptus olida*

- Flavour enhancer
- Strawberry/cinnamon volatile constituent

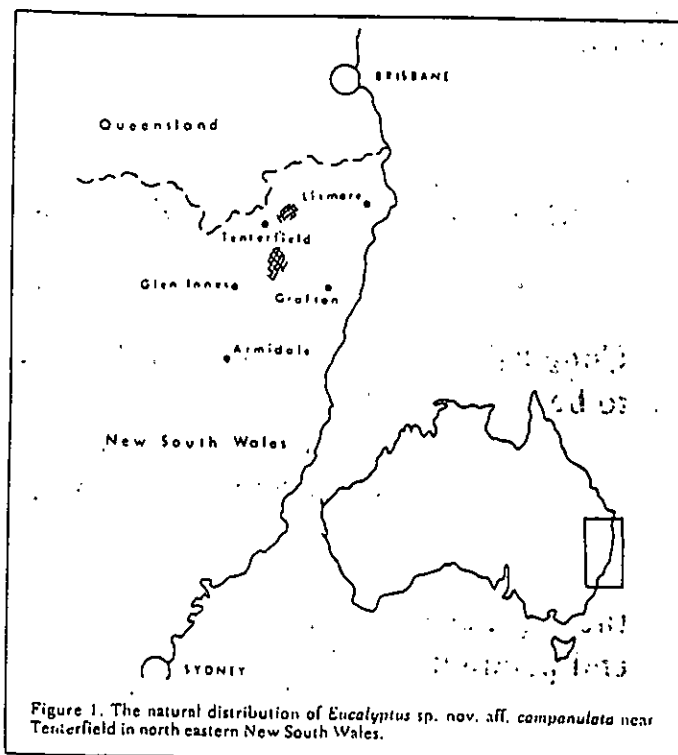


Figure 1. The natural distribution of *Eucalyptus* sp. nov. aff. *campanulata* near Tenerfield in north eastern New South Wales.

Table I. Fresh weight oil yields for *E. sp. nov. aff. campanulata*.

Scale	Distillation		Plant		Yield
	Type	Time (hrs)	Part	Fresh Weight (kg)	Percent (w/w)
Laboratory	hydro <sup>a</sup>	5.0	leaf only <sup>b</sup>	0.3	6.2
Laboratory	hydro <sup>a</sup>	5-7	leaf & twigs <sup>c</sup>	0.2-0.5	3.1 <sup>d</sup>
Pilot	steam	5.0	leaf & twigs <sup>b</sup>	20	2.6
Commercial	steam	12.0	leaf & twigs <sup>c</sup>	600	2.0

a = with cohobation, b = seedling, c = mature trees, d = mean (n = 8, s.d. = 0.9)

Table II. The constituents of the steam volatile oil of *Eucalyptus sp. nov. aff. campanulata*.

Peak No.	Assignment	RI(BPI)	%	Ident.
1	methyl 2-methylbutyrate	859	0.1	a,e
2	$\alpha$ -pinene	935	tr	a,b
3	<i>cis</i> - $\beta$ -ocimene	1029	tr	a,b,e
4	<i>trans</i> - $\beta$ -ocimene	1039	1.7	a,b,e
5	unidentified	1250	0.1	a
6	Z-methyl cinnamate	1276	0.1	a,b
7	E-methyl cinnamate	1364	97.7	a,b,c,d,e,f
8	$\gamma$ -eudesmol	1638	0.1	a,b,c
9	$\alpha$ -eudesmol	1641	tr	a,b,c
10	$\beta$ -eudesmol	1646	tr	a,b,c

a = GC, b = GC-MS, c = CO-GC, d = IR, e = NMR, f = m.p.

Table III. Comparison of fresh weight leaf yields of *E. sp. nov. aff. campanulata* in natural stands and plantation.

Stand Type	Area (m)	Tree density (approx./ha)	Age of growth (months)	Yield (t/ha/yr)	Yield (kg/tree/yr)
natural <sup>a</sup>	20 x 15	2500	12	1.9	0.76
plantation <sup>b</sup>	5 x 18	8200	19	14.2	1.73

a = coppice regrowth, b = seedling trees

# Timbarra mine chiefs brief the locals

MANAGING Director of Ross Mining John Lawton and Environmental Officer Matthew Orr visited Tenterfield on Wednesday to bring locals up to date on the progress and prospects for their mining operations at Timbarra. They were accompanied by mining engineer Alistair Campbell.

The Ross mining executives addressed an assembly of invited locals at the Golf Club on Wednesday evening and presented slides showing the layout of the mines leach pads roads and plant.

Mr Lawton said that the company is proud of the Timbarra project and that it has nothing at all to hide. "This presentation is similar to what we would present to the investing public," he said.

"The mineralisation at Timbarra is unique with gold freely disseminated in granite. This is not known to occur anywhere else in the world and it would not be possible to find a more benign ore. There is no quartz and there are no sulphides so we will not have the problems that occur when

sulphide ores are mined.

"The field was discovered in about 1853 and there was considerable mining activity mostly in the last century but it did continue until about 1938. We will have four separate pits, all of them on land that has been previously mined. The area has in the past produced about 100,000 ounces of gold.

"We have a reserve base of 417,000 ounces and actual reserves of 327,000. The grade is 1 gram per tonne which is very low but it is an attractive prospect and there is sufficient margin at the

present low gold prices for us to mine profitably.

"At our planned mining rate of one million tonnes per year the reserves which measure a total of about 100 million tonnes will last five years. There is a lot of potential for further discovery and expansion of the reserve. It is our intention to increase them and extend the life of the mine well beyond five years," Mr Lawton said.

Mr Lawton explained the pro-

Continued page 3

# Timbarra mine chiefs brief the locals

From page 1

which will be used at the mine to extract the gold and said that the recovery rate would be 90% or better which he said was a very good figure. It is achieved after leaching the ore with cyanide for only 90 days.

"This is a very short time. We have mines where leaching is still going on and gold is still being recovered after three years. This mine is going to be economical at current prices when other higher grade mines will not because of the short cycle and the good recovery but mainly because of the low strip ratio.

"We will have to remove about 1.5 tonnes of waste for every tonne of ore. Most other mines have bigger ratios with some that have been profitable at past prices being more than 10 to 1.

"We expect to have all the necessary approvals by the end of July and to begin the six month construc-

tion phase in August. There is a Native Title claim still outstanding. We've come a long way with that. I can't say much about it but we think the news is going to be good.

"The capital cost of the project will be about \$16.5 million. About \$4 million of this will remain in Tenterfield. Our intentions are honourable and everything will be constructed and operated to Australian best practice.

"We take our environmental responsibilities very seriously and intend to make this a model project that can win environmental awards.

"Most of our employees will be found in Tenterfield. We believe in becoming a part of the Tenterfield community. We expect to provide a lot of training and it will only be a few professional staff that we bring in from elsewhere," Mr Lawton said.

Environmental Manager Matthew Orr said that a huge amount of environmental work had been

done for the project and that the company wants to achieve best practice environmental management.

"The flora and fauna studies have been amongst the most comprehensive carried out in New South Wales. Several species were found that were not previously known to exist there and management plans have been developed for several species. A key requirement will be compliance with these plans.

"There are 168 operating conditions and most of them are in relation to environmental matters. We have had to put up security of \$3.1 million for rehabilitation of the site. This figure is calculated as what would be required should the company leave the site at the point of maximum disturbance.

"Rehabilitation and revegetation will commence very early in the project and we expect to be able to demonstrate revegetation within one year of the operation starting," Mr Orr said.



**ADDRESSING LOCALS ON THE MINE**  
Ross Mining Executive Director John Lawton, Tenterfield Chamber of Commerce President Geoff Nye and Ross Mining Environmental Manager Matthew Orr.

**IT'S ECONOMIC . . .**  
Ross Mining Executive Director John Lawton discusses prospects for Timbarra Mine with Tenterfield Accountant Sylvia Grigg.



## Ross Mining and Aboriginals agree

THE NEW South Wales Aboriginal Land Council announced on Friday that an agreement had been signed between Bundjalung elder Eric Walker and Ross Mining Ltd which will allow the Timbarra gold mine to proceed.

The agreement was signed on Thursday by New South Wales Minister for Mineral Resources, Bob Martin. This enables it to be registered under the "right to negotiate" procedures of the Native Title Act 1993.

Aden Ridgeway, Executive Director of the New South Wales Aboriginal Land Council said that the agreement which was negotiated over a five month period, showed that the "right to negotiate" procedures can operate efficiently and effectively when all parties approach negotiation in good faith.

Mr Ridgeway said that the agreement could not be taken as a blanket endorsement of mining in Bundjalung country. It reflects the ability of indigenous communities to deal with practical realities and to take appropriate action to protect their interests, he said.

Mr John Lawton, Executive Director of Ross Mining said that the company was proud of the agreement and wished to record the good faith in which the negotiations were conducted. "The commercial terms will remain confidential but the agreement provides for lasting and tangible benefits for the Aboriginal Community," he said.

Mr Martin said that the good faith shown by all parties had ensured that agreement was reached quickly and that everybody wins.

## Support for national rail link

THE TENTERFIELD Shire Council will contribute \$1000 towards getting plans for the National Trunk Railway to get off the ground. The project, to celebrate the new millennium is being widely promoted by the Goondiwindi based Australian Trunk Railway Corporation Pty Ltd which is seeking one million dollars to fund the initial efforts

national economy. He said there was very little hope of the railway line through Tenterfield even being re-opened but an infrastructure such as the National Trunk Railway could well lead to less heavy road haulage through the shire, resulting in far less cost of highway and road maintenance.

The aim of the Australian Trunk Railway Corporation is

effectively connecting all mainland Australia with a standard gauge rail system for the movement of freight.

The Corporation is not concerned about who builds the National Trunk Railway but believes it is critical that some high level planning should be undertaken before a corporate proposal caught the various Governments' un-

wide surrounding oceans bringing strategic national ports into the equation. The ATRC believes that there are appropriate places to put major railways and relatively unproductive, desert type regions are certainly not the place.

## Dance to save the mountain

A NOTICE was published in the Lismore based Northern Star on Wednesday in which the public was advised of a fund raising evening to be held at Nimbin Hall on Saturday August 2 "to help save Timbarra plateau."

The notice said, "Timbarra mountain is east of Tenterfield and is in danger of destruction. Dance to save the mountain."

The function is to be held at the North East Forest Alliance's Liberation Cafe.

**Po**  
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Sarge  
Sexton  
Car Sal  
that sor  
"We'l  
ing kniv  
he said.



Notes on mtg re Aboriginal Land Councils Tabulam 20/

John McCarthy, S.O.  
Jeff Rilday.

Albert - Muli.

Vin Wille  
Neil Wilcox.

Una Robson.

Yamba

Henry Heath

Adam McLean

core claim:

further claim: Oct '96 accepted

been to mine site x2 with R.M.  
with NPWS.  
in Qld with R.M.  
with barrister

scale scope of mine proposed: huge!

leach pad still in wetland area!

what guarantee <sup>goes</sup> with the plastics  
^

TPC

Concerns are:

- \* water pollution  
chemicals + soil/silt
- \* endangered species. x !
- \* 'forest type' protection via CRA is pre-empted
- \* aboriginal cultural heritage protection
- \* major changes to hydrology etc via waste rock  
piles!
- \* planning process not properly applied.
- \* Ross Mining env. credibility under q.

EIS deficiencies

- \* fauna studies inadequate
- \* proposed mine now nearly twice as big.
- \* hydrology.



# Dave Julian TPC President

- a year since he became involved
- FOI documents have shown 8 mine sites.
- RM "not putting all cards on the table" @
- bypassing environmental controls → EPA stopped work  
erosion plan req'd: algae bloom!  
Ross Mining's credentials under q.
- a no. of end species.  
Stuttering Frog: HR Mouse:
- contamination of water:  
arsenic, cyanide bio-accumulation.
- EIS heavily criticized  
→ EPA still not happy  
→ LTWC

Lead  
MREMP

Q → how can we stop it? (Uin)

Q → if you go to court who pays?

Tel: (02) 9229 7337  
Fax: (02) 9221 6944  
(02) 9221 5747  
(02) 9810 7590 A.H.  
DX: 450 SYDNEY

**TIM ROBERTSON**

Frederick Jordan Chambers  
53 Martin Place  
SYDNEY NSW 2000

2 December 1996

Melinda Plesman  
Timbarra Protection Coalition Inc  
Fax 066 224 737

*dispossession*

Dear Melinda

**TIMBARRA GOLD MINE**

I advise as follows:

1. Once a mining lease has been granted, ss.65 and 74 of the Mining Act 1992 will usually quarantine the mining operator from the provisions of the Environmental Planning and Assessment Act 1979. The extent to which they do so successfully will be known when the Winn case is decided.
2. Subject to paragraph 5 below, s.137 of the Mining Act precludes challenges to the validity of mining leases where legal proceedings are commenced more than three months after the gazettal of a notice advertising the grant of the lease.
3. It is the practice of the DMR to gazette within two weeks of granting the lease.
4. A search should be made to confirm that notice of granting the lease was gazetted.
5. If it was gazetted and three months have expired, the lease can not now be set aside by the Court even if it was not validly granted, unless the grant was affected by manifest jurisdictional error or is invalid by reason of the Native Title Act 1993 (Commonwealth).
6. I have analysed the native title position :

The grant of a mining lease is a permissible future act: s.233(1)(a)(ii); s.233(1)(b); s.228(2)(a)(ii); s.233(1)(c)(ii); s.235(5), (6); and is not an act attracting the expedited procedure: s.237(c). It is therefore valid subject to compliance with the right to negotiate (RTN) provisions of the Act: s.23(2). The RTN provisions apply to permissible future acts which create a right to mine: s.26(2)(a); but not to acts which confer other rights (such as the right to develop land, extract water, dam water etc). The RTN provisions do not apply where an unopposed non-claimant application has been made: s.26(3)(a); s.24. So far as I am aware, no non-claimant application by the Minister for Mineral Resources or the mining company was made prior to the grant of the lease.

The grant of the mining lease is invalid, however, it is done before the RTN provisions have been satisfied. There is a presumption of invalidity unless one of sections 29, 32, 34, 38 or 42 has been complied with; s.28. It does not appear that a native title claimant need prove his/her ownership as an ingredient in providing invalidity. In other words, the lease can be set aside if notice was not given in accordance with s.29, even though there was no native title claims formally registered when the lease

- was granted and without the need to prove native title. There is no need to comply with the RTN provisions, however, if native title has been extinguished.
7. The usual means of overcoming this potential invalidity is for the relevant State Government to give public notice under s.29 of its intention to grant the mining lease - if no native title claimants come forward within two months after notification, then the lease can validly be granted without first complying with the RTN provisions.
  8. The State does not notify its intention to grant mining leases in all cases. Where public land has been leased before 1994, the State assumes that native title has been extinguished. If this assumption is correct, then there is no need to comply with RTN and the Native Title Act will not invalidate the mining lease. If the State's interpretation of the law is incorrect, then mining leases on public land will be vulnerable to challenge. The High Court will give judgment shortly in the Wik case, which should decide this issue.
  9. If the State has failed to comply with the Native Title Act, the mining lease will be invalid. The Federal Court of Australia has jurisdiction to hear and determine matters arising under the Native Title Act: s.213(2). This jurisdiction has not been cross-vested to enable proceedings to be commenced in the State Supreme Court: s.(4)(ba), Jurisdiction of Courts - Cross-Vesting Act 1987. The Land and Environment Court will not have jurisdiction to determine native title matters until the proclamation of the relevant parts of the Native Title (NSW) Act 1994. Before these parts are proclaimed, the Federal Minister for Aboriginal Affairs must determine that the Land and Environment Court is an appropriate body to exercise reciprocal jurisdiction under the Native Title Act 1993. No such determination has been made.
  10. The only applicant with standing to challenge directly the validity of the mining lease under the Native Title Act in the Federal Court is Eric Walker or some other person who claims to be a native title owner.
  11. Section 28 of the Native Title Act provides that the mining lease is invalid for non-compliance with the right to negotiate provisions. It is arguable that the lease has no force or effect whatsoever for any purpose. The invalidity of the lease could be established in legal proceedings where it was necessary to assert a right which would otherwise be affected or destroyed by the mining lease. This can be done in any court because the Federal Court does not have exclusive jurisdiction in relation to all matters arising under the Native Title Act. For example, a court which is asked to determine the right of a person to be present within the mining lease can determine the validity of the mining lease by reference to the Native Title Act in order to decide whether the person in question enjoyed the right asserted in the legal proceedings. This is referred to by lawyers as a collateral determination. Even though collateral determinations of invalidity may be made in such proceedings, it is obviously preferable to challenge the validity of the mining lease directly on the application of the native title claimant, Mr Walker.
  12. If proceedings are commenced in the Federal Court and the mining lease is invalidated, no further mining lease can be granted without the Government complying with the RTN provisions of the Native Title Act. If, in the meantime, the mining project is changed, it will probably be necessary for a supplementary EIS to be prepared. At the same time, the procedures required by the amendments to the Environmental Planning and Assessment Act 1979 made by the Threatened Species Conservation Act 1995 will need to be observed again.
  13. The RTN provisions of the Native Title Act do not apply to the grant of a water licence. Instead, s.23(6) gives to native title holders the same procedural rights as they would have in relation to the grant of the water licence if they had held freehold title to the land. This is a very significant provision because it enables Mr Walker, if he holds native title to the land, to refuse consent to the felling of trees on the land, a right given to private landowners by s.166(1) of the Mining Act 1992. Although the exercise of this right is subject to appeal to a mining warden by the mining company, it is nonetheless a very valuable right which can be exercised in the interests of the environment. There are many other provisions of the Mining Act 1992 which confer rights on private land owners.

14. Another consequence of invalidity of the mining lease will be that the company does not have and did not, when it obtained its water licence, have a right to occupy the subject land. This is an essential prerequisite to an application for a water licence under s.10 of the Water Act 1912. Any water licence issued to a company which did not have a right of occupation will be invalid. If a fresh water licence must be obtained by the company, the riparian landowners, including Mr Stanford's son, co-owners and, of course, any native title holder can object within 28 days of the licence application being advertised and then require a convening of the Land Board to examine the merits of the water licence application. If dissatisfied with the Land Board's decision, any objector can then appeal to the Land and Environment Court which conducts a rehearing of the application on its merits. The Mining Act does not affect these procedures.
15. Let us assume that the company's mining lease is valid and that it has obtained all other approvals (water licence, EPA licence and pollution control approval, Rivers etc Act approval). Let us further assume that none of these approvals are likely to be set aside in Court proceedings. What are the prospects for lawfully stopping the mining operation or, at the least, modifying its environmental impact?
16. The impact of the mining operation may be expected to be modified by the conditions to which the various approvals are subject. However, the draft mining lease (which is annexed to the determination report) contains very few specific obligations which are enforceable. In particular, none of the fauna conditions are enforceable because they are expressed as advisory rather than mandatory requirements. I have not seen the final lease, nor any other approval so I cannot comment on the likelihood of strict enforcement of their provisions. A mining lease can be enforced by a third party in the Land and Environment Court by proceedings under s.25 of the Environmental Offences and Penalties Act: see **Winn v. Director General of National Parks and Wildlife [No.2]**, Talbot J, unreported, June 1996. It is a breach of s.5 of the Mining Act to conduct a mining operation otherwise than in compliance with the mining lease, which would include conditions of the mining lease and any documents such as the Mining Rehabilitation and Environmental Management Plan which are usually incorporated by reference in the mining lease. If the Court grants leave, which it will do if there is a serious case to be tried and there is some evidence or likelihood of environmental harm, the mining lease conditions can be enforced by the Court.
17. This is not the case if the conditions to the approval by the Minister for Mineral Resources granted under Part 5 of the Environmental Planning and Assessment Act are breached. Those conditions are contained in Annexure A to the determination by the Minister and are the draft mining lease conditions. Section 74 of the Mining Act provides that nothing in the EPA Act is to prevent the mining operation. It is arguable that this only omits the EPA Act where the orders sought would have the effect of preventing as distinct from regulating the mining operation. This is one of the issues which will be determined in **Winn**.
18. There are other potential arguments relating to the operation of the licences and approvals. For example, the EPA may be restricted to imposing conditions on a pollution control licence which require the operation to maintain the water quality status of protected streams. These possible arguments cannot be assessed until I receive further information.
19. Riparian landholders have a right to clean water and can restrain upper catchment activities which pollute water. Damages are also available. There is no right to the natural flow of the stream. In other words, the riparian rights doctrine only protects water quality not quantity. Even if the mining company has a licence to pollute from the EPA, it cannot pollute stream waters to the prejudice of downstream riparian owners. This is a very powerful common law right which was used in **Van Son v. Forestry Commission** to stop the logging in Mistake State Forest. Peter Stanford's son co-owns a property immediately downstream of the mine. It appears to have riparian rights, although Mr Stanford has not supplied me with a copy of his title diagram. If expert evidence was available that the mining operation would inevitably pollute his water, injunctive relief in the Supreme Court would be available. Otherwise

we must wait until there is a pollution incident which may not occur until after mining activities cease.

20. I am not a mining expert and you should not rely on the following observations concerning the project. You may wish to explore these matters with a properly qualified expert.

a. There are very high concentrations of the metal arsenic in the ore and waste rock EIS, table 2.11, p.53. Although the EIS claimed that these concentrations were not at a level likely to cause any adverse environmental problems (p.52), this comment was apparently premised on arsenic in the waste rock and heap leach waste being complexed with silica and therefore "not freely oxidised and released to the environment" (EIS, p.54). This may be the case for waste rock, but the EIS described the spent ore in the heap as anything but anoxic environment:

*"Because of the large void volume between the agglomerates within the heap and the ease with which water and air can permeate, oxidation of the low level of residual cyanide would continue to occur after flushing is completed to form carbonates and ammonia." (p.86)*

This was confirmed by the DMR in its report:

*"In addition, some cyanide is broken down in the heaps by sub-aerial oxidation to carbon dioxide and nitrogen compounds (ammonia and, ultimately, nitrogen dioxide), and by further oxidation processes, (both chemical and biological)."*

It appears that the EIS is relying upon the availability of oxygen to flush the remaining cyanide from the heap once the leaching process has been completed. Precisely the same chemical process solubilises arsenic. Arsenic will absorb strongly but only when it is in the valency state of arsenic 5. If arsenic is oxidised, it will reduce to arsenic 3 which does not readily absorb. Arsenic will reduce to arsenic 3 when oxidised or catalysed by specific bacteria. The problem with arsenic in mine wastes is well known and much research has been devoted to understanding the processes by which arsenic solubilises. Even so, very little is known about the cycling of arsenic in the environment. In a recent research paper by Tuoveninen et al, the authors concluded that:

*"In heap and dump leaching, the redissolution of ferric arsenates may continually mobilise As species into seepage, thus, precipitates from arsenopyrite bioleaching may, with time, become a pool of soluble As depending on environmental conditions."*

The importance of the role of micro organisms in solubilising arsenic is that they can do so under anaerobic and well as aerobic conditions, but no bacteria have been reported which are able to reduce arsenate and arsenite to insoluble complexes and remove it from solution. No attention appears to have been directed to this problem in the course of assessing the mining proposal. Instead, the DMR report concentrated on the risks from the cyanide process. There is a most unsatisfactory discussion of the arsenic problems at para 4.7.10 of the DMR report.

I strongly suggest that you have heap leach process analysed by an environmental chemist with experience in the mining industry. I will send you the articles on the problems of arsenic and waste rock. I assume that you are able to access chemistry expertise at the southern Queensland or northern NSW university campuses but if you are unable to do so, you can obtain advice on a fee for service basis from either Dr Mark Florence (tel/fax. 02 9528 8542) or Dr Merike Johnson (tel/fax. 07 31 566 349). Dr Florence was formerly head of CSIRO's chemical lab at ANSTO. Dr Johnson was formerly the DMR's environmental scientist. Dr Florence has recently considered the problem of arsenic in the Winn case and may be best placed to comment. As well, you

can no doubt access expert articles through the University science databases or the internet on this problem. Most of the research has been done in the US.

- b. I cannot see that water usage from the Timbarra River will be a problem. The mine process water can be harvested during high-flow periods and stored on site. Recalculation of the harvest quantities have reduced significantly the amount of water required for the project.
- c. Apparently much concern was expressed during the exhibition period of the EIS because of an experience with a gold mine at Drake. The DMR report looks at the differences between the Drake and the Timbarra mines at para 4.7.2. The Drake mine was apparently using a cyanide method which involved tailings dams, whereas the Timbarra mine will not create a tailings slurry. This has particular benefits (eg. no risk of tailings dam wall breaches, heap leach pad to be emplaced on geotextile liner) but the heap leach pad may, after cyanide leaching is completed, resemble a liquefied tailings containment site. I do not know the implications of this observation for future management. In any event, it would be worthwhile examining the Drake mine for several reasons. First of all, there may be some similarities with the Timbarra mine. Second, the Drake mine may be a good example of an institutional or regulatory failure by DMR. DMR never discusses in its annual reports occasions when its regulatory function has been unsuccessful. If the Drake mine involved a major failure, has DMR prosecuted anyone? Does DMR have an adequate security bond for the clean up costs? Who is now responsible for cleaning up the problem? If there has been regulatory failure, it is most likely to have been either or both at the development approval stage or the mine planning and monitoring stage, both of which intimately involve the DMR. An investigation of this matter may have a long term benefit for the environment by exposing a serious institutional problem in the regulation of the mining industry as well as encouraging greater planning control of mines, a matter which may be up for legislative review in the new year.

I have already faxed you my letter to Adam McLean of 29 November 1996. He has contacted me to offer his assistance and to lend me the documents received from the Native Title Tribunal. These documents will no doubt include a discussion of whether native title has been extinguished. Mr McLean himself has not read the documents from the Tribunal but should do so this week. I suggested to him that I might borrow the documents for a day to copy. Obviously, I do not want to use my own resources to do so. I assume that you can provide me with an assistant who has access to a photocopier when these documents become available.

A word of warning. The RTN provisions of the Native Title Act have been used by Aboriginal claimants to negotiate benefits for themselves and for the Aboriginal communities concerned from the mining industry. When such negotiation is successfully concluded, the mining project proceeds, notwithstanding the existence of native title. The mining company has been ringing Adam McLean every day. I assume that, sooner or later, they may make an offer of monetary value to Mr Walker or offer to employ and train members of the local Aboriginal community. Although the ALS are helpful now, it is highly probable that they will advise Mr Walker to accept any reasonable offer which the mining company may make. The benefit to the ALS is that it does not then need to obtain a native title determination, that is, prove Mr Walker's title to the land. By using the RTN provisions, the ALS will avoid these complex and difficult problems. I do not say this critically, but one has to be realistic about the usual course of events where the RTN provisions are invoked by an Aboriginal claimant.

Of course, Mr Walker may have less concern for material matters and more concern to preserve his heritage and the natural environment. On the other hand, other members of his family may be more concerned with the material benefits which accepting the mining company's offer will bring. I mention these possibilities at the outset so that you may put them on the table in any discussions with Mr Walker or his representative. I think we should all be very clear as to our objectives so that no double-crossing occurs and it is clearly understood that Mr Walker should be free to make decisions which are in his best interests.



You will see the offer of assistance I made to Adam McLean. Ultimately, it would be preferable if we were to run any native title proceedings, not so much to exert our influence on their conduct, as to ensure that they are run competently.

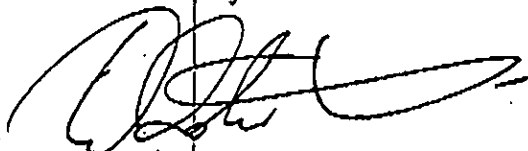
I shall need to examine a large number of documents in this matter which are held by various statutory authorities and departments. Some of those documents will be in the Native Title Tribunal bundle, others you have or will obtain under the FOI Act. I need the mining lease, the Mining Rehabilitation and Environmental Management Plan, the water licence, the EPA licence and any other statutory approval held by the company. I want a copy of its annual report where it talked about expanding the mine. In due course I shall need gazette and title searches performed, which should enable me to assess whether the company has complied with all statutory prerequisites for obtaining its approvals. I also need Peter Stanford's title details. My researcher can do a title search in Sydney, provided we have the lot, portion or DP number for Peter's son's property. I understand it is a freehold title. I must also have the reports to the NPWS from Dr Pamaby, Dr Smith and Dr Mahoney on the FIS, and the reports referred to in the EIS by Veness & Associates (soils), Water Studies Pty Ltd and Coffey Partners (water), Appleton and Burke (archaeology) and Collins (archaeology).

I would also appreciate information on the Demon Creek National Park proposal. I understand the Government has created a nature reserve within a few kilometres of the mining lease area which is intended to satisfy its election obligation to create the national park. Usually, the National Parks Association Inc is the proponent of new park proposals. I have made inquiries of the Sydney office to see what information they can provide me about the proposal.

My impression of the site from a cursory inspection was that the flat areas within the mining lease are of very high fauna value. Almost every mature tree had hollows and apart from the road, there appeared to be no site degradation. The company's expenditures for mining this area are likely to be higher than disclosed in the EIS. This may have been deliberate so as to avoid the application of SEPP 34, which would have made the proposal permissible only with the Minister for Urban Affairs and Planning's development consent had capital expenditure exceeded \$20 million or post-construction employment exceeded 100 full-time equivalent jobs. The proposal would have been considered under Part 4 and not Part 5 of the EPA Act, which in turn would have required a Commission of Inquiry and ensured that the Minister for Mineral Resources did not give the planning approvals.

Best regards.

Yours sincerely



TIM ROBERTSON

BORR BÜRÜNG

# (Bold Top Mountain)

**In every culture, the spiritual experience is paramount.**

BUBBARI (Spirit on High) passed His law down on this mountain.

Through the spirit, father Mahmung codes were given as guidelines for an event that was to occur in the future. These codes of conduct were given by BIRRIGAN to protect his people against future invasion. The codes are:

WANA BOMALAY Don't Kill

WANA WERGAHLY Don't Steal

WANA GUBANUNU Don't be Greedy

**These are universal laws recognised by all lawful peoples.**

Of great significance to Bungalung cultural heritage, Bold Top Mountain is an initiation place where the land, water sky and stars enact creation. Contained within the 42km radius protection zone, there exist botanical, archaeological and cultural sites which have spiritual significance for the Bungalung nation and all who live in Bungalung. It is a place of many wonders including paintings, carvings and scarred trees. Eric and Una Walker are GAR-GOOM-MAH of the sacred laws of the Bungalung and WAKKA WAKKA.

The passing down of truth had been uninterrupted until 1936 when the last "Making of Men" took place. Since then, this law has been protected by the GAR-GOOM-GAH themselves - WEBBREH-GOOM (Kookaburra Always Guards the Spirit Fire)

**GAR-GOOM-GAH (teachers) Bungalung Elders, Eric and Una Walker, were recently made Fellows of Southern Cross University in recognition of their teaching of Bungalung culture over the last 40 years.**

Bold Top Mountain, Eric Walker's most sacred site, is currently under threat of destruction due to a proposed gold mine being developed by a Brisbane-based company, Ross Mining NL. Ignoring Aboriginal community requests, the company defined and is observing a 200m buffer zone around the summit of Bold Top Mountain. As traditional Custodian of the Timbarra Plateau, Eric Walker has placed a 42km radius protection zone around the mine site.

Due to the desecration of this major sacred site caused by mining exploration and development - DJURRABIL- the spiritual, mental and physical health of the people is under threat, and of grave concern to the GAR-GOOM-GAH Elders, Eric and Una Walker.

For further information contact the Timbarra Protection Coalition, 1/69 Magellan Street, Lismore, 2480 Ph: 066 221302

DECLARATION OF ABORIGINAL PLACES UNDER THE  
NATIONAL PARKS AND WILDLIFE ACT

1. DEFINITION

Under the Act the "Minister may, by order published in the gazette, declare any place specified or described in the order being a place that, in the opinion of the Minister, is or was of special significance with respect to Aboriginal culture to be an Aboriginal Place" (84). The effect of such declaration is to provide formal recognition of that significance as well as to provide legal protection for land where there may be no relics.

An Aboriginal Place can be declared over land of any status without the owner's consent. It does not change ownership or impose any obligations on the owner other than to avoid damage to anything on or within it.

2. SCOPE

Aboriginal Places function both to preserve and to confer special recognition of particular sites or landscape features.

- (a) Aboriginal Places can be used to protect archaeological sites where it is necessary to protect a buffer zone around the sites from current or future land uses, particularly when a landowner is uncooperative.
- (b) Aboriginal Places can be used to protect and recognise landscape features of traditional or Aboriginal significance.
- (c) Aboriginal Places can be used where it is desirable to identify a site as an important place in Aboriginal belief or historical experience.
- (d) If more direct management input or control by the Service is desirable than can be achieved by A.P. declaration, the land can either be purchased by the Service or be the subject of a Conservation Agreement with the owner. These possibilities need to be discussed when an A.P. is proposed.
- (e) An A.P. can be declared over a small or very large area of land, though no large areas have been proposed for A.P. declaration except on Crown land.

### 3. MANAGEMENT IMPLICATIONS

Aboriginal Place declaration generally involves tacit recognition of the admissibility of existing land use. Where the declaration may be used to challenge existing land use, the case for such a declaration must be particularly well documented. Negotiations with the landholder prior to declaration must involve clarification and discussion of the management implications of declaration. In cases where the landholder is particularly hostile to the proposal, the Service can recommend to the Minister that declaration proceed regardless of the landholder's attitude, but the Service may find itself in the position of being responsible for a compensation or damages suit against the government for economic loss caused by a restriction on current land use through the declaration. Alternatively the Service might have to purchase the land in question.

### 4. APPLICATION

Decisions to proceed with Aboriginal Place declarations can be complicated. Here are some examples of when an Aboriginal Place might be pursued to protect sites of significance which are not relics:

1.
  - a) whether or not the land owner is supportive,
  - b) and there is no other land use restriction that applies which adequately protects the area,
  - c) and the Aboriginal community clearly supports such a declaration knowing all the circumstances,
  - d) and a place is threatened by land use.
2.
  - a) if the Aboriginal community requests or supports an Aboriginal Place,
  - b) and despite the existence of other land use restrictions,
  - c) and the landowner is supportive.

3.
  - a) If despite the existence of other land use restrictions or absence of land-use threat,
  - b) and the opposition of the landowner,
  - c) there is a strong case for declaration of an Aboriginal Place supported by the Aboriginal community.
  - d) In this instance the Service must weigh the consequences against the immediate gain and would only proceed when the place is of great significance and if the benefits of future NPWS involvement in management of the place, including the provision of a role for Aborigines in that, outweigh the hostility that would arise between the landowner and other landowners on one side and Aborigines and the Service on the other.
4.
  - a) where state land use restrictions apply which do not constrain Federal operations, and
  - b) where the Aboriginal community is supportive, and
  - c) whether or not the landowner is supportive,
  - d) then the Service can either request the Minister to declare an Aboriginal Place or can nominate the land for inclusion on the Register of the National Estate, depending on particular circumstances.

5. INVESTIGATION REPORT

In order to request the Minister to declare an Aboriginal Place, the Service needs a report which contains the following information:

1. Proposal title
2. Administrative details - H.O., Regional, District file numbers,  
- site numbers
3. Background - history of investigation of sites/place

4. Location - cadastral (country, parish, portion nos.)

- topographic

- aerial photographic

A map showing sites and proposed boundaries on the largest available topographic map scale should be attached. (Property Services Branch in H.O. can advise on boundary definition).

5. Proposal Investigation - Site description

The sites or place need to be described in enough detail to provide evidence that declaration of an Aboriginal Place is warranted eg. particular features described, basis of significance discussed, comparison with sites/places in area to indicate rarity or representativeness of this proposal.

Statement of Significance - based on 5. succinct argument.

6. Justification of Aboriginal Place Proposal

With regard to the Service's policy on Aboriginal Places and the management issues concerned with this proposal, a case must be made for the declaration of an Aboriginal Place. Issues to be addressed include site protection, Aboriginal and landholder attitudes, public or secret status of the sites/place's significance.

7. Aboriginal Liaison

A detailed account of the involvement of the local Aboriginal community in the proposal is required. It should include

- reference to people consulted
- their authority in regard to the site/place
- their views on protection and management and their preferences
- what they have been told about future management options.

8. Landholder liaison (for privately owned sites)

A detailed account of the dealings the Service has had with the landholder is required. This should include:

- name and address of owners/lessees
- attitude to Service interest in site
- whether or not an Aboriginal Place has been discussed and if not why not
- if Aboriginal Place has been discussed, what future management issues have been identified? How were these received?

(if site/place are on public land, an account of dealings with the local/regional managing authority should be included)

9. District liaison

It is essential that the District OIC is aware of a possible Aboriginal Place proposal. District views on its appropriateness and management implications should be stated.

10. Regional Perspective

The proposal, particularly as it may affect work loads and Service - community relations, should be discussed with the Regional Manager before the proposal is sent to Head Office. The Region's views need to be stated in the report.

11. Land Use and Management Requirements

Details of:

- present land use
- future possible land uses
- current zoning
- natural/human threats to site/place
- protection requirements (urgent and long term)

12. Tenure and Boundaries

- List land in proposal by portion
- identify owner/lessee/controlling authority for each portion
- justify boundaries in relation to buffer zones, relative significance of land within boundaries.

13. Recommendations

Summarize recommended courses of action, including urgent protection works.

15. Attachments

List attached maps, slides/photos, plans etc.

6. ASSESSMENT OF INVESTIGATION REPORT

In principle there is no limit to the number of Aboriginal Places which can be declared. A proposal will be evaluated on the recommendation of Head Office Cultural Resources staff and Regional staff by Head Cultural Resources and Manager CRIS. The basis of evaluation will be the case that has been made for special significance and the political feasibility of proceeding to declaration.



To: Andrew Steed.  
- for action  
AD 17/6.

**MEMORANDUM**

**NORTHERN ZONE**

**DATE:** 13 June, 1996  
**TO:** Alan Feely  
**FROM:** Andrew Steed  
**ISSUE:** Timbarra; and an outstanding memo to D. Papps

**BACKGROUND INFORMATION**

**Timbarra**

1. Jim Tedder rang the Northern Zone office on 13 June 1996 inquiring as to whether we can provide a copy of the Timbarra EIS submission. I note in your recent e-mail that you have sent it to NCEC. I have attached a draft reply to the NCEC letter for your consideration (Attachment 1): Gary D. has edited it once. Do you have any further comments.
2. I have drafted a reply to a ministerial re Timbarra. I have faxed a copy to Western Zone for their comments re Lake Cowal. It is attachment 2 to this memo. Gary D. has edited it once. Do you have any further comments.

**Outstanding memoranda to David Papps.**

Following the recent e-mail from David Papps about the nagging of "relatively junior officers" inquiring about outstanding memoranda, it reminded me that he has one of mine that I haven't followed up. I have attached a copy for your information. (Attachment 3)

The memorandum concerned gaining access to private land at Broken Head where there are two sites of the endangered rainforest tree *Acronychia littoralis*. It was prepared on 23 November 1995 (in the days of Sue Walker) and I haven't heard since. The Endangered Rainforest Plants Recovery team would be very keen to know what progress has been made on the matter, and I would like to be able to inspect the area so that management actions can be undertaken to ensure the recovery of the species at these sites.

While the matter may not be urgent in the usual sense of the term, the length of time for the request to proceed through the system is of concern. I would like to be advised of what action has been taken. If David P. is not able to follow the matter up for any reason, I am certainly able to make contact with the relevant people, but have not done so yet as I have been awaiting a reply. Hope you can alleviate the nagging of this "relatively junior officer".

**RECOMMENDATION**

1. That any comments are made to attachments 1 and 2.
2. That the status of attachment 3 is determined.



Andrew Steed  
Project Officer

Steady

Don't be offended by David's email  
I don't think it was aimed at us - he  
gets heaps of people charging him up + is  
sensitive to it.

- As regards others
- 1) I will check with Pappi re his discussions  
with Min ofce re Timbarra.
  - 2) Please re send the attached B/note  
with an urgent sticker on it.
  - 3)



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Our ref:

Your ref:

**Coordinator**  
**Timbarra Protection Coalition**  
**C/O Big Scrub Environment Centre**  
**John Corkill**

fax 066) 22 2676  
fax 066) 22 4737

28/2/97

## Native Title Unit

Dear Timbarra Protection Coalition,

### RE: PROPOSED TIMBARRA GOLD MINE TABULAM NATIVE TITLE CLAIM NC 96/14 & NC 96/25

We act for Eric Walker and the claimants in the above mentioned native title claims.

In order to ensure that our clients have the best information regarding the Proposed Gold Mine, we invite the Timbarra Protection Coalition to address our clients on the environmental aspects of the proposed mine.

We are currently organising a time when all our clients will be available at Tabulam. We hope that will be in the next two to three weeks. A tentative time has been set as 20, 21 & 22 March 1997. We propose that the Timbarra Protection Coalition address the Aboriginal community on Thursday 20 March at about 2pm. We also invite you to the Ross Mining's address on Saturday 22 March, 1997.

We have also arranged for our clients to be addressed by National Parks and Wildlife Service, Environmental Protection Authority, and Mineral Resources. We have also arranged for our clients to view a gold mine of similar size using a similar process.

We also ask you to suggest appropriate specialists in the environmental aspects of the mine that we might also have address our clients regarding the mine; such as geologists, botanists, chemists, health experts etc.

Please address all correspondence to the writer at the address at the bottom of this letter.

If you have any questions please contact the writer at the above address or on 0419 631 202.

Yours sincerely,

**Adam McLean**  
**Legal Officer**

Email adammm@alc.org.au

Native Title Unit  
4th Floor, 33 Argyle Street,  
Parramatta, 2150

P.O. Box W125,  
DX 28308

Ph: (02) 9689 4444  
Fax: (02) 9687 1234

GIG. GIG. GIG. GIG.

AN ESSENTIAL GATHERING OF THE  
WHOLE NORTH COAST TRIBE OF THE  
ENVIRONMENTALLY CONCERNED..

JOHN SEED (O.A.M.)

DIRECTOR OF THE RAINFOREST INFORMATION CENTRE.  
(RIC)

JOHN WILL BE GIVING A PRESENTATION ON ALL  
RIC'S OVERSEAS SUSTAINABLE DEVELOPMENT  
PROJECTS, (Ecuador, India, P.N.G.)

AUSAID HAVE CUT FUNDS TO THESE PROJECTS  
INSPIRE OF COALITIONS PRE-ELECTION PROMISES.

WE NEED YOUR HELP NOW PLEASE COME  
AND BE INFORMED AND ENTERTAINED.....

LIVE MUSIC ,YUMMY FOOD AND THE LATEST INFORMATION  
IN VISUAL AND VOCAL FORM.

... SLIDE SHOW ...

IGNORANCE IS NO EXCUSE.....

WHEN: SUNDAY 1ST DECEMBER 7PM.

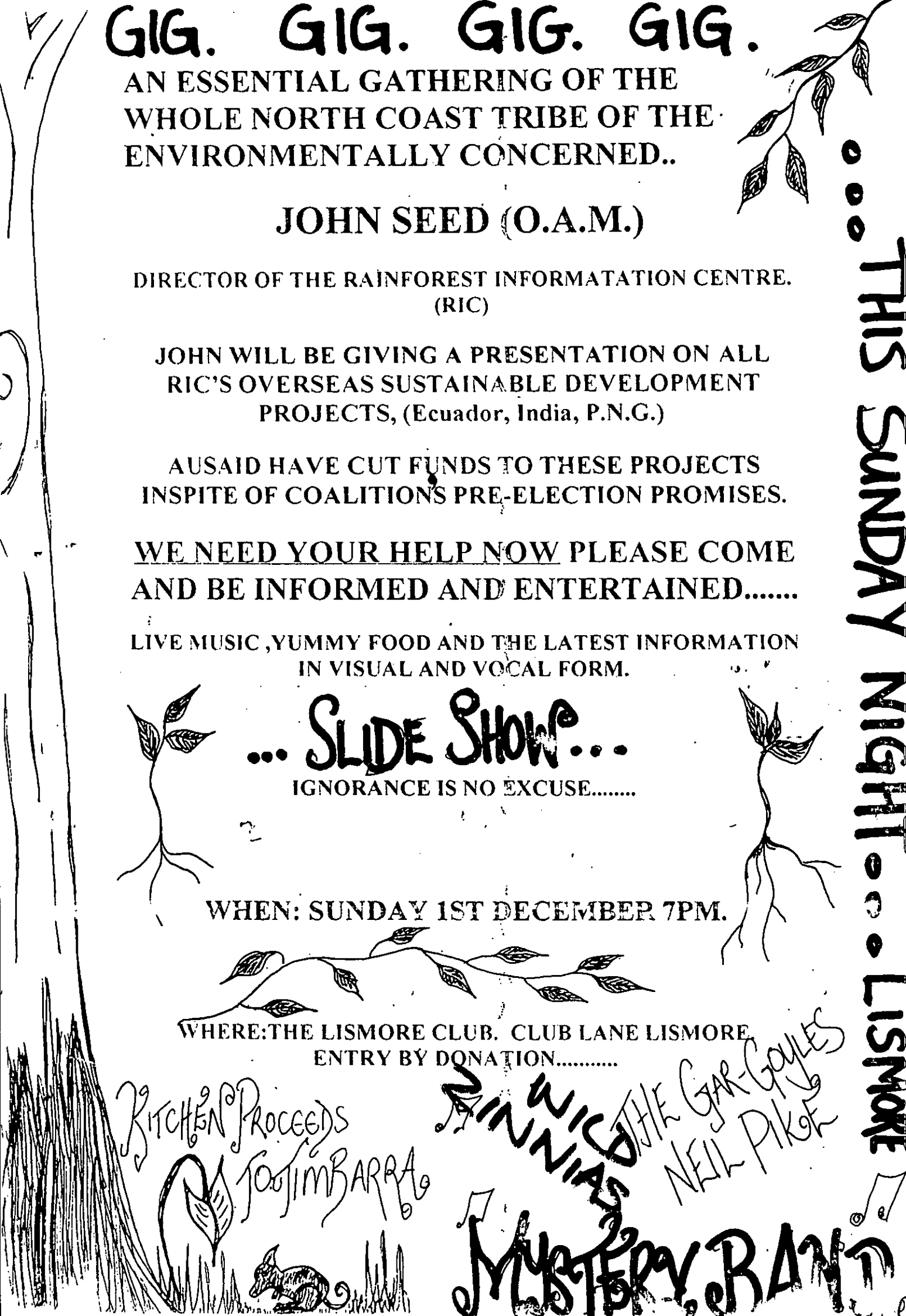
WHERE: THE LISMORE CLUB. CLUB LANE LISMORE  
ENTRY BY DONATION.....

KITCHEN PROCEEDS  
TO JIMBARA

MUSIC BY THE GAR-GOYLES  
NEIL PIKE

MYSTERY BAND

THIS SUNDAY NIGHT... LISMORE





# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## FAX COVER SHEET

DATE: 28/2/97 FAX: 066) 224737  
TO: John Corkeill

OF:

FROM: ADAM MCLEAN, SOLICITOR  
NSW Aboriginal Land Council

PHONE: NSW Aboriginal Land Council 02) 9689 4435  
Mobile 0419 631 202

FAX: NSW Aboriginal Land Council 02) 9657 1238  
Mobile 0419 631 203

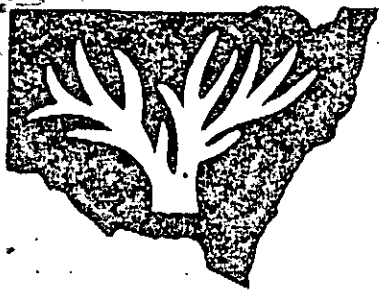
RE:

CC:

Number of pages including cover sheet.

2

Message



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Our ref:

Your ref:

**Coordinator**

**Timbarra Protection Coalition  
C/O Big Scrub Environment Centre  
John Corkill**

fax 066) 22 2676  
fax 066) 22 4737

28/2/97

**Native Title Unit**

Dear Timbarra Protection Coalition,

**RE: PROPOSED TIMBARRA GOLD MINE  
TABULAM NATIVE TITLE CLAIM NC 96/14 & NC 96/25**

We act for Eric Walker and the claimants in the above mentioned native title claims

In order to ensure that our clients have the best information regarding the Proposed Gold Mine, we invite the Timbarra Protection Coalition to address our clients on the environmental aspects of the proposed mine.

We are currently organising a time when all our clients will be available at Tabulam. We hope that will be in the next two to three weeks. A tentative time has been set as 20, 21 & 22 March 1997. We propose that the Timbarra Protection Coalition address the Aboriginal community on Thursday 20 March at about 2pm. We also invite you to the Ross Mining's address on Saturday 22 March, 1997.

We have also arranged for our clients to be addressed by National Parks and Wildlife Service, Environmental Protection Authority, and Mineral Resources. We have also arranged for our clients to view a gold mine of similar size using a similar process.

We also ask you to suggest appropriate specialists in the environmental aspects of the mine that we might also have address our clients regarding the mine, such as geologists, botanists, chemists, health experts etc

Please address all correspondence to the writer at the address at the bottom of this letter.

If you have any questions please contact the writer at the above address or on 0419 631 202

Yours sincerely,

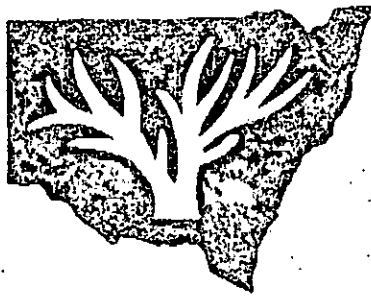
**Adam McLean  
Legal Officer**

Email [adammm@alc.org.au](mailto:adammm@alc.org.au)

**Native Title Unit**  
9th Floor, 33 Argyle Street,  
Parramatta, 2150

P.O. Box W 125,  
DX 28308

Ph: (02) 9689 4444  
Fax: (02) 9687 1234



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

**NATIVE TITLE UNIT**

Direct fax 02) 9687 1238

Our ref:

Your ref:

**Coordinator**

**Timbarra Protection Coalition**

**C/O Big Scrub Environment Centre**

**John Corkill**

fax 066) 22 2676

fax 066) 22 4737

Dear Coordinator,

**RE: PROPOSED TIMBARRA GOLD MINE  
MEETING WITH ABORIGINAL CUSTODIANS  
THURSDAY 20 MARCH, 1997**

We refer to the above matter.

As discussed on the telephone we are arranging for our clients to receive information from as many sources as possible concerning the proposed Timbarra Gold Mine.

We invite the Timbarra Protection Coalition to address our clients at Tabulam on Thursday 20 March, 1997 on the environmental aspects of the proposed mine. We suggest that the meeting should be at 11 am.

We propose that the meeting should be informal and will be chaired by Adam McLean and David Brown of this Council. We further propose that the meeting be restricted to members of the Timbarra Protection Coalition and the Aboriginal community as chosen by our client Eric Walker.

Please indicate if you will be available and an idea of numbers you wish to attend as soon as possible.

If you have any questions please contact the writer at the above address or on 02) 9689 4415 direct or mobile 0419 631 202.

Yours sincerely,

**Adam McLean**

**Legal Officer**

**Native Title Unit**

**7 March, 1997**

Email [adam@alc.org.au](mailto:adam@alc.org.au)

9th Floor, 33 Argyle Street,  
Parramatta, 2150

P.O. Box W125,  
DX 28308  
Parramatta, 2150

Ph: (02) 9689 4444  
Fax: (02) 9687 1234

APPENDIX 1  
(Rule 3 (1))

APPLICATION FOR MEMBERSHIP OF ASSOCIATION

Timbarra Protection Coalition Incorporated  
(incorporated under the Associations Incorporation Act, 1984).

I, .....  
(full name of applicant)

of .....  
(address)

..... hereby apply to become a member  
(occupation)

member of the abovenamed incorporated association. In the event of my admission as a member, I agree to be bound by the rules of the association for the time being in force.

.....  
Signature of applicant

.....  
Date

I, ..... a member of the association,  
(full name)

nominate the applicant, who is personally known to me, for membership of the association.

.....  
Signature of proposer

.....  
Date

I, ..... a member of the association,  
(full name)

second the nomination of the applicant, who is personally known to me, for membership of the association.

.....  
Signature of seconder

.....  
Date



APPENDIX 1  
(Rule 3 (1))

APPLICATION FOR MEMBERSHIP OF ASSOCIATION

.....Incorporated  
(incorporated under the Associations Incorporation Act, 1984)

I, ..... to  
(full name of applicant)

of .....  
(address)

..... hereby apply to become a .....  
(occupation)

member of the abovenamed incorporated association. In the event of my admission as a member, I agree to be bound by the rules of the association for the time being in force.

.....  
Signature of applicant

Date .....

I, ..... a member of the association,  
(full name)

nominate the applicant, who is personally known to me, for membership of the association.

.....  
Signature of proposer

Date .....

I, ..... a member of the association,  
(full name)

second the nomination of the applicant, who is personally known to me, for membership of the association.

.....  
Signature of seconder

Date .....

# Decision last straw to loggers

FRIDAY'S eleventh hour halt to timber harvesting in the Carrai State Forest, near Kempsey was "the last straw" for the timber industry, an industry spokesman has claimed.

Executive Director of the NSW Forest Products Association Dr Bill Hurditch, said the decision had apparently been made after the Director of National Parks changed the conditions on fauna licences covering the logging operation.

"We are absolutely fed up with the delays in what has been a comedy of bureaucratic errors in this affair," Dr Hurditch said.

"Jobs in Kempsey sawmills will definitely be placed in jeopardy as a result of this latest rule change and there is no sign of compensation being offered to the industry for lost time or resources."

Dr Hurditch repeated the call for a thorough inquiry into the way the national parks service was handling the fauna licensing system and the 'unreasonable' cost burden the process was putting on timber workers and their families.

He said the industry had already shown there had been a multi million dollar waste of taxpayers' money over the unworkable fauna laws and they were now affecting people's livelihoods.

"It is simply an absurd situation for the industry to be pushed from pillar to post because of eleventh hour rule changes by the National Parks director," Dr Hurditch said.

The timber industry was committed to reasonable wildlife protection measures but would not put up with unfair intervention in its operations by bureaucrats who seemed to have an agenda of bringing the industry to a halt.

The director's decision to halt logging met a warmer reception from conservation circles, who said they greeted it "with relief".

Spokesman for the North East Forest Alliance Dailan Pugh, said the National Parks and Wildlife Service intervention would force the Forestry Commission to locate and protect the homes of yellow bellied gliders, sooty owls and parma wallabies in the Carrai State Forest.

NEFA has been blockading the forest for more than a week but despite a number of protester arrests the logging has continued.

Mr Pugh said there was only about a week's logging left in the area which would then not have any significant volumes of sawlogs available for another 60 years.

"I only hope it is not too late for the Eastern quoll and other endangered species in the area," Mr Pugh said.

## Phone cut off

GRAFTON police are puzzled over a malicious damage incident reported to them over the weekend.

They say a telephone service was cut off from a house in Armidale St, South Grafton, when someone pulled wires from the outside wall.

☆☆☆

A 43 year old Baryulgil man suspected of having goods in custody that had been stolen or unlawfully obtained was arrested at about 2.30pm yesterday.

He has been charged to appear in Grafton court on November 17.

## Centre on the way

WORK towards the building of Nymboida Shire Council's multi-purpose building at Caramana Park has begun, with the formation of a five-member building committee to co-ordinate the construction of the complex. Councillor John Pank-

## Dust a health danger say re

Logging trucks, speeding cars and lack of council road maintenance has possibly led to "long term health problems" for some Gerrymberrym Road residents, according to a petition received by Nymboida Shire Council.

Twelve Waterview Heights residents living on the road claimed dust from the road stirred up by the trucks and cars led to coughing and sneezing and covered their houses and cars.

The residents requested bitumen surfacing, speed signs and restricted

heavy vehicle access to ease the problems but this was rejected by council.

According to the Shire Engineer, Brian Goldinch, dust stabilisation products had been considered for the area but were costly and untested.

"You've got to use \$4000 to \$5000 of material just to try it out," he said.

He said he had written to companies asking for trials of the material but this had been rejected by the companies.

A separate request for road main-

tenance on C rejected.

Council said the Crown given, as the road was not council's machine.

A lack of councillors as rejecting both

Road funds ceded for the

Shire Clerk ful budgeting balance up th



Rodney Currie, 10, and his sister Jaqui, 6, threw of the most popular novelty events of the Back-to-Brushgrove family Sports Carnival may be annual event, but this year's carnival, held yesterday, was a little different to previous ones held at the Brushgrove oval.

The weather played havoc with the day, interrupting the proceedings at about 1.30pm with a heavy storm.

The track was pronounced too slippery to run upon and the day was abandoned.

The carnival committee's publicity officer, Pat Woodfield, said about

two thirds of the 100 me open-age prize money for this year.

Mrs Wood people attend which include kilometre "mini rides.

Money rais towards the

grove Oval sporting team:

hurst will be council representative. The multi-purpose centre was funded in the first round of local capital works grants in the Federal Budget. Work is expected to be finished by December next year.

## Snake makes a difference

It is very easy to see that Ram Chandra, the Taipan Man, likes living with snakes.

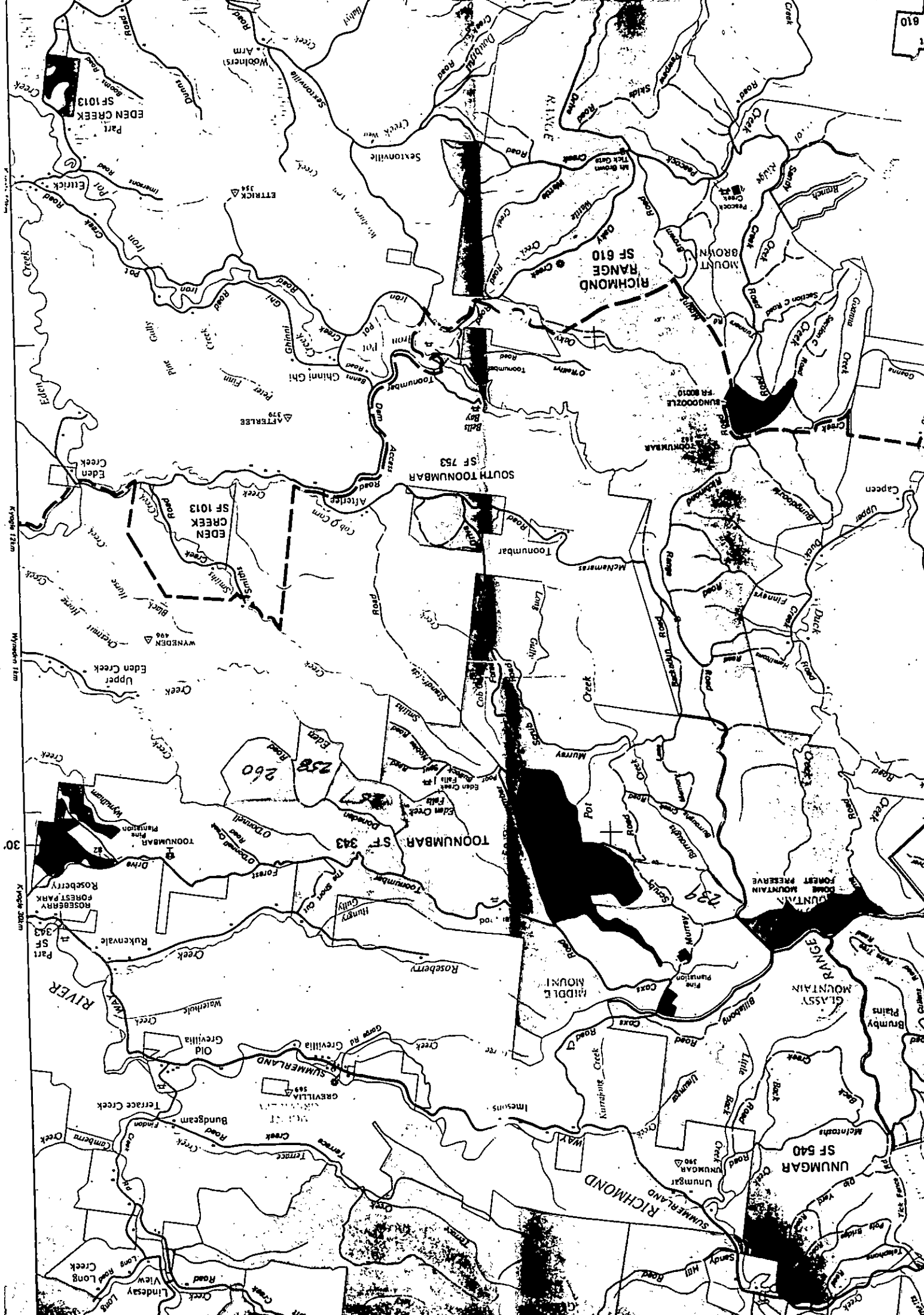
An elderly man, Mr Chandra appears a quite ordinary citizen with a friendly, patient manner and a quiet voice.

Born in Lawrence, Ram Chandra has returned "countless" times since he left the area 50 years ago.

He is back again this week with a display and demonstration of snakes at Grafton Shopping

live snakes, will run times a day for week, with an extra session on Thursday n.

A familiar name face to many Clar Valley residents, Chandra became far



Scale: 1:50,000  
North Arrow  
Elevation contours: 10m, 20m, 30m, 40m, 50m, 60m, 70m, 80m, 90m, 100m, 110m, 120m, 130m, 140m, 150m, 160m, 170m, 180m, 190m, 200m, 210m, 220m, 230m, 240m, 250m, 260m, 270m, 280m, 290m, 300m, 310m, 320m, 330m, 340m, 350m, 360m, 370m, 380m, 390m, 400m, 410m, 420m, 430m, 440m, 450m, 460m, 470m, 480m, 490m, 500m, 510m, 520m, 530m, 540m, 550m, 560m, 570m, 580m, 590m, 600m, 610m, 620m, 630m, 640m, 650m, 660m, 670m, 680m, 690m, 700m, 710m, 720m, 730m, 740m, 750m, 760m, 770m, 780m, 790m, 800m, 810m, 820m, 830m, 840m, 850m, 860m, 870m, 880m, 890m, 900m, 910m, 920m, 930m, 940m, 950m, 960m, 970m, 980m, 990m, 1000m

810  
Pt

EDEN CREEK  
SF 1013

RICHMOND  
RANGE  
SF 610

SOUTH TOONAMBAR  
SF 753

EDEN CREEK  
SF 1013

TOONAMBAR  
SF 343

UNUNGAR  
SF 540

WATERHOLE  
CREEK

RICHMOND  
SUMMERLAND

GLASSY MOUNTAIN  
RANGE

30  
Kings 12m  
Wynham 12m  
Kings 30m

# 96 ANNUAL REPORT



ROSS MINING N.L.

## ANNUAL GENERAL MEETING

The tenth Annual General Meeting will be held in the Townsville Room, Sheraton Hotel, 249 Turbot Street, Brisbane, on 21 November 1996 at 10.00 am. Information regarding the business of the meeting is contained in the notice on page 65 of this report.

- Books closing date for determining entitlement to Dividends: 12 November 1996
- Deadline for return of Proxy Form: 10.00 am 19 November 1996
- Deadline for return of Dividend Reinvestment Plan Notice of Election: 19 November 1996
- Payment of Dividend: 29 November 1996

## ABOUT ROSS MINING

Ross Mining is a Queensland based company and was listed on the Australian Stock Exchange in September 1987. It poured its first gold bar in March 1989. The Company lifted its gold production rate to approximately 70,000 ounces per year with the acquisition of Wirralie, Yandan and Mt Coolon in July 1992.

Over the last four years, gold production has increased steadily to reach a record 86,000 ounces of fine gold in 1995/1996. The Company had a five fold increase in its reserve base in 1995 through acquisitions of the Gold Ridge project in the Solomon Islands and the Timbarra project in New South Wales. Our efforts in the last year have been focused on converting these assets into operating mines. Foundations are now in place to more than double our gold production rate in the 1997/1998 year.

# CONTENTS

## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

*I.C. Matheson (Non-Executive Chairman)*  
*Dr L. de Graaf (MD and CEO)*  
*J.J. Lawton (Executive Director)*  
*H. Jones OBE*  
*D.C. Pursell*  
*R.G. Tweedie*  
*C.D. Baker (Alternate for R.G. Tweedie)*

### COMPANY SECRETARY

*P.M. Frederiks, CPA, FCIS*

### REGISTERED & PRINCIPAL OFFICE

*Level 3 189 Coronation Drive*  
*MILTON QLD 4064*  
*Telephone: (07) 3369 1700*  
*Facsimile: (07) 3369 1119*

### POSTAL ADDRESS

*PO Box 1546*  
*MILTON QLD 4064*

### YANDAN GOLD MINE

*VIA MT COOLON QLD 4804*  
*PO Box 242*  
*COLLINSVILLE QLD 4804*

### SHARE REGISTRY

*Ernst & Young Registry Services Pty Ltd*  
*Level 5, Waterfront Place*  
*1 Eagle Street*  
*BRISBANE QLD 4000*  
*Telephone: (07) 3877 4000*  
*Facsimile: (07) 3877 4195*

### AUDITORS

*Ernst & Young*  
*Chartered Accountants*  
*1 Eagle Street*  
*BRISBANE QLD 4000*

### BANKERS

*Macquarie Bank Limited*  
*20 Bond Street*  
*SYDNEY NSW 2000*  
*Westpac Banking Corporation*  
*260 Queen Street*  
*BRISBANE QLD 4000*

### SOLICITORS

*Freehill, Hollingdale & Page*  
*66 Eagle Street*  
*BRISBANE QLD 4000*

### STOCK EXCHANGE

*The Company's Shares are listed*  
*on the Australia Stock Exchange Limited.*  
*The Home Exchange is Brisbane, Code: RSM.*

### ACN

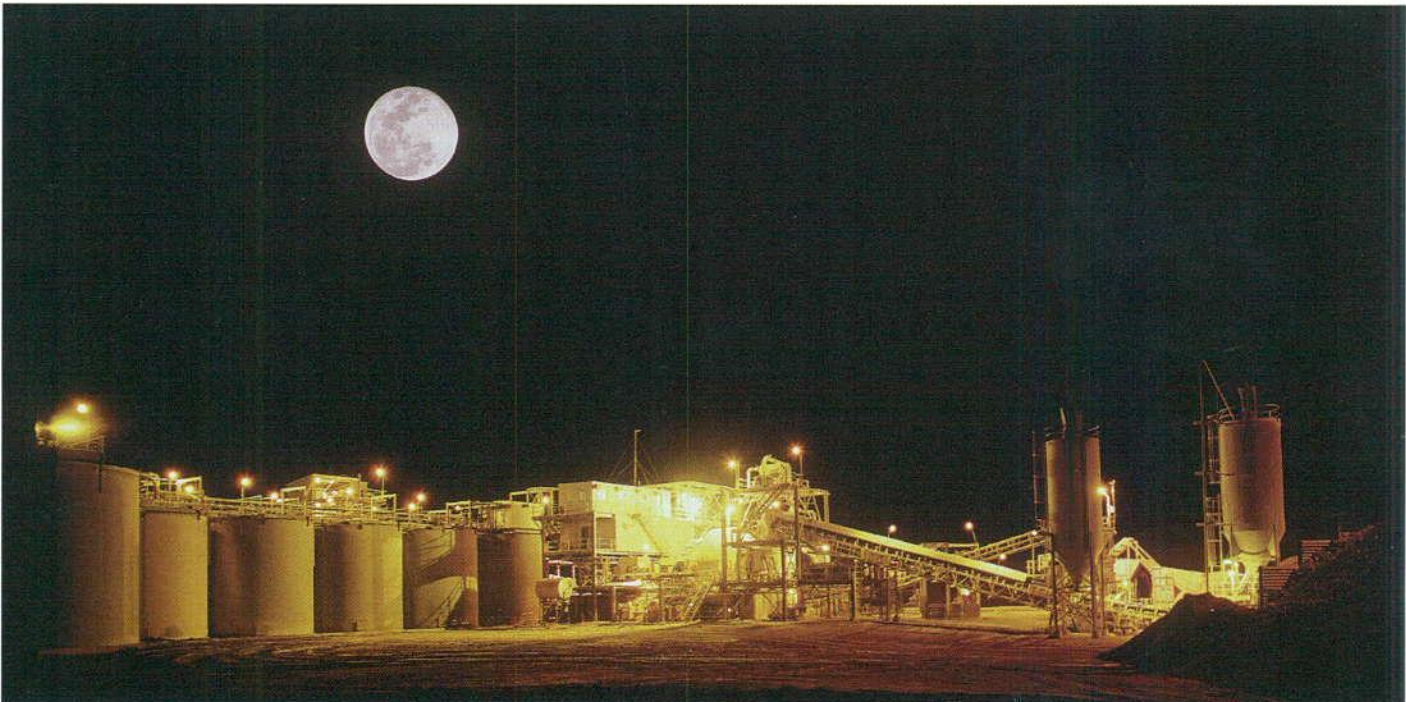
*006 654 824*

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## HIGHLIGHTS

- Record gold production of 86,482 ounces, exceeding forecasts
- Record cashflows from operations totalling \$26.2 million
- Completion of the feasibility study on the 100,000 ounces per annum Gold Ridge gold mining project in the Solomon Islands; production scheduled for 1996/1997 year
- Finalisation of Mining and Landowners' Agreements for the Gold Ridge project in the Solomon Islands
- Completion of the Yandan CIP plant upgrade on time and on budget, meeting design specifications
- Successful exploitation of the short lived, but high grade open cut Koala ore body at Mt Coolon

Below: Yandan Gold Plant, August 1996



# HIGHLIGHTS

- Acquisition of the Glen Eva resource through a Royalty Agreement; production planned for 1996/1997 year
- Granting of a mining lease for the Timbarra Gold Project, production scheduled for 1997/1998 year
- Total Resources increased to 3,344,000 ounces of contained gold, while reserves increased to 1,671,000 ounces of contained gold

## FINANCIAL PERFORMANCE

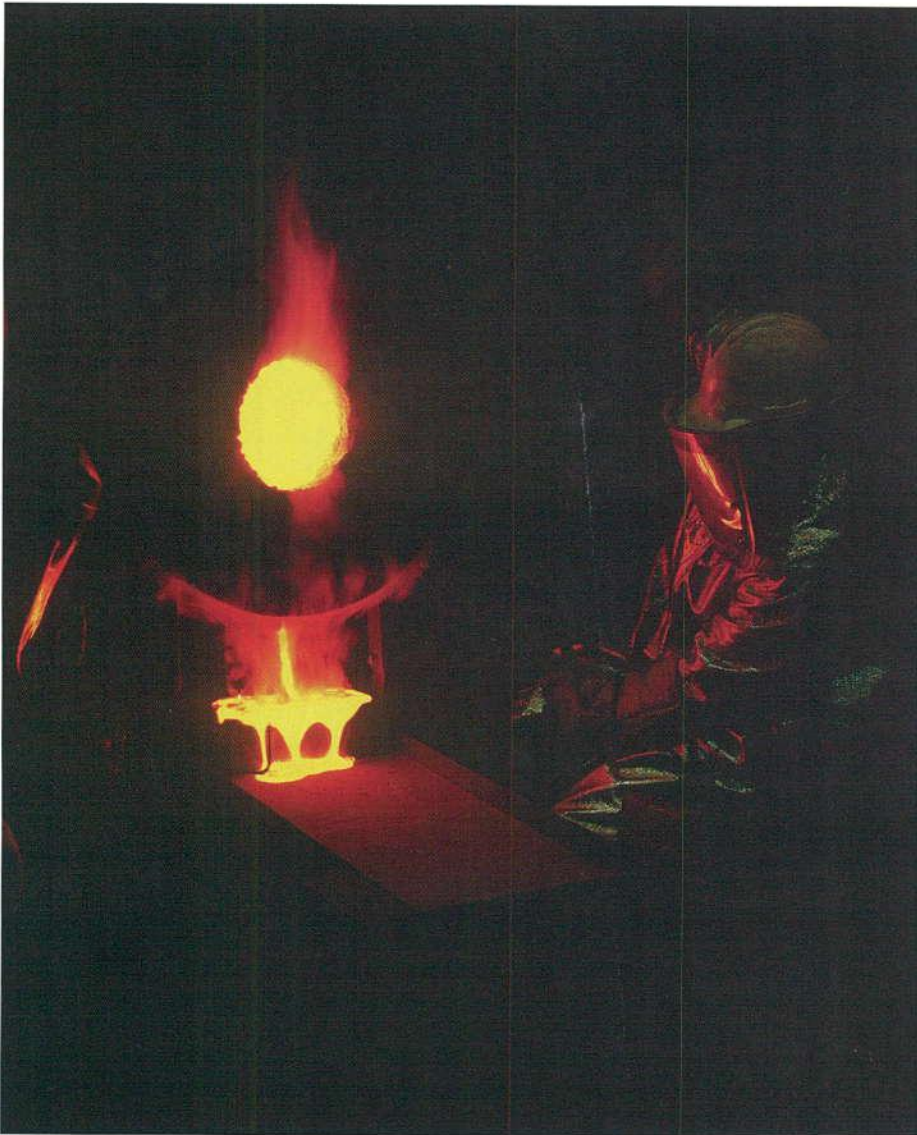
		1996	1995
Sales Revenue	(\$M)	54.0	41.7
Operating profit before tax	(\$M)	18.5	16.2
Net profit after tax	(\$M)	11.3	9.9
Rate of return on shareholders' funds	%	19.0	24.0
Earnings per share	(cents)	7.6	7.3
Total Assets	(\$M)	77.4	61.3
Shareholders' equity	(\$M)	57.0	40.6
Economic Value Added	(\$M)	5.2	6.2



Ross Mining project locations



## CORPORATE OBJECTIVES



Above: Lennie Phillips, Elution Operator pouring gold at Yandan.

### OBJECTIVES

- increase our gold production rate from the current 86,000 ounces per year to more than 150,000 ounces per year in the 1997/1998 year;
- maintain a sufficiently large reserve base to ensure a long mine life;
- construct and operate world's best practice gold mines at Gold Ridge in the Solomon Islands and at Timbarra in New South Wales;
- strengthen our management team;
- implement our newly adopted Environmental and Safety Policies.

### MISSION

Our mission is to become a broadly based, sustainable gold mining company which excels in its business and which nurses its resources by:

- optimising returns from ore bodies;
- being responsible for the environment in which we operate;
- ensuring that all employees have safe conditions and have the opportunity to develop their skills and talents.

## CHAIRMAN'S STATEMENT

*We are entering an interesting and, indeed, exciting period in the Company's history.*

Last year I said that I believed that we could look forward to the Company's future with confidence. I am pleased to be able to report another successful year for the Company with an operating profit before tax of \$18,522,000 (\$16,208,000 in 1995) and \$11,309,000 after tax compared with \$9,905,000 in the previous year.

On behalf of the Board I have much pleasure in presenting the Annual Accounts of the Company for the 1995/1996 year. The Board is pleased to recommend a fully franked dividend of two cents per share which is in line with the dividend paid in each of the past two years.

As an alternative to a cash dividend the Board is recommending for your consideration the introduction of a Dividend Reinvestment Plan to give interested shareholders the opportunity to increase their investment in the Company on favourable terms.

This, I believe, will be of special interest to shareholders as the Company gears up for a major expansion of its operations with the development of Gold Ridge in the Solomons and Timbarra in Northern New South Wales. The Gold Ridge project alone is based on resources with a contained gold content of 1.628 million ounces and in-pit ore reserves of 1.035 million ounces. The Company thus has an overall reserve/resource base of over 3.0 million ounces which will at least double the Company's mine life.

I am pleased to be able to report the steady progress being made in the Solomon Islands. The agreements with the Government and with the Landowners are completed and we expect that the Company will be granted a mining lease by the time of our Annual General Meeting. The development phase will then commence and we expect that the first gold pour will take place about 12 months after development commences.

We are entering an interesting and, indeed, exciting period in the Company's history. We are fortunate to have in place a strong and experienced team of managers under



the capable leadership of Managing Director, Dr Bertus de Graaf, ably supported by Executive Director, John Lawton. The preparation of the Gold Ridge Feasibility Study and the negotiations with the Solomon Islands Government and Landowners have made heavy demands on the Management, and I am pleased to report that they have put in a very creditable performance with their dedication and loyalty continuing unabated. On behalf of the Board of Ross Mining NL, I wish to thank them sincerely for their efforts.

During the year Board members considered the Company's commitment to Corporate Governance particularly in regard to the composition of the Board and its overall responsibilities. As a result an Audit Committee is now in operation and other issues have been addressed. I commend for your attention the full Corporate Governance Statement contained elsewhere in the Annual Report.

There have been no changes to the Board over the past twelve months. With the increased Company activity, the number of Board Meetings has increased. I wish to place on record my thanks to my colleagues on the Board for their support and guidance over the past year.

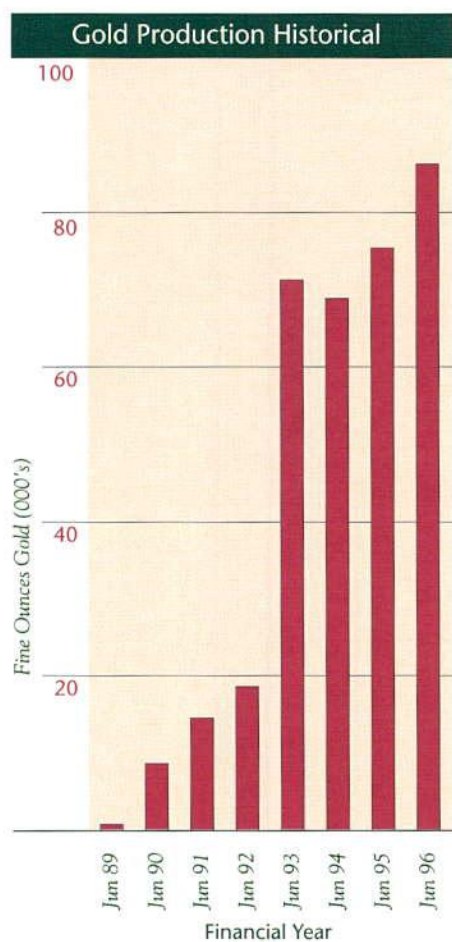
Ian Matheson  
September 1996

Above: The Board of Ross Mining NL. From left to right: John Lawton (Executive Director), Howard Jones (Non-executive Director), Duncan Pursell (Non-executive Director), Chris Baker (Alternate non-executive Director to R. Tweedie), Ian Matheson (Chairman), Bertus de Graaf (Managing Director).

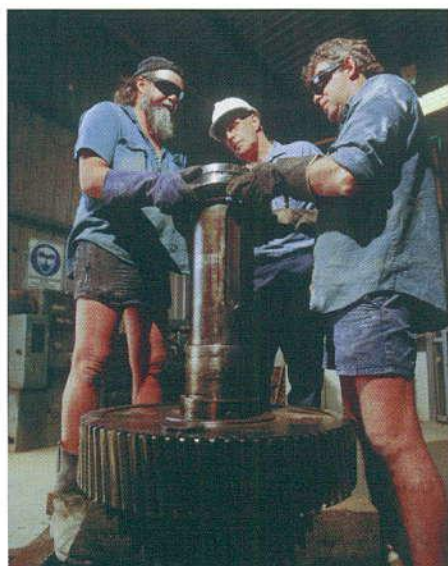
Absent: Richard Tweedie (Non-executive Director).

## MANAGING DIRECTOR'S REVIEW

*The past year has been a crucial one in our evolution, as foundations have now been laid to transform Ross Mining in the short term into a substantial and broadly based gold producer in line with previously stated objectives.*



Below: From left to right - Lindsay Johnson, Contractor, Wally Odiam, Maintenance Superintendent, Colin Herd, Fixed Plant Fitter



### OVERVIEW

The 1995/1996 year has been an active and rewarding one for Ross Mining, with a solid performance from operations, resulting in record gold production and record financial results, both exceeding our forecasts. The past year has been a crucial one in our evolution, as foundations have now been laid to transform Ross Mining in the short term into a substantial and broadly based gold producer in line with previously stated objectives.

Strong cashflows from operations totalling \$26.2 million continued to underpin our capital requirements for development and exploration. Operating profits before tax increased from \$16.2 million in 1994/1995 to \$18.5 million in 1995/1996. Operating profits after tax totalled \$11.3 million or 7.6 cents earnings per share, representing a 19% rate of return on shareholders' funds.

The past year's results were achieved from our gold mining operations in Central Queensland, principally Yandan but also Mt Coolon. The contribution from the short lived, but economically attractive, Koala open pit mine at Mt Coolon represents the first realisation of value from assets acquired in 1995. The recent acquisition of the Glen Eva project will further extend our operations in the Drummond Basin. Ross Mining has remained a low cost gold producer in 1995/1996 with cash costs averaging \$268 per ounce of gold delivered. Ingredients are in place to ensure that Ross Mining continues to remain a low cost gold producer in the years ahead. Gold production from the combined Yandan and Mt Coolon/Glen Eva operations is projected to remain at current levels with slightly higher cash costs per ounce. Our safety performance suffered during the year. This vital aspect of our operations will receive the required attention to ensure improvement.

The Company is now in its third growth phase, having grown from a 20,000 ounce per year gold producer in the early 1990s to the present level of 85,000 ounces per year, and is now focussing to double this production rate again in the short term. This growth will come from converting the Gold Ridge project in the Solomon Islands into a 100,000 ounce per year gold mine and the Timbarra project in northern New South Wales into a 40-50,000 ounce per year operating mine, adding approximately 150,000 ounces of gold per year to the Company's production profile. Capital requirements for these developments are respectively \$69 million and \$15 million. It is envisaged that the bulk of these demands will be met by bank finance, with the remainder to be met through a new issue of shares in the Company.

The built-in growth of Ross Mining's gold production requires that the Company's management structure and practices be adjusted to meet new demands. The Company has always been proud of its safety and environmental record but has now taken steps to formalise these with the introduction of Environmental and Safety Policies and accompanying management systems. As a result, the Company has strengthened its management team with the appointment of Mr Matthew Orr as the Group's Environmental Manager. It is envisaged that further senior management appointments will be made during the current year.

In accordance with our mission statement, we will be implementing Australia's best practice environmental standards for the Gold Ridge project in the Solomon Islands and the Timbarra project in northern New South Wales. Progress has also been made with rehabilitation of mine sites and waste dumps in Central Queensland.

# MANAGING DIRECTOR'S REVIEW

Gold production from Yandan and Koala (Mt Coolon) increased nearly 15% over the previous year to 86,482 ounces or 5% above forecast.

## GOLD PRODUCTION

Gold production from Yandan and Koala (Mt Coolon) increased nearly 15% over the previous year to 86,482 ounces or 5% above forecast. Cash operating costs per ounce averaged \$268 for the year which is marginally above our forecast. The CIP processing plant at Yandan was successfully upgraded to a throughput rate of more than 1.5 million tonnes per annum. As a result, the Yandan operations now process a total of 3 million tonnes per annum, namely 1.5 million tonnes through the CIP plant and 1.5 million tonnes using dump leach processing techniques.

Ross Mining reached a new milestone in May 1996 when it poured its 10th tonne of fine gold since gold mining commenced in 1989. Currently, the Company produces 2.5 to 3.0 tonnes of gold annually and this is set to increase to more than 5.0 tonnes of gold per year once the Gold Ridge project comes on stream.

Our gold hedging position was reduced during the past year when volatile market conditions prevailed. Our current position, based on a combination of a gold hedge and a currency hedge, places us well for the short term. Bank finance required for the development of the Gold Ridge project will require that we enter into further long term gold hedging in the near future.

## DEVELOPMENT AND EXPLORATION

Ross Mining's ore reserves and resources have increased in the past year as a result of the completion of the Gold Ridge Feasibility Study and as a result of the recent acquisition of the Glen Eva resource in the Drummond Basin, Queensland.

Our focus in the 1996/1997 financial year will be on:

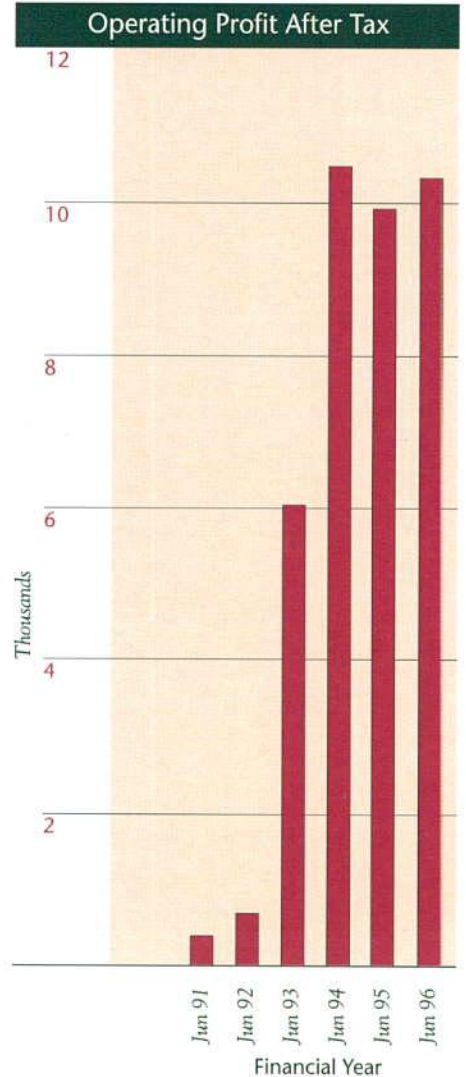
- expanding our ore reserves in the Drummond Basin in Central Queensland;
- construction and development of the 100,000 ounce per year Gold Ridge mine in the Solomon Islands;
- completion of the revised feasibility study on the enlarged 40-50,000 ounce per year Timbarra project in northern New South Wales, in preparation for construction and development.

The first task involves the fast-track development of a small high grade open pit ore body at Glen Eva for processing at Yandan in 1996/1997.

The second is a major task, with the commencement of the Gold Ridge project construction scheduled to commence in the first quarter of the 1997 calendar year. The feasibility study has now been completed and permitting is nearing completion. The construction time is estimated at 12 months at a cost of \$62.7 million, excluding Landowners' compensation, fit out items and first fills. The first gold pour is scheduled for the first quarter of the 1998 calendar year.

The third task at Timbarra is progressing well with construction of the heap leach project to commence in the first quarter of the 1997/1998 financial year on condition that all permits are in place. The capital costs are estimated at \$15 million with a construction time of approximately six months.

Exploration for new ore bodies and for extensions to known ore reserves and resources remains a core activity for the Company. Our grass roots exploration efforts in the prospective Drummond Basin in Central Queensland will continue following last year's identification of promising targets for follow-up. Similarly, exploration activities will continue at Timbarra in northern New South Wales and at Gold Ridge in the Solomon Islands.

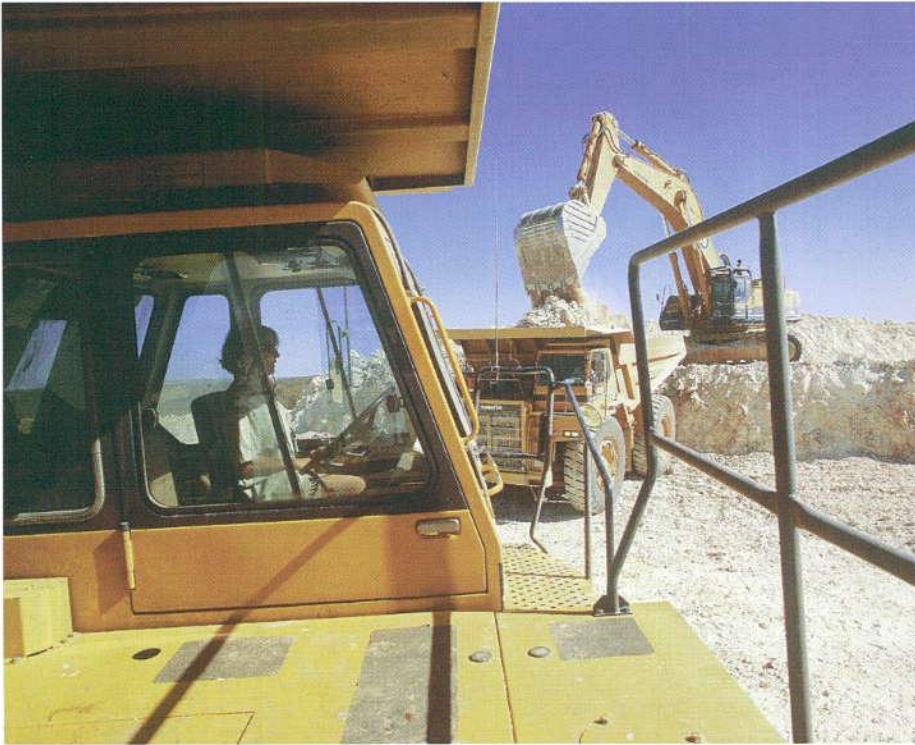


Below: Ball mills, Yandan Gold plant - new Ball mill is at right



# MANAGING DIRECTOR'S REVIEW

*Our ore reserve and resource base is now sufficiently large to sustain the scheduled doubling of our gold production rate for the next 10 years or more.*



Above: Yandan Mine operation

## VISION AND FUTURE

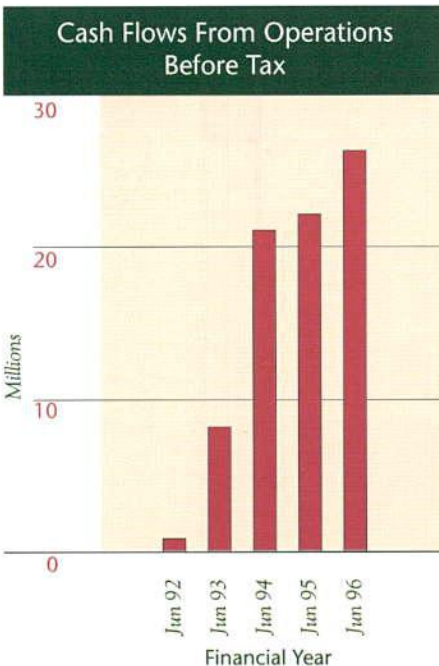
The Company remains in a sound position, being debt free and having over \$6.0 million in cash balances at the end of the financial year. Our ore reserve and resource base is now sufficiently large to sustain the scheduled doubling of our gold production rate for the next 10 years or more.

As a result, all stakeholders namely, shareholders and employees, contractors and suppliers, as well as the communities in which we operate, can look forward to the future with optimism and confidence. Ross Mining will remain a Company which elects to exercise its responsibilities by voluntarily making the hard choices. For example, we will be implementing Australia's code of best practice for the environmental planning and management of the Gold Ridge project in the Solomon Islands. We will continue to nurse our resources, namely by:

- optimising the returns from our ore bodies thereby creating value for shareholders;
- being responsible for the environment in which we operate; and
- ensuring that all staff employed have safe conditions and have the opportunity to develop their skills and talents.

I would like to take this opportunity to thank all employees for their efforts and contribution to the Company's continuing growth and success. I am aware that many carried out tasks above and beyond the call of duty and this is gratefully acknowledged. I would also like to thank all consultants and advisors, contractors and suppliers for the role they have played in our operations and development.

Bertus de Graaf  
September 1996



## PROJECT FINANCING

Capital requirements for bringing the above projects into production will require total capital of \$84 million, namely \$69 million for the construction of Gold Ridge (including A\$3.5 million Landowners' compensation and A\$2.8 million for first fit-out items) and approximately \$15 million for Timbarra. It is currently proposed to meet \$55-60 million of this amount by means of bank financing on the project and/or on Ross Mining's balance sheet. The remainder of the required capital is intended to be raised through the issue of new shares in the Company.

## OPERATIONS

The 1995/1996 year is marked by record gold sales of 86,482 ounces principally from operations at Yandan and Mt Coolon.

The Drummond Basin in central Queensland is the focus for the Company's gold production. Ross Mining maintains a dominant position in this region with current reserves capable of supporting operations for the next six years.

The 1995/1996 year is marked by record gold sales of 86,482 ounces principally from operations at Yandan and Mt Coolon. Production for the 1996/1997 year is forecast to match last year's with the proviso that ore from Glen Eva makes a contribution during the second half of the year. Prospects are good for further limited gold production from the Mt Coolon (Koala) ore body.

### YANDAN GOLD MINE

(Ross Mining 100%)

The Yandan operation achieved record gold production of 85,855 ounces for

the 1995/1996 year, 18% higher than the previous year and 5% above forecast. Gold produced at Yandan included a significant contribution from the higher grade Mt Coolon (Koala) deposit and associated tailings. Cash operating costs for all gold produced at Yandan were \$268 per ounce (equivalent to US\$212/oz).

Dump leach or low grade ore at Yandan (0.2 - 0.7 g/t Au) constitutes an important part of that operation, with currently over 2.0 million tonnes on the leach pads and a further 1.7 million tonnes scheduled to be added for the current year. The Yandan combined CIP & DL ore operations now process more than 3 million tonnes per annum (Mtpa).

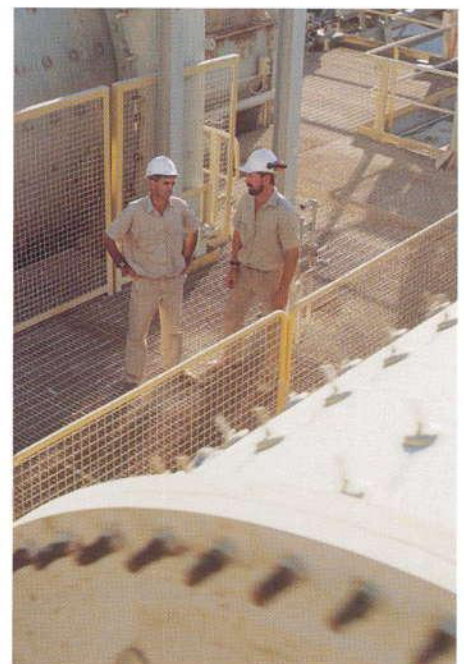
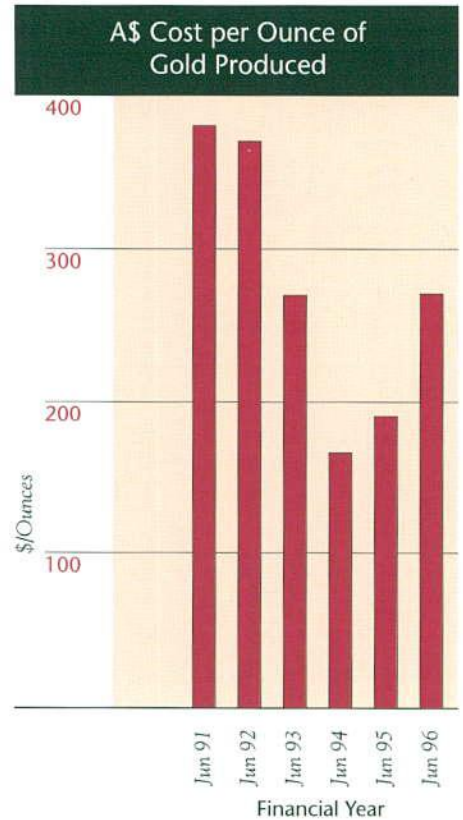
Gold production from Yandan for the current financial year can be maintained at similar levels provided either Glen Eva

### OPERATING STATISTICS - YANDAN AND MT COOLON

	1996	1995
<b>Tonnes Mined Yandan</b>		
CIP	1,043,126	1,229,544
DL	1,231,386	584,451
Waste	149,293	35,183
<b>Total tonnes mined Yandan</b>	<b>2,423,805</b>	<b>1,849,178</b>
<b>Tonnes Mined Mt Coolon</b>		
CIP	274,499	-
Waste	3,752,656	-
<b>Total tonnes mined Mt Coolon</b>	<b>4,027,155</b>	<b>-</b>
<b>Total tonnes of material mined</b>	<b>6,450,960</b>	<b>1,849,178</b>
Ore Milled (tonnes)	1,240,164	1,206,173
Average CIP Head Grade (g/t gold)	2.11	1.80
CIP Recovery Rate (%)	91.4	94.5
Dump Leach Ore Stacked (tonnes)	1,225,373	584,451
Average DL Grade (g/t gold)	0.50	0.47
<b>Gold Produced (ounces)</b>	<b>85,856</b>	<b>72,659</b>
<b>Cash Operating Costs</b>	<b>A\$268</b>	<b>A\$189</b>

CIP ore  
Dump Leach (DL)  
g/t

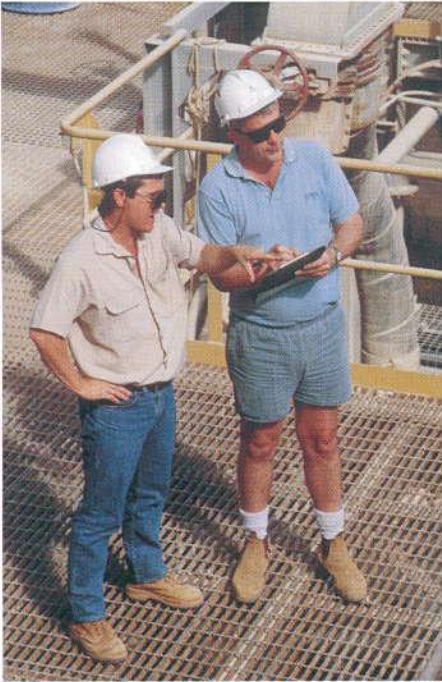
Carbon in Pulp "Milling" ore  
Low grade ore deposited directly on pads for leaching  
grams per tonne



Above: Andrew Fitzpatrick, Mill Superintendent and Scott Francis, Mill Foreman with new mill in foreground.

## OPERATIONS

*The Yandan CIP mill was successfully upgraded from 1.2 Mtpa to 1.5 Mtpa throughput*



Above: Alistair Campbell, Yandan Resident Mine Manager and Dick Braimbridge, Administration Superintendent inspecting the Yandan plant.

or Mt Coolon (Koala) contribute approximately 5,000 ounces of gold during the year. Both projects are currently undergoing feasibility studies for early development. As a result of a scheduled decrease in head grades, average cash operating costs for the current year are forecast to be marginally higher than last year.

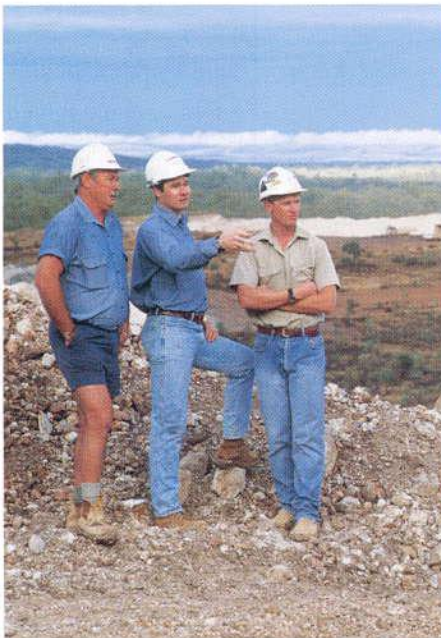
Substantial operational efficiencies have been realised to reduce unit costs. The Yandan CIP mill was successfully upgraded from 1.2 Mtpa to 1.5 Mtpa throughput by the addition of a second ball mill and gyratory pebble crusher.

This plant upgrade was commissioned in June 1996 on time and within budget. Apart from lowering operating costs, indications are that the plant expansion will also provide improved gold recoveries due to finer grinding of the ore.

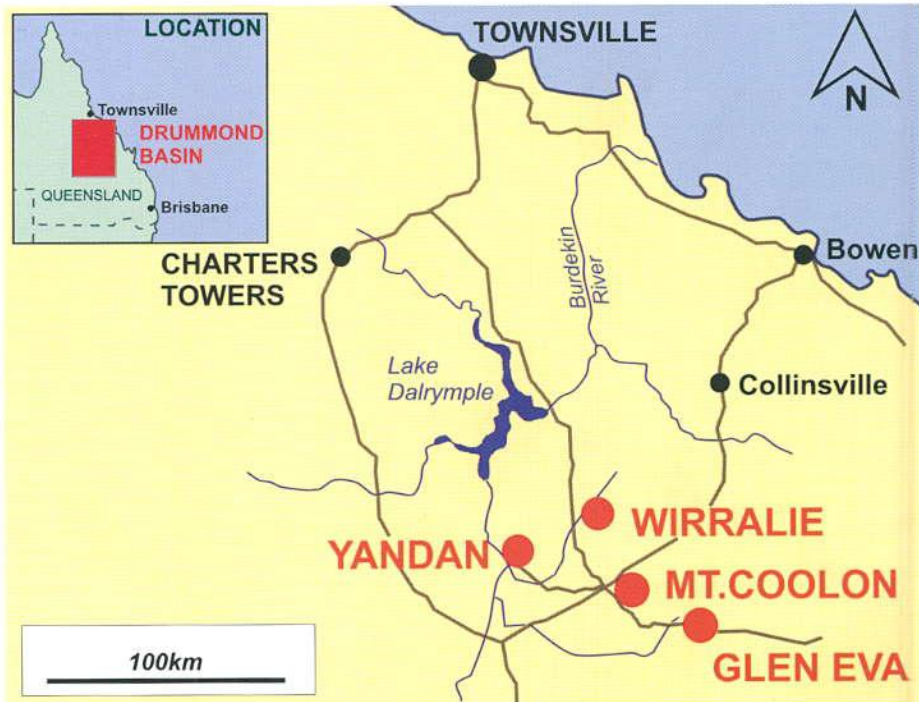
In addition, a change to larger mining equipment has been made to handle the increased material movement budgeted for the 1996/1997 financial year. Such a change is provided by the flexibility of the dry-hire mining contract which operates at Yandan.

### YANDAN ORE RESERVES

	Cut Off Grade (g/t)	Tonnes	Ore Grade (g/t)	Contained Gold (oz)
CIP	0.7	3,136,100	1.28	128,800
Dump Leach	0.2	2,514,800	0.52	52,000
<b>TOTAL</b>		<b>5,650,900</b>	<b>0.94</b>	<b>170,800</b>



Above: Des Thompson, Mine Foreman, Brad Sampson, Mine Superintendent and Martin Zgrajewski, Mining Engineer standing on top of the Yandan ROM stockpile.



Above: Drummond Basin project locations

## OPERATIONS

*This project was highly successful for Ross Mining yielding... an extra 10,000 ounces of gold.*

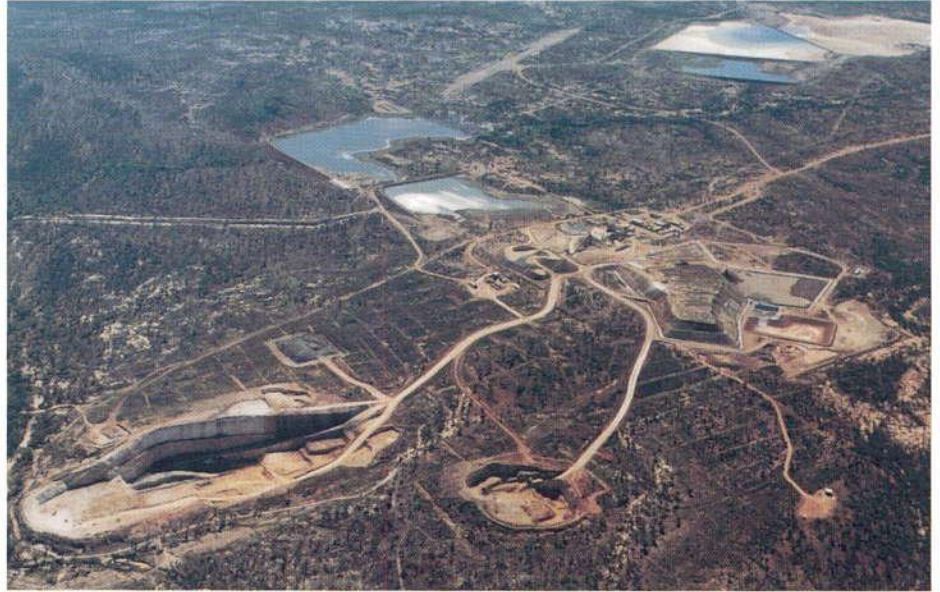
### MT COOLON GOLD MINE

(Ross Mining 100%)

During the 1995-1996 year, Mt Coolon provided both high grade open-pit CIP ore and low grade tailings for treatment through the Yandan plant. Mt Coolon is a satellite operation located 45km east of Yandan and is the site of substantial historical production by Gold Mines of Australia in the 1930's.

Open pit mining of the so-called Koala ore body commenced in June 1995 and ceased according to schedule twelve months later. This project was highly successful for Ross Mining yielding 275,000 tonnes of high grade ore averaging approximately 5 grams of gold per tonne. This was 100,000 tonnes higher than expected, yielding approximately an extra 10,000 ounces of gold. Despite an unexpected additional cut-back of 1.2 million tonnes of waste to reduce pit wall batter angles, the final strip ratio stood at 13.7 compared with a feasibility estimate of 16.

Over 200,000 tonnes of tailings remain at Mt Coolon. This will be hauled to Yandan for processing over the next two years of operation. Feasibility studies are currently in progress to determine the viability of extending the Koala open pit through a cut-back and to test the potential for an underground mining operation. The ore body is currently open to the north and at depth.



Above: Aerial view of Yandan Gold Mine. In centre foreground is the newly mined south hill pit. To the right of the processing plant at centre are the heap leach pads. Left of centre is surface water storage with the tailings dams in background.

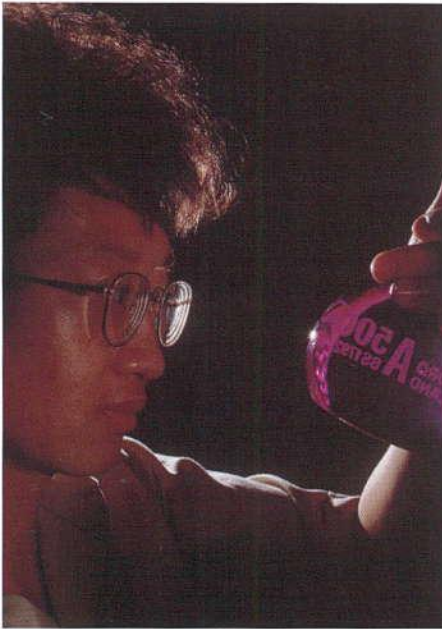


Above: Ore Haulage, Yandan Gold Mine



## OPERATIONS

*The Company intends to return the upgraded Yandan plant to the old foundations at Wirralie after the Yandan ore body has been mined out*



Above: Gordan Chan, Chief Chemist, Yandan Gold Mine

### BELYANDO GOLD MINE

(Ross Mining 100%)

The residual leaching operation at Belyando was finally terminated in November 1995, after delivering 628 ounces of gold for the year, twenty-eight months after the cessation of mining operations in July, 1993. This operation marked the start of Ross Mining as a gold producer in March, 1989 and has now delivered a total of 76,216 ounces of gold. Rehabilitation of the site is currently in progress and is expected to be completed within the next six months.

### WIRRALIE OXIDE PROJECT

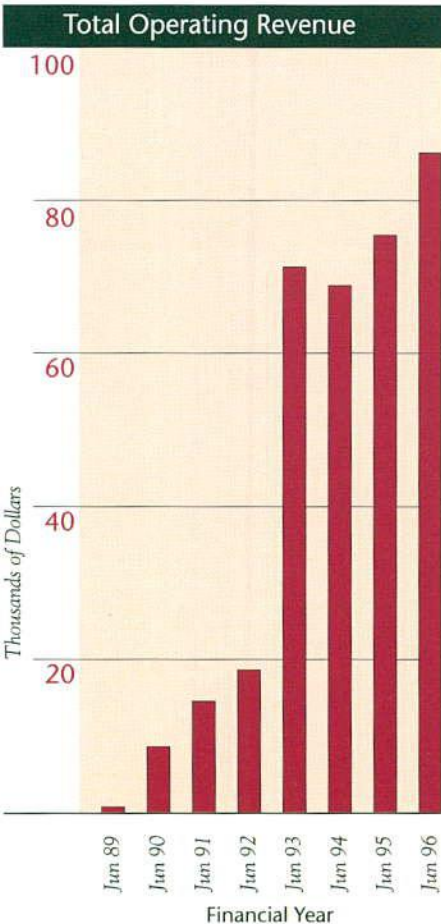
(Ross Mining 100%)

Ross Mining acquired the property in August 1992. After treating approximately 1,000,000 tonnes of low grade stockpiled ore averaging 1.5 grams of gold per tonne, the existing 1.2 million tonnes

per annum CIP plant was relocated to Yandan. Subsequent exploration in 1994/1995 defined an extensive low grade shallow oxide resource, totalling 245,500 ounces of gold. Additional oxide ore targets have been outlined for drill testing next calendar year.

The Company intends to return the upgraded Yandan plant to the old foundations at Wirralie after the Yandan ore body has been mined out during the first half of the 1998/1999 year. Planning and preparation for the relocation will commence during the current year.

Cash operating costs are estimated at A\$425 to A\$450 per ounce of gold and it is envisaged that the Company will have a strong gold hedging position in place on the back of other deposits to ensure attractive operating margins.



### WIRRALIE - MINERAL RESOURCES AND ORE RESERVES

	Category	Cut Off Grade (g/t)	Tonnes	Ore Grade (g/t)	Contained Gold (oz)
<b>RESERVES</b>					
In-Pit Stockpiles	Proved	0.5	3,596,800	0.85	
			1,700,000	0.90	
<b>TOTAL</b>			<b>5,296,800</b>	<b>0.87</b>	<b>148,200</b>
<b>RESOURCES (including Reserve)</b>					
Oxide Sulphide	Measured	0.5	9,310,000	0.82	245,500
	Measured/Indicated	1.0	6,630,000	1.78	379,500
<b>TOTAL</b>			<b>15,940,000</b>	<b>1.22</b>	<b>625,000</b>

## DEVELOPMENT & EXPLORATION

The past year has been one of consolidation with a firm focus on converting projects acquired in 1995 into operating mines.

### OVERVIEW

The past year has been one of consolidation with a firm focus on converting projects acquired in 1995 into operating mines. A comprehensive bankable feasibility study was completed for the one million ounce Gold Ridge project. Agreements have been reached with the Solomon Islands' Government on the fiscal conditions for the project as well as with the Landowners. Construction is scheduled to commence in 1997 with the first gold pour expected in the first quarter of the 1998 calendar year.

A review of the feasibility study of the Timbarra project is in progress. A 2 million tonnes per annum heap leach with associated dump leach operation is expected to produce 40 to 50,000 ounces of gold per year. The project has taken a major step forward with the approval of the Environmental Impact Study and granting of a mining lease in April 1996. The revised feasibility study will be completed by the end of January 1997 with first gold production expected in January, 1998.

An agreement with Plutonic and Sons of Gwalia will enable the development of a second satellite mine at Glen Eva, 50km to the south east of Yandan. Feasibility and development studies are well underway to enable the processing of Glen Eva ore in the current financial year.

A re-examination of the remaining mineralisation at Mt Coolon will determine if high grade ore in the base of the pit can be extracted via a cut-back.

### RESERVE & RESOURCE EXPANSION (CONTAINED OUNCES)

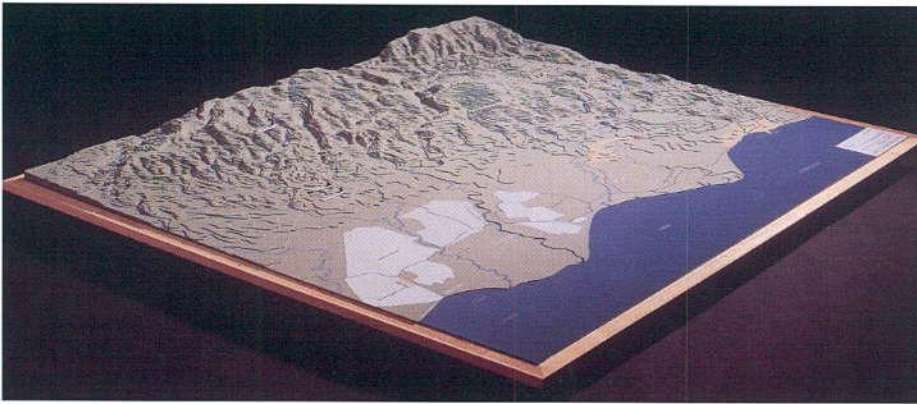
	RESERVES		RESOURCES (Includes Reserves)	
	June 1996	June 1995	June 1996	June 1995
<b>YANDAN</b>	170,800	235,000	204,700	262,400
<b>Mt COOLON</b>	11,300	46,600	35,200	68,200
<b>WIRRALIE</b>				
Oxide	148,200	148,200	245,500	245,500
Sulphide	-	-	379,500	379,500
<b>SPRING HILL</b>	-	-	328,000	362,300
<b>GOLD RIDGE</b>	1,035,000	940,200	1,628,000	1,480,000
<b>TIMBARRA</b>	248,700	-	453,000	-
<b>GLEN EVA</b>	57,000	-	70,100	-
<b>TOTALS</b>	<b>1,671,000</b>	<b>1,321,700</b>	<b>3,344,000</b>	<b>2,797,900</b>



Gold Ridge project location

## DEVELOPMENT & EXPLORATION

Ross Mining has submitted a bankable feasibility study on the 1 million ounce Gold Ridge gold mining project to the Government of the Solomon Islands



Above: Topographic model constructed of the northern seaboard of Guadalcanal Island. Honiara is shown marked in beige on the coast with the other beige site being the Lungga relocation site for Landowners. Existing palm oil plantations are shown in grey while the Gold Ridge project site can be seen as marked on the foothills.



Above: Gold Ridge project layout

### GOLD RIDGE, SOLOMON ISLANDS (Ross Mining, 100%)

Ross Mining has submitted a bankable feasibility study on the 1 million ounce Gold Ridge gold mining project to the Government of the Solomon Islands as part of an application for a Mining Lease. The completion of this study, at a cost of \$4.5 million, was one of the major achievements of the year. The mine is scheduled to produce approximately 100,000 ounces of gold per year and has a mine life of 10 years. The capital cost for the project is estimated at A\$62.7 million. The project has received active support from the Solomon Islands Government.

The study was managed and compiled by Ross Mining with the support of internationally recognised experts and specialists. The feasibility study is based on resources with a contained gold content of 1.628 million ounces and in-pit ore reserves of 1.035 million ounces.

The resource estimate is based on 65,858 metres of diamond and reverse circulation drilling (including 9,496 metres by Ross Mining), mainly on a 25 x 25 metre grid pattern. The quality of the data has been thoroughly evaluated, including detailed check drilling and check assays. Average ore grades are considered conservative which is partially demonstrated by a manual resource estimate, as prepared by an independent consultant, which totals 21.64 million tonnes, grading 1.90 g/t gold using a 0.7 g/t gold cut-off grade.

The ore reserves are contained in three closely spaced ore bodies known as Valehaichichi, Kupers and Dawsons. The strip ratio for the in-pit ore reserves averages 0.83 waste to 1 ore for the life of mine. The ore is soft and has a working index of 12 kWh/t. Its specific gravity is between 2.0 and 2.1. Mining and processing is scheduled at a rate of 2 million tonnes of ore per annum, producing approximately 100,000 ounces of gold per year. This is based on a gold recovery averaging 87.5%, using standard CIL processing technologies.

## DEVELOPMENT & EXPLORATION

The capital costs to construct the project have been estimated at A\$62.7 million

The capital costs to construct the project have been estimated at A\$62.7 million, a figure based on detailed engineering designs with costs calculated by Minproc Engineers. The figure includes a contingency of A\$4.5 million. The processing plant has been designed to allow for expansion in throughput to 3 million tonnes per year. In addition to the above costs, the Company will incur upfront landowners' benefits at a cost of approximately A\$3.5 million, including more than A\$2 million on a relocation village (including a school and clinic) with the remainder as a cash premium. The construction of the project is estimated to take twelve months, with the first gold pour scheduled for the first quarter of the 1998 calendar year.

Ross Mining has voluntarily adopted high environmental standards for the project. The project has been designed to contain all rock waste and tailings in stable, rehabilitated land forms. Considerable attention has been paid to the environmental management of the waste rock and tailings during operations. Detailed financial analyses on a non-inflationary basis indicate that cash costs will average A\$295 per ounce of gold produced for the first four years of the operations. The project will be staffed by local Solomon Islanders and expatriates, the latter on a fly-in fly-out basis from Brisbane.

Fiscal terms agreed for the development of the Gold Ridge project include:

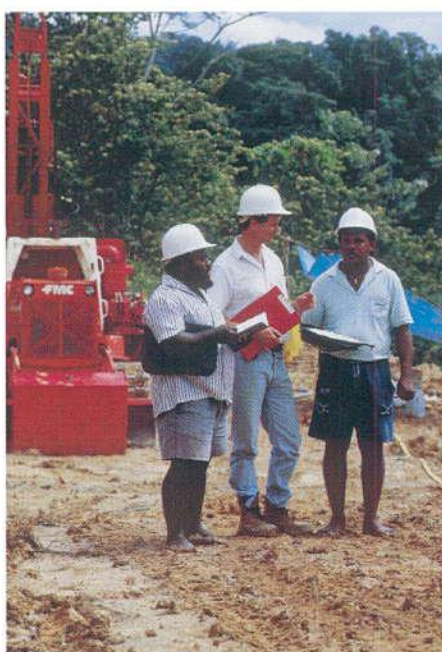
- 1.5% Gross Royalty, with 1.2% to Landowners and 0.3% to the local Province
- 1.5% Export Duty on sales revenue
- 35% fixed income tax
- 5% interest withholding tax

In addition, the agreement allows for an additional profit tax (APT) at a rate of 30% based on a real return on investments of 25%.

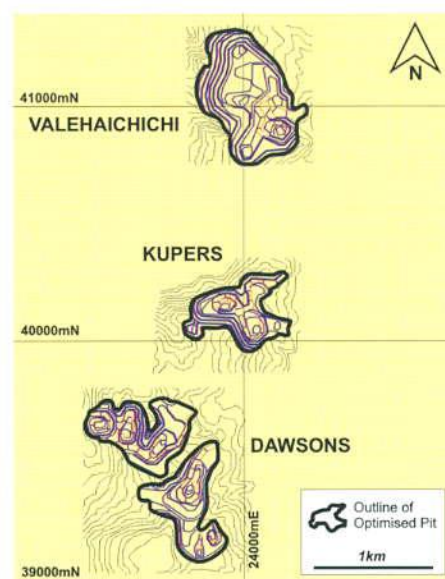
### GOLD RIDGE - MINERAL RESOURCES AND ORE RESERVES

Deposit	Measure		Indicated		Measured and Indicated		Grade (g/t)	Ounce kozo
	Cut off (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)	Grade (g/t)	Tonnes (Mt)		
<b>RESOURCES</b>								
Valehaichichi	0.7	9.90	1.57	1.40	1.17	11.30	1.52	552
Kupers	0.8	5.89	1.49	1.51	1.26	7.40	1.44	343
Dawsons	0.8	12.21	1.44	3.83	1.36	16.04	1.42	733
<b>TOTAL</b>		<b>28.00</b>	<b>1.50</b>	<b>6.74</b>	<b>1.30</b>	<b>34.74</b>	<b>1.46</b>	<b>1,628</b>
<b>RESERVES</b>								
Valehaichichi	0.7	7.61	1.69	0.54	1.27	8.15	1.66	435
Kupers	0.8	3.57	1.64	0.10	1.60	3.67	1.64	194
Dawsons	0.8	6.48	1.64	1.24	1.62	7.72	1.64	406
<b>TOTAL</b>		<b>17.67</b>	<b>1.66</b>	<b>1.87</b>	<b>1.52</b>	<b>19.54</b>	<b>1.65</b>	<b>1,035</b>

Details of the resources and reserves listed in the table are based on estimates prepared by Snowden Associates Pty Ltd, Perth.



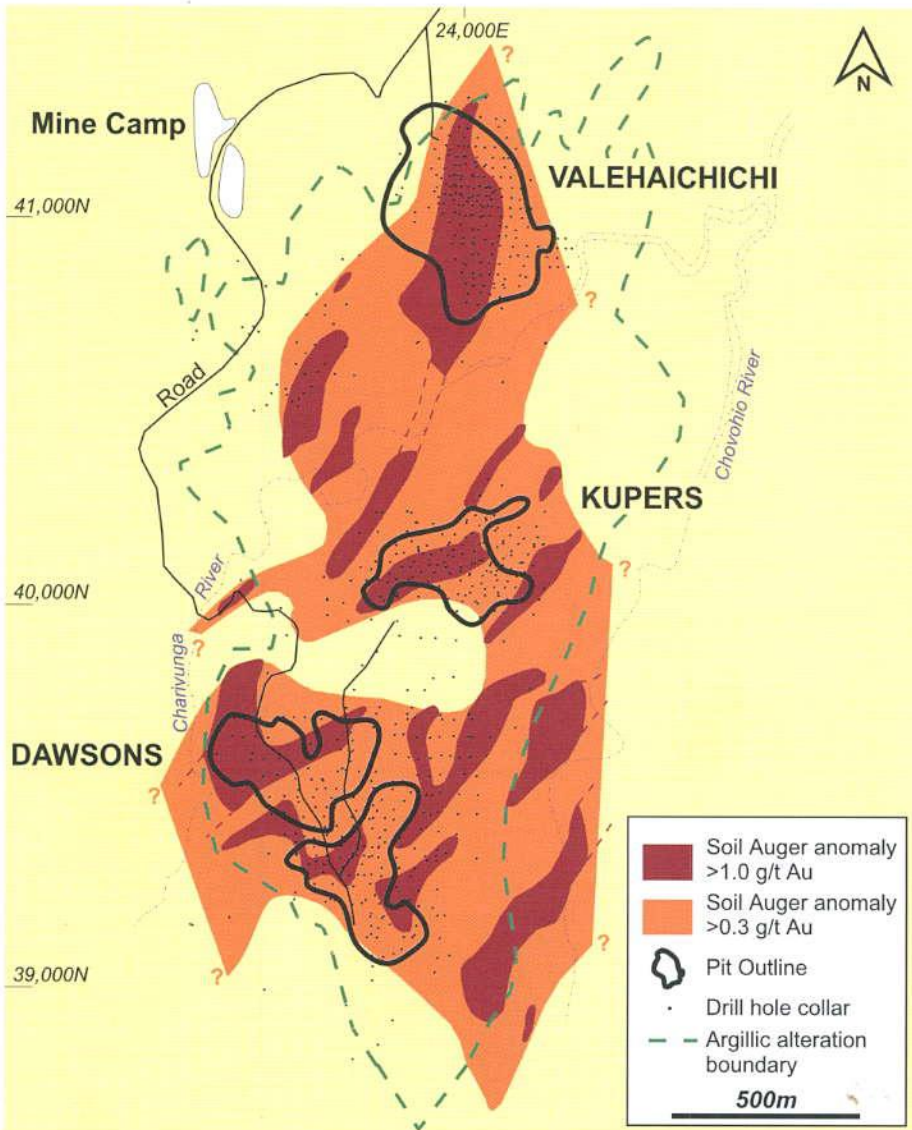
Above: Peter Auga, Mines Inspector, Eugene Iliescu, Manager, Ross Mining (S.I.) Ltd and Ivan Leanamae, Assistant Geological Officer, at Valehaichichi drilling site, Gold Ridge.



Above: Gold Ridge final open pit designs

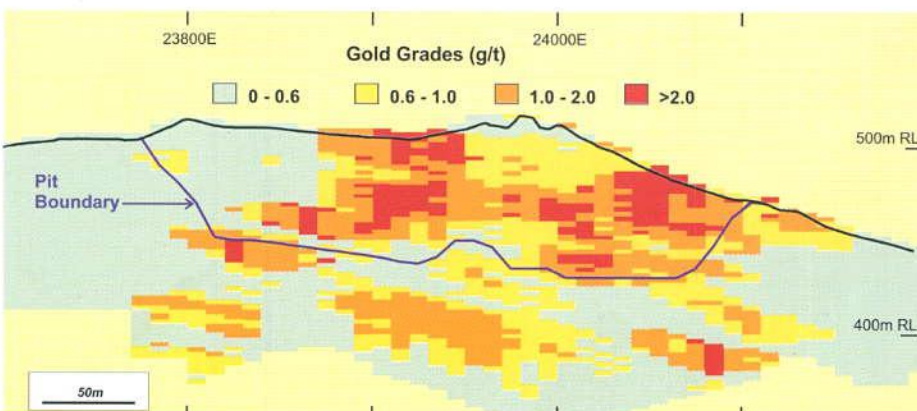
## DEVELOPMENT & EXPLORATION

*The realisation of the Gold Ridge mining project will transform Ross Mining's production profile to more than 150,000 ounces of gold per year, with a reserve base to sustain this rate of production for 10-15 years.*



Above: Gold Ridge surface gold distribution and pit locations.

Below: Gold Ridge: Kupers deposit cross section through the resource block model



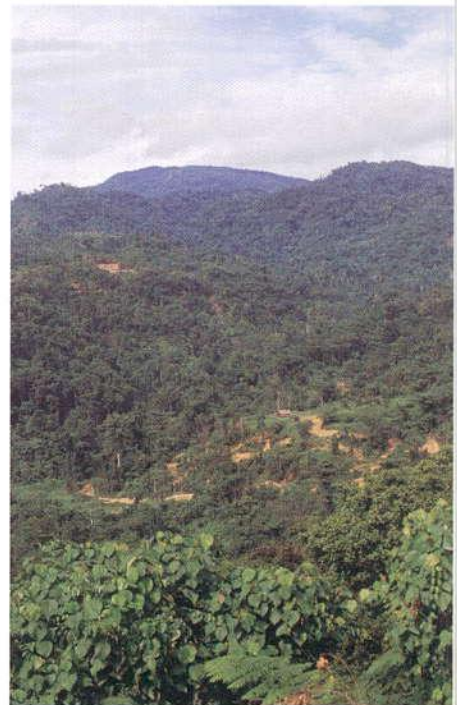
Commencement of construction is subject to the signing of:

- the Mining Agreement between the Solomon Islands Government and Ross Mining
- the granting of a Mining Lease following the approval of the feasibility study

At the time of writing, the mining agreement has been finalised and is ready for signing. The Company will embark on the construction of the relocation village in October/November 1996.

The realisation of the Gold Ridge mining project will transform Ross Mining's production profile to more than 150,000 ounces of gold per year, with a reserve base to sustain this rate of production for 10-15 years.

The Company is now well advanced in negotiating finance for the project from Australian and overseas banks.



Above: Gold Ridge Project area looking south with Valehaichichi in foreground and Kupers and Dawsons in background.

# DEVELOPMENT & EXPLORATION

An expanded feasibility study is in progress based on a heap leach processing rate of two million tonnes per annum

## TIMBARRA PROJECT, NEW SOUTH WALES

(Ross Mining, 100%)

Mining Lease 1386 in the Timbarra area covering the Big Hill and Poverty Point deposits was granted by the NSW Minister of Mineral Resources on 9 April 1996. The initial feasibility study, first submitted by Auralia Resources NL, consisted of a 2 million tonne per annum heap leach operation based on an in-pit reserve of 8.41Mt @ 0.92g/t gold (248,700 ozs of gold).

With the consolidation of the Timbarra tenements within one Group of companies during 1996, the opportunity now exists to enlarge the proposed Timbarra mining operation by adding the RMT and Hortons deposits to Big Hill and Poverty Point. An expanded feasibility study is in progress based on a heap leach processing rate of two million tonnes per annum as well as additional dump leach processing.

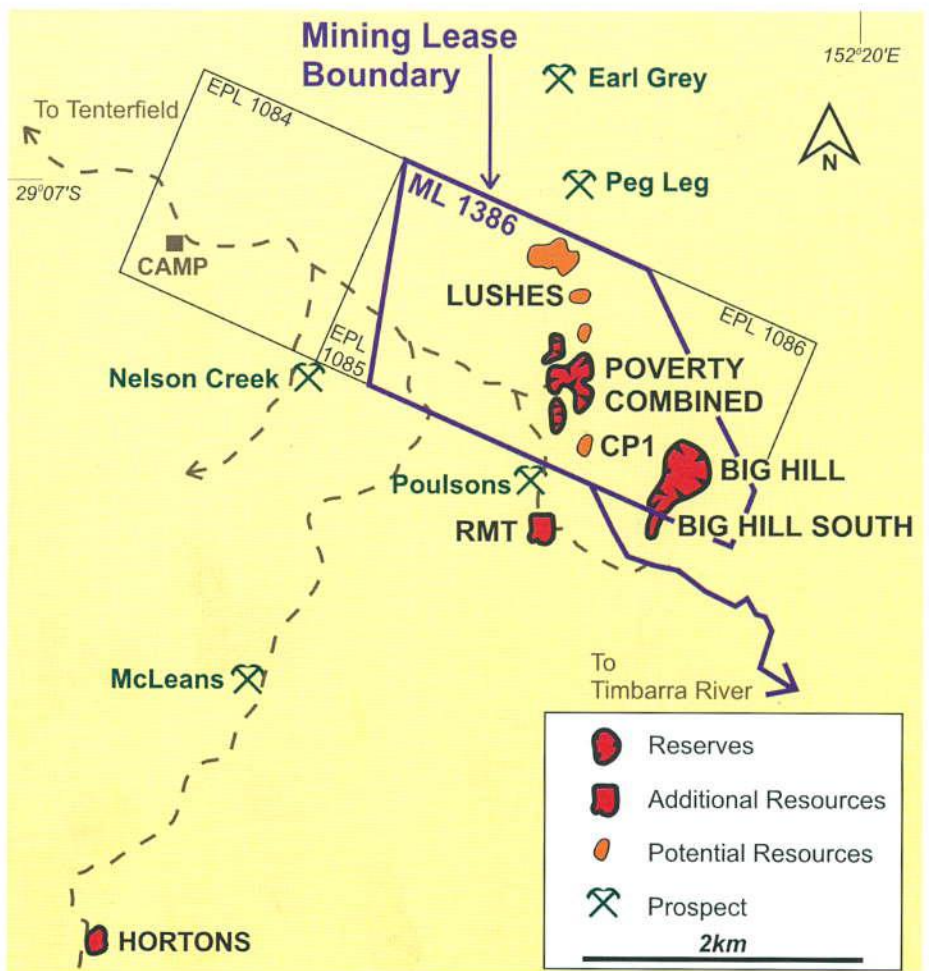


Above: Roger Mustard, Exploration Geologist, geological mapping at Timbarra.

Right: Timbarra Reserve/Resource locations

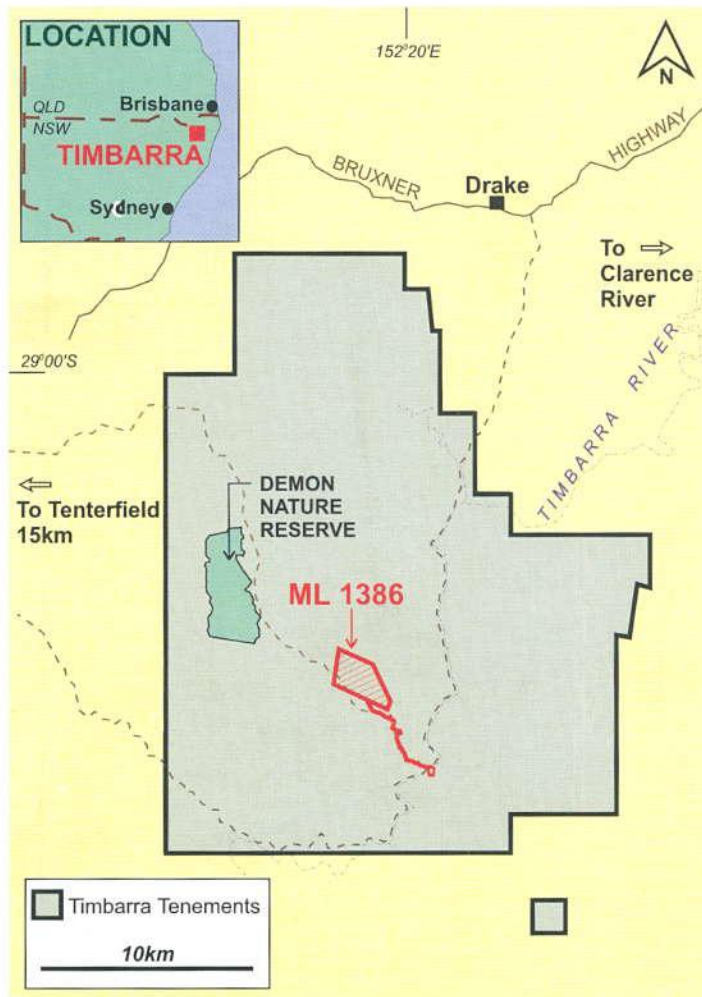
## TIMBARRA PROJECT - MINERAL RESOURCES

	Tonnes	Ore Grade (g/t)	Cont. Pro. Gold (ozs)
<b>RESERVES</b>			
Big Hill & Poverty Main	8,410,000	0.92	248,700
<b>TOTAL</b>	<b>8,410,000</b>	<b>0.92</b>	<b>248,700</b>
<b>RESOURCES (including Reserve)</b>			
Big Hill	10,940,000	0.83	292,000
Big Hill South	400,000	0.70	8,900
Poverty Combined	2,600,000	0.70	58,500
RMT	2,850,000	0.73	66,900
Hortons	240,000	3.38	26,200
<b>TOTAL</b>	<b>17,030,000</b>	<b>0.83</b>	<b>452,500</b>



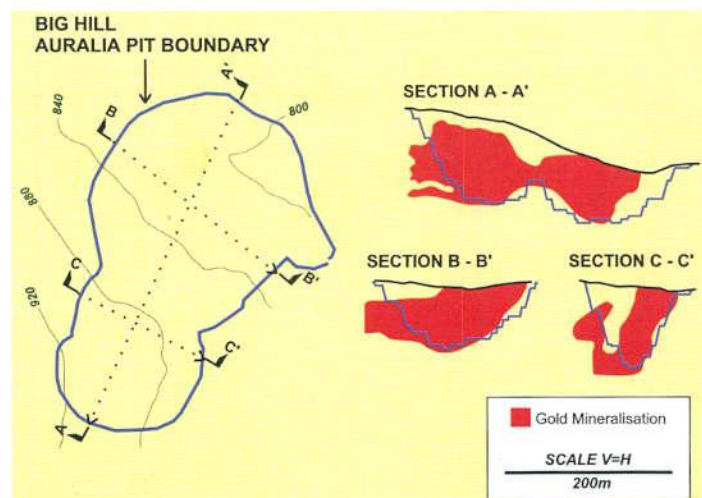
## DEVELOPMENT & EXPLORATION

*The project will produce 40,000 to 50,000 ounces of gold per year and has a potential mine life of eight years.*



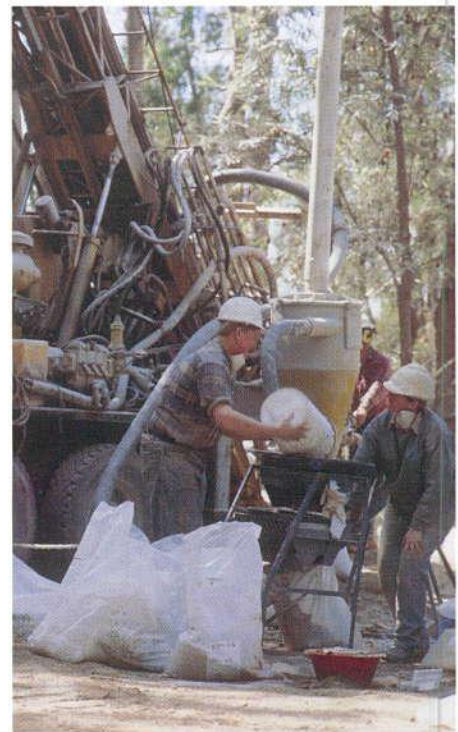
Above: Timbarra Project location

Below: Timbarra - Big Hill deposit



Six PQ diamond drillholes were completed in the June quarter to obtain samples for further metallurgical testwork. Initial test results from all four deposits returned encouraging results for heap leach recoveries. A 58 hole reverse circulation drilling program for 4,390 metres is underway to fully define the mineral resource prior to reserve estimation scheduled to be completed before Christmas. Detailed geological mapping has highlighted possible extensions to the known mineralisation at RMT.

It is envisaged that the project will produce 40,000 to 50,000 ounces of gold per year and has a potential mine life of eight years.



Above: Drill contractors sample splitting on a reverse circulation drilling rig at Timbarra.

## DEVELOPMENT & EXPLORATION

*An agreement to evaluate and mine the Glen Eva gold deposit 50km south east of the Yandan Mine was signed*

### GLEN EVA MINERAL RESOURCES AND ORE RESERVES

Category	Cut Off Grade (g/t)	Tonnes	Ore Grade (g/t)	Contained Gold (oz)
<b>RESERVES</b>				
Proved/Probable	1.0	284,000	6.26	57,000
<b>RESOURCES (including Reserve)</b>				
Measured	1.0	449,000	4.89	70,100

### GLEN EVA, QUEENSLAND

(Ross Mining 100% - subject to Royalty Agreement)

An agreement to evaluate and mine the Glen Eva gold deposit 50km south east of the Yandan Mine was signed with Plutonic and Sons of Gwalia in late August 1996 in exchange for a royalty.

The Glen Eva deposit lies 10km south east of Mt Coolon and was discovered by Dominion Mining in 1992. Gold mineralisation is associated with a quartz vein/siliceous breccia zone which varies from steeply to shallowly dipping. The mineralisation lies beneath a flat-lying sinter with associated kaolinic clays. This epithermal deposit strikes roughly east-west and has undergone extensive faulting.

A 3-D, block model resource estimate based on 25 x 25 metre drillholes and a specific gravity of 2.5, consisted of 449,000t @ 4.86 g/t gold totalling 70,000 ounces of contained gold at 1.0 g/t gold lower cut off. Pit optimisation studies are well advanced indicating ore reserves of 57,000 ounces of contained gold. The ore will be trucked to Yandan via the Mt Coolon haul road.

Ross Mining plans to fast-track the project to commence pre-stripping in January 1997, with the first gold recovered in the last quarter of the 1996/1997 fiscal year.

### DRUMMOND BASIN EXPLORATION, QUEENSLAND

A total of A\$1.4 million was spent in the Drummond Basin during the 1995/96 financial year, largely on regional exploration. The program focussed on a re-evaluation of the western side of the Drummond Basin and of the Rosetta-Conway area north east of Wirralie.

In accordance with Department of Mines and Energy guidelines, Ross Mining's ground holding in the Drummond Basin was reduced to a total of 885 sub-blocks or 2,836 square kilometres of which 684 sub-blocks and 2,189 square kilometres are held solely by Ross Mining.

Re-examination of the potential at Wirralie led to the identification of an extension of mineralisation along the south western continuation of the Moderately Angled Shear (MAS) zone. Drilling of this area is planned before Christmas 1997.

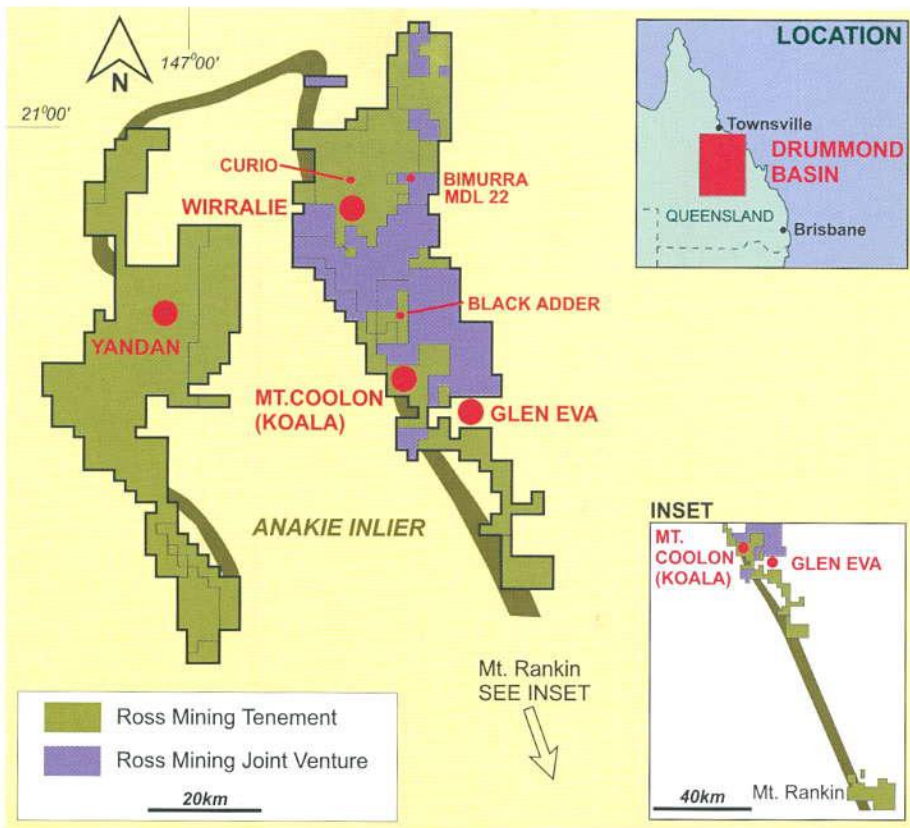


Above: Mike Seed, Senior Exploration Geologist for the Drummond Basin, discussing Glen Eva core samples with David Joy, Exploration Geologist.



## DEVELOPMENT & EXPLORATION

*The thrust of the coming year's program will be further systematic geological reconnaissance to identify anomalous geochemical and alteration zones for drill testing.*



Above: Drummond Basin Tenement Holding

A systematic geological search between Wirralie and Mt Coolon led to the discovery of two significant prospects at Blackadder and Curio. Both areas were discovered by rock chip sampling of altered anomalous outcrop.

At Blackadder, large boulders of epithermal quartz vein float, up to 0.5m across, were discovered in a ferricrete horizon on a low hill exposed on a black soil plain. A total of 14 RC holes for 1,289m failed to locate the source of the epithermal veins and produced a best assay intercept of 6m @ 0.33g/t gold. A program of followup RAB drilling with 76 holes for 3,422m and RC drilling with 7 holes for 595m identified significant silica-pyrite and surrounding chlorite-sericite alteration. The best intercept yielded 2m @ 1.92g/t gold in the base of a RAB hole. Further exploration to track down the source of the epithermal veining is in progress.

Reconnaissance mapping located the Curio prospect during the December

quarter. The prospect, which lies 5km north of the Wirralie Mine, has similar alteration to both the Yandan and Wirralie deposits namely celadonite and silica-pyrite. The early drilling of 10 RC holes for 786m confirmed low order gold mineralisation over significant intercepts, for example 12m @ 0.52 g/t gold in CR001 and 29m @ 0.20g/t gold in CRC010 from 37m. Soil sampling, rock chipping, mapping and IP was followed up by a 40 RAB hole program for 908m. This drilling produced maximum values of 14m @ 0.47 g/t gold from surface. The significance of the Curio discovery is the identification of rocks with similar alteration and gold tenure to those on the periphery of the Yandan and Wirralie deposits and in the same calcareous sedimentary horizons. Broad scale folding north of Wirralie has led to the repetition of this favourable lithological unit which is forming the focus of current exploration in the area.

The thrust of the coming year's program will be further systematic geological reconnaissance to identify anomalous geochemical and alteration zones for drill testing.

The Mt Rankin Exploration Permit of 58 sub-blocks was acquired in August 1996 to further investigate epithermal veining and alteration identified by previous explorers in Drummond Group sediments, approximately 60km north of Clermont. Existing drill intercepts include 6m @ 4.65 g/t gold from 34m and 4m @ 6.93 g/t gold from 14m. A program of gridding and mapping will be followed by appropriate geochemical and geophysical techniques.

### SPRING HILL, NORTHERN TERRITORY

No new initiatives were undertaken at this project apart from an environmental monitoring programme. This is not a reflection of the quality of this project, but an election by the Company to apply their available resources elsewhere.

# ENVIRONMENT

*The Company's objective is to achieve best practice environmental management at all sites.*

Ross Mining is committed to the effective environmental management of all Company activities. Beyond meeting all legislative requirements, the Company's objective is to achieve best practice environmental management at all sites. To clearly define the intent of the Company in this important area, an Environmental Policy has been introduced, and is presented publicly for the first time in this report. All Company activities in the future will be assessed against the requirements of this policy, which will be prominently displayed at all sites.

A range of environmental management activities were conducted in 1995/96. Rehabilitation of five hectares of waste dump at Mt Coolon was completed, the rehabilitation of remaining areas being dependent upon the feasibility of additional mining. Waste dump rehabilitation at Yandan Gold Mine was not commenced due to the very small volumes of waste produced to date. Remediation of contaminated land at Lucky Break (resulting from previous mining operations) allowed the Company to apply successfully for lease relinquishment. Although operations at Gold Ridge have not yet commenced, an extensive water sampling program is underway to provide baseline data against which any operational impacts can be assessed.

The successful development and operation of the Timbarra and Gold Ridge projects will require a high level of environmental management and present a range of technical challenges beyond those presented by operations in the Drummond Basin. Additionally, commissioning of these projects will result in Ross Mining operating under three separate sets of legislative requirements. In recognition of these demands, Ross Mining has strengthened its management resources with the creation of the position of Environmental Manager, which was filled in August 1996. Additionally, all sites will be required to nominate an environmental coordinator, with responsibility for on-site environmental management.

## ENVIRONMENTAL POLICY

*Ross Mining is committed to the effective environmental management of all its exploration, mining and processing activities.*

*The Company recognises that mining is a temporary land use, and is associated with a range of potential environmental impacts. Prior to commencement of operations, mine planning must recognise these potential impacts and lead to the development of effective strategies for their control. During operations, the successful implementation of these strategies must be a principal objective of site management. Following decommissioning, the site must be left in a safe and stable state, with all disturbed land successfully rehabilitated to an agreed standard.*

*To achieve these objectives, each site is required to:*

- *Achieve compliance with all applicable legislation and operating conditions.*
- *Nominate an environmental co-ordinator, with responsibility for on-site environmental management.*
- *Operate in accordance with a site environmental management plan.*
- *Identify and manage environmental risk and liability.*
- *Minimise unnecessary environmental impacts.*
- *Work towards the achievement of a high level of external recognition for the quality of on-site environmental management.*

*Company management is committed to providing the resources and support required for the achievement of best practice and the ongoing improvement of environmental management at all Ross Mining sites.*

An important task for Ross Mining in 1996/97 will be the introduction of an Environmental Management System (EMS). This will provide the framework for the maintenance of high levels of environmental management for all Company activities. The components of the EMS will include:

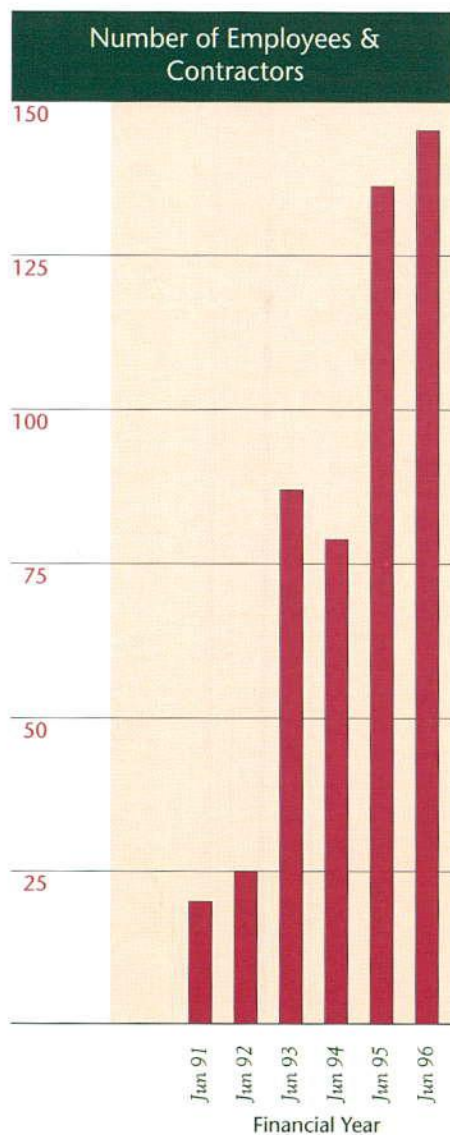
- a corporate environmental policy,
- a program of annual environmental reviews,
- environmental management plans for each site,
- reporting of environmental performance,
- workforce training.



Above: Matthew Orr, Environment Manager and Brad Sampson, Mine Superintendent discussing plans for waste dump rehabilitation. The Mt Coolon waste dump is in the background.

## PEOPLE

*Ross Mining believes it is responsible for providing all employees with a safe workplace, appropriate training and reward for effort, and actively promotes itself as an equal opportunity employer*



### PERSONNEL

Ross Mining had 141 employees and contractors/consultants at 30th June 1996 at its Operations of Yandan, Mt Coolon, Belyando, Timbarra, Solomon Islands and Brisbane Head Office. Ross Mining believes it is responsible for providing all employees with a safe workplace, appropriate training and reward for effort, and actively promotes itself as an equal opportunity employer. Currently there are 18 female employees and contractors in the Group.

### TRAINING, DEVELOPMENT AND EMPLOYEE RELATIONS

The Company continued to place strong emphasis on training as demonstrated with the appointment at Yandan of a trainee Occupational Health and Safety Officer (as backup to our permanent OH&S Officer) and the appointment of two trainer operators in the Mining department. A commitment has been made to develop comprehensive training manuals for the Yandan Gold Mine processing operations and this project has now commenced. Ross Mining has a policy of encouraging further education by paying the Higher Education Contribution Scheme fee for employees who pass subjects in Company approved courses. The year saw the successful re-negotiation

in February 1996 of the Enterprise Agreement for the Yandan Gold Mine and surrounding areas. The Company remains committed to breaking down traditional workplace barriers, with the aim of creating a team approach to operations.

### SAFETY

There were 7 lost time injuries in the Group during the year with no permanent disabilities recorded. The Yandan Mine Site Lost Time Accident Frequency Rate was 21.8, an increase over the previous year's 15.1. As a result of this increase, an evaluation of third party safety systems is currently in progress at Yandan and a decision on implementation will be made by the end of November. Following the formation last year of an Occupational Health and Safety Committee, an occupational health and safety policy was developed this year by the committee and is re-stated opposite. The Company is also a corporate member of the National Safety Council of Australia.

### COMMUNITY RELATIONS

The Company is mindful of its social responsibilities and has contributed to both the local and wider community in the past year in the following ways:

- Establishing and sponsoring a school at the Yandan Gold Mine by the appointment of a school teacher and provision of school facilities.
- Sponsoring the printing of a book titled "The Gold Miner" written by Stan Turner who worked at the original underground Mt Coolon Gold Mine in the 1930's.
- Donations to a number of charities and community organisations. The Company has a high regard for the work of the Salvation Army and The Royal Flying Doctor Service and has supported these two organisations for many years.



Above: Yandan village recreation facilities

## PEOPLE

*Ross Mining is committed to achieving and maintaining high standards of health and safety at all its operations and work sites.*

### KEY PERSONNEL

#### **Bertus de Graaf**

B.Sc. (Hons) Geol., Ph.D. (University of Bristol, U.K.), M.Aus.I.M.M., M.G.S.A. age 50

**Managing Director and Chief Executive.**

#### **John Lawton**

B. App. Sci. (App. Geol.) Adelaide, M.Aus.I.M.M., M.G.S.A. age 47

**Executive Director.**

#### **Paul Frederiks**

B. Bus., (Acc.) Queensland University of Technology, CPA, FCIS age 35

**Company Secretary and Financial Controller.**

An accountant by profession, with 13 years experience in the resource industry.

#### **Peter Ruxton**

B.Sc.(Hons) Geol., Ph.D. (University of Leeds, U.K.) M.Aus.I.M.M., age 39

**Exploration Manager.** A geologist by profession with a previous career in exploration with Shell/Billiton.

#### **Bob Martin**

B. App. Sci. (Met), M.Aus.I.M.M. age 44

**Group Metallurgist.** A metallurgist by profession with 23 years experience.

#### **Matthew Orr**

B.For. Sci. (Hons) University of Melbourne, M.Ag. Sci. University of Queensland age 35

**Environmental Manager.** A forester by profession, with nine years experience in the mining industry.

#### **Alistair Campbell**

B.Eng. (Mining), M.Aus.I.M.M. age 35

**Resident Mine Manager Yandan Gold Mine.** A mining engineer by profession with 13 years experience in underground and open pit mining.

#### **Eugene Iliescu**

B.App. Sci (App Geog), Grad. Dip. Soc. Sci (HRM) age 43

**Manager - Ross Mining (Solomon Islands) Ltd.**

A professional administrator with 17 years experience in exploration and mining.

### OCCUPATIONAL HEALTH & SAFETY POLICY

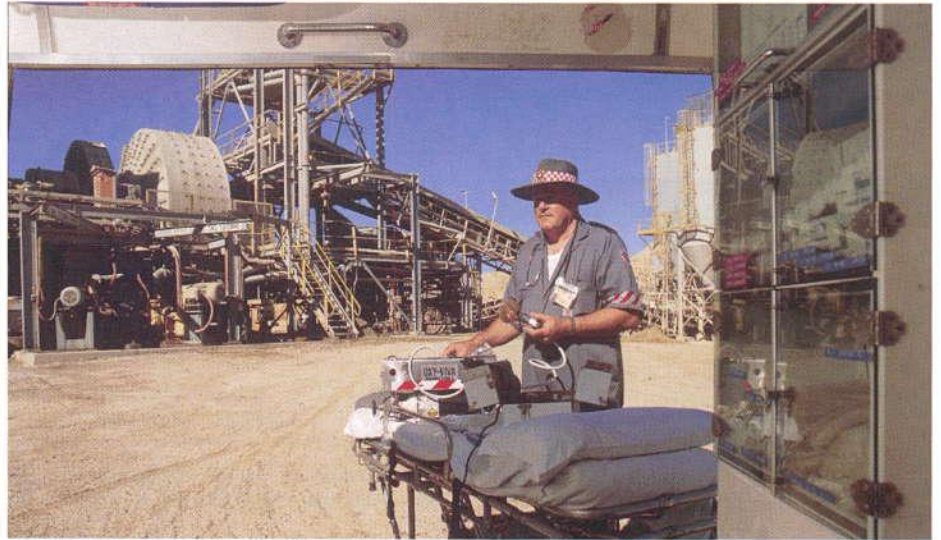
*Ross Mining is committed to achieving and maintaining high standards of health and safety at all its operations and work sites.*

*These high standards will be achieved by both management and employees of the Company actively demonstrating commitment and involvement in the effective conduct of health and safety programmes through identification, assessment and control of hazards.*

*All accidents and injuries are preventable. Management is responsible for implementing policy by providing leadership, resources and training required to develop corporate culture and encourage awareness. Individuals are responsible and accountable for identifying and addressing risks to themselves and others associated with their workplace and ensuring a safer work environment.*

*Procedures and standards will be implemented and be subject to regular review, with the involvement and contribution of all employees.*

*No business objective will take priority over health and safety policy, and the Company's record of achievement in this important area of its activities will form an essential part of the measure of its overall success.*

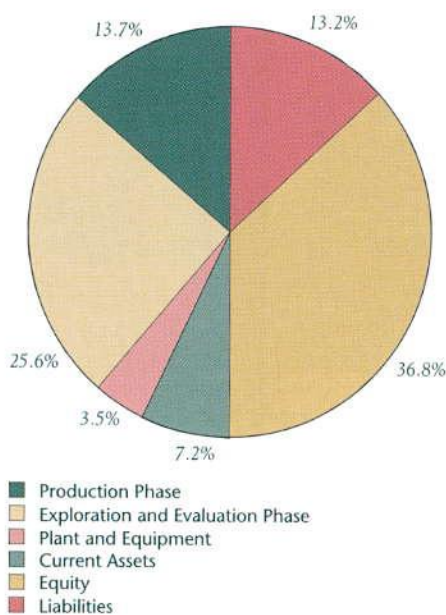


Above: Jock Morrison, Safety Officer demonstrating some of Yandan's safety equipment. The mine maintains the ambulance on site which also acts as a regional ambulance for the local district.

## FINANCIAL REVIEW

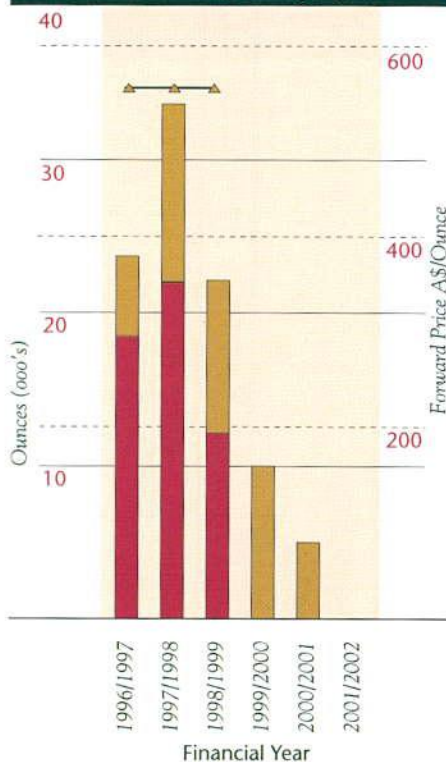
Operating profit after tax was \$11.3 million or 14% higher than the previous year.

### Balance Sheet



- Production Phase
- Exploration and Evaluation Phase
- Plant and Equipment
- Current Assets
- Equity
- Liabilities

### Gold and Currency Hedging Position



- AS Gold Forwards
- Currency
- ▲ \$A/Ounce

Currency Hedge ounces assume average US Gold Price of \$385  
Average Exchange rate is 0.703

### SALES & PROFIT

Sales Revenue increased by 32% to \$53.98 million, a direct result of an increase in gold production to 86,482 ounces and the closeout of 202,800 ounces from the Company's forward hedging position in November 1995 which generated extra sales revenue of \$6.02 million. Net Operating cash flows were \$26.26 million for the year (excluding tax), as compared to \$22.08 million for the previous year. As a result of our gold and currency hedge position, the average realised gold price for the year was \$554 per ounce which is approximately \$41 above the average 1995-1996 spot price. This was \$16 per ounce higher than the previous year. Operating profit before interest and tax increased by 19% to \$18.5 million. Operating profit after tax was \$11.3 million or 14% higher than the previous year.

### CAPITAL AND BORROWINGS

Fully paid ordinary shares on issue increased from 137.74 million to 155.31 million principally as a result of the issue of shares as consideration for the purchase of Auralia Resources.

At financial year end the Company was debt free with net cash on hand of \$5 million.

### GOLD & CURRENCY HEDGING

As of 30th June, 1996 the Group had forward sold 52,646 ounces of gold at an average price of \$562 per ounce. Call options held at 30th June, 1996 totalled 20,000 ounces at a strike price of US\$425 per ounce and put options held totalled 25,000 ounces at a strike price of US\$310 per ounce. The Company's total currency hedge position at 30th June 1996 stood at US\$41.9 million at a weighted average exchange rate of US\$0.701.

The group's delivery timetable for all hedge contracts is set out below:

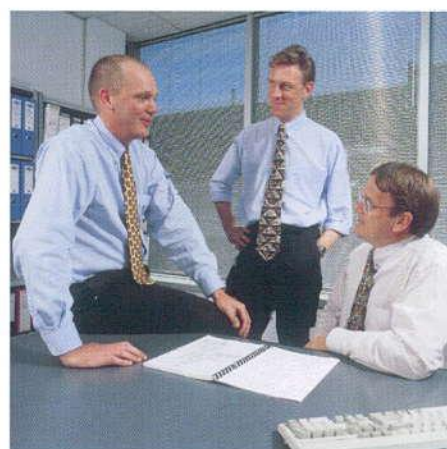
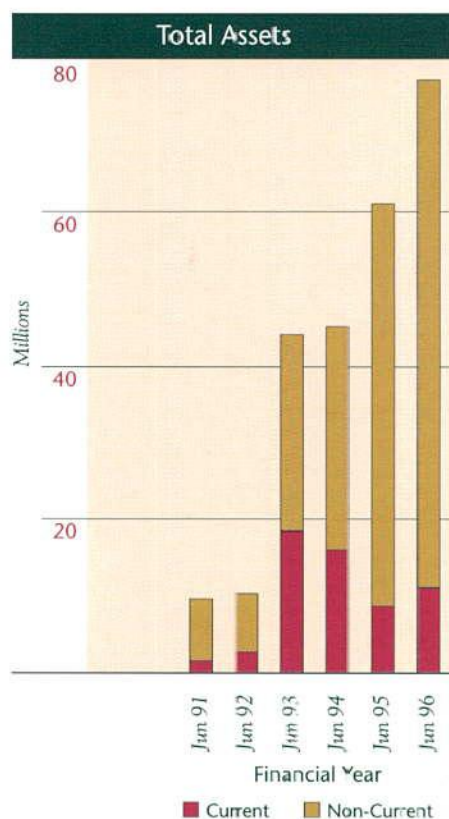
### DELIVERY SCHEDULE FOR HEDGE CONTRACTS

Financial Year	96/97	97/98	98/99	99/00	00/01
Gold Forward Sales (000 oz's)	18	22	12	-	-
Delivery Price A\$	562	562	562	-	-
Call Options sold (000 oz's)	10	10	-	-	-
Put Options bought (000 oz's)	25	-	-	-	-
Currency Forwards (US\$000's)	5,223	11,667	10,000	10,000	5,000
Exchange Rate	0.696	0.703	0.699	0.699	0.699

At 12 July 1996, the present value of the gold hedge book, marked to market, was \$5.1 million.

## FIVE YEAR FINANCIAL SUMMARY (YEAR ENDING 30TH JUNE)

	1996	1995	1994	1993	1992
<b>Gold Production (oz's)</b>	<b>86,482</b>	75,620	69,114	71,500	18,758
Realised gold price (\$/ounce)	554	538	542	491	527
Spot gold price (\$/ounce)	513	517	548	489	458
Cash mine operating costs (\$/ounce)	271	191	167	270	370
<b>Profit and Loss (\$000's)</b>					
Operating revenue	54,262	41,687	37,844	35,758	10,064
Operating profit before dep'n, interest & tax	25,353	21,363	22,031	9,135	2,042
Depreciation & amortisation	6,853	5,784	5,086	1,430	1,114
Operating profit before interest & tax	18,500	15,579	16,945	7,705	928
Interest expense/(income)	(22)	(629)	518	960	239
Operating profit before tax	18,522	16,208	16,427	6,745	689
Income tax expense	7,213	6,303	5,969	706	-
Profit after tax	11,309	9,905	10,458	6,039	689
<b>Balance Sheet (\$000's)</b>					
Cash and current receivables	6,691	4,340	12,593	13,676	377
Total assets	77,402	61,337	45,378	44,192	10,445
Trade creditors	4,545	3,286	3,000	4,459	1,715
Current borrowings & lease liability	37	1,014	119	12,084	917
Non current borrowings & lease liability	-	2,037	64	2,273	276
Shareholders' funds	60,145	40,612	32,596	24,043	7,475
<b>Cash Flows (\$000's)</b>					
Net cash receipts in course of operations	26,234	21,458	21,564	9,075	1,108
Interest received/(paid)	22	628	(518)	(903)	(239)
Tax paid	(6,405)	(2,905)	-	-	-
Capital expenditure less proceeds	(3,487)	(632)	(348)	(2,894)	(605)
Exploration, evaluation & development	(7,794)	(8,317)	(8,947)	(15,992)	-
Acquisition of controlled entity	(697)	(19,190)	-	-	-
Investments	-	(1,458)	10,338	(10,178)	-
Proceeds from issue of shares	645	945	789	10,528	-
Dividends paid	(2,799)	(2,721)	-	-	-
Borrowings/(repayment of borrowings)	(3,014)	2,869	(14,174)	13,164	(215)
Net cash flows for the year	2,705	(9,323)	8,704	2,800	49
Opening cash	2,296	11,619	2,915	115	66
Closing cash	5,001	2,296	11,619	2,915	115
<b>Share Information</b>					
No. of issued shares (000's)	155,307	137,744	134,057	129,995	58,275
No. of shareholders	3,605	3,145	2,631	2,559	1,173
Earnings per share (cents)	7.6	7.3	7.8	5.9	1.2
Return on shareholders' funds	18.8%	24.4%	32.1%	25.1%	9.2%
Dividends per share (cents)	2.0	2.0	2.0	-	-
Dividends paid/provided (\$000's)	3,114	2,799	2,725	-	-
<b>Reserves</b>					
Contained gold (000's of ounces)	1,671	1,378	305	393	453



Paul Frederiks, Company Secretary, Scott Stewart, Computer Systems Administrator and Kevin Lubbe, Financial Accountant.

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# DIRECTORS' REPORT

The Directors present their report on the consolidated accounts of Ross Mining NL and its controlled entities for the financial year ended 30 June 1996:

## DIRECTORS

The Directors of Ross Mining NL at the date of this report are:

**Ian C. Matheson**  
**(Non-executive Chairman)**

*B Com, FCPA, FAIB, AAUQ.*

Ian Matheson is a qualified accountant and has worked for over 47 years in the banking industry in Australia. During his time in banking he was Chairman of a major Australian bullion banking house and reached the position of Deputy Managing Director of Westpac Banking Corporation. Since retirement, he has become a Director of a number of companies. He is currently chairman of Fujitsu Australia Limited, Mackellar Robinson Australia Pty Ltd and PM Industries Pty Ltd.

**Lambertus de Graaf**  
**(Managing Director and Chief Executive Officer)**

*B.Sc. (Hons) Geol., Ph.D. (University of Bristol, UK), M.Aus.I.M.M., M.G.S.A.*

Dr. Bertus de Graaf has been a Director and chief executive of the Company since incorporation in 1986 and has over 23 years international experience in mineral exploration and mine development. Prior to his career with Ross Mining, he was employed by Shell/Billiton on various international exploration assignments.

**J. John Lawton**  
**(Executive Director)**

*B.App.Sci. (App. Geol.) M.Aus.I.M.M., M.G.S.A.*

John Lawton has been Executive Director of the Company since incorporation in 1986 and has 24 years experience in the Australian mining industry, principally in exploration management and mine development.

**Duncan C. Pursell**  
**(Non-executive Director)**

*B.Sc. M.Aus.I.M.M.*

Duncan Pursell is a mining engineer with more than 38 years experience in the mining industry, both in Australia and overseas. He is currently Managing Director of Jervois Mining NL - a listed Australian mining Company.

**Richard G. Tweedie**  
**(Non-executive Director)**

*LLB, Victoria University of Wellington.*

Richard Tweedie has more than 15 years experience in the oil and gas and mining industries in Australasia and is Managing Director of the parent company of the Company's largest shareholder. He is also a Director of Lachlan Resources NL, Bligh Oil & Minerals NL and Platsearch NL, all of which are listed Australian resource companies.

**Howard Jones**  
**(Non-executive Director)**

*B.Sc (Min.Eng) F.Aus.I.M.M., F.G.S.*

Howard Jones is a mining engineer now semi retired with more than 41 years experience in the mining industry, both in Australia and overseas. In 1983 he was awarded an OBE for services to the mining industry. He is also a Director of Great Northern Mining Corporation NL, a listed Australian resource company.



# DIRECTORS' REPORT

## PRINCIPAL ACTIVITIES

The principal activities of the corporations in the economic entity and of the chief entity during the period were gold mining, mineral exploration and acquisition of mineral tenements.

## TRADING RESULTS

Net operating profit after tax for the year was \$11.3 million. Gold production increased 14.4% to 86,481 ounces of gold delivered whilst consolidated revenue increased by 30.2% to \$54.3 million.

## REVIEW OF OPERATIONS

A review of the operations of the economic entity up until 30th June 1996 is contained elsewhere in this report.

## DIVIDEND

The Directors propose to recommend payment of a dividend of 2 cents per fully paid ordinary share (\$3.14 million) which will be fully franked. Partly paid shareholders will be entitled to dividends on the same basis as holders of fully paid shares except that the amount of such dividend shall be pro-rata to the amount of the total issue price from time to time paid up on such partly paid shares. There are no dividend rights attaching to options.

In view of commitments to the development of the Gold Ridge project in the So omon Islands and the Timbarra project in northern New South Wales, the Company has decided to institute a Dividend Reinvestment Plan ("DRP"). The DRP will be put to shareholders for approval at the Annual General Meeting. It is intended to make use of the DRP in respect of the proposed 2 cent dividend.

Shareholders will be provided with further information on the DRP and a dividend election form with the annual report which is expected to be released in October.

Given the relatively significant capital requirements of the various projects under development, the DRP will allow the company to continue to pay cash dividends with full franking credits attached whilst ensuring that, if required, there is the capacity for shareholders to reinvest their dividends at a discount. The Board will assess the need for a DRP to be used on a case by case basis for each dividend after the proposed 2 cent dividend, principally taking into account capital requirements of the Company at that point in time. Total dividends paid during the year amounted to \$2.8 million which related to the 1995 financial year.

## SHARES ISSUED

Throughout the year, employees and Directors converted their partly paid shares to fully paid shares by paying up the balance owing on their shares as allowed for in the Employee Share/Option Plan approved by shareholders on 22 November 1991. The number of partly paid shares converted was 50,000 (1995 - 305,000).

Also throughout the year, employees and Directors exercised options by paying up the exercise price on their options as provided for in their option contracts and allowed for in the Management Share Option Scheme approved by shareholders in November 1987 and the Employee Share/Option Plan approved by shareholders on 22 November 1991. The number of options exercised was 2,274,000 (1995 - 3,382,000).

## OPTIONS

A total of 575,000 options were granted to thirteen employees during the year, (1995 - 460,000), and 360,000 options were cancelled (1995 - 108,000), all in accordance with the terms of the Management Share Option Scheme approved by shareholders in November 1987 and the Employee Share/Option Plan approved by shareholders on 22 November 1991. Each option contract is for a five year period and relates to ordinary shares. The options are personal to the employee, cannot be traded, are unlisted and have an exercise price equivalent to the market price on the date the option contract was executed. There were 1,151,000 employee options outstanding at the date of this report (1995 - 1,060,000). There were no (1995 - 2,150,000) Directors options outstanding at the date of this report.

The names of all holders of options are entered in the company's register, inspection of which may be made free of charge.

In disclosing these details, the directors have availed themselves of ASC class order 94/284.

## DIRECTORS' REPORT

No person entitled to exercise these options had or has any right, by virtue of option, to participate in any share issue of any other body corporate.

### DIRECTORS' MEETINGS

During the year there were 11 Directors' meetings held of which 3 were by telephone conference and 2 were by circular. The number of Directors' meetings at which Directors were in attendance is as follows:

DIRECTORS' MEETINGS		
	Number Held Whilst in Office	Number Attended
W. Magi (resigned 25/9/95)	2	2
L. de Graaf	11	11
J.J. Lawton	11	10
I.C. Matheson	11	10
D.C. Pursell	11	9
R.G. Tweedie	11	10
H. Jones (appointed 29/9/95)	7	7

As at the date of this report, the Company had an Audit Committee of the Board of Directors. The members of the Audit Committee are I.C. Matheson, D.C. Pursell and R.G. Tweedie. The Audit Committee was established on 29 February 1996 and met for the first time in August. It is envisaged that there will be at least two meetings of the Audit Committee per year.

### DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

As at the date of this report the interests of the Directors in the shares and unlisted options of the Company were:

	Consolidated	
	30/09/1996	27/09/1995
<b>Ordinary Fully Paid:</b>		
L. de Graaf	3,000,000	3,000,000
J.J. Lawton	1,473,515	1,273,515
I.C. Matheson	80,000	80,000
R.G. Tweedie	20,000	20,000
<b>Ordinary Partly Paid (11 cents due):</b>		
L. de Graaf	250,000	250,000
J.J. Lawton	500,000	500,000
<b>Unlisted Options:</b>		
J.J. Lawton	-	650,000

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS IN CONTRACTS

No Director of the economic entity has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements, or the fixed salary of a full-time employee of the chief entity or of a related body corporate) by reason of a contract made by the chief entity or a related body corporate when the contract was made or when the Director received, or became entitled to receive the benefit, with the Director, with a firm of which the Director is a member, or, with a Company in which the Director has a substantial financial interest.

## CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the economic entity that occurred during the financial year not otherwise disclosed in this report or the financial statements.

## EVENTS SUBSEQUENT TO BALANCE DATE

Other than those particulars outlined in this report and in the financial statements, there has not arisen between 30 June 1996 and the date of this report any item, transaction or event of a relevant and unusual nature likely, in the opinion of the Directors, to affect substantially the affairs of the economic entity in subsequent financial years.

## LIKELY DEVELOPMENTS

Likely developments in the operations of the economic entity are included elsewhere in the Annual Report. The Directors believe, on reasonable grounds, that the provision of any further information would be likely to result in unreasonable prejudice of the interests of Ross Mining NL.

## ROUNDING

The amounts contained in the financial statements have been rounded off under the option available to the Company under S311 and Regulation 3.6.05 of the Corporations Law and Regulations.

## FINANCIAL STATEMENT PRESENTATION

For the purposes of the Corporations Law and accounting standards Ross Mining NL is the "chief entity" (holding company) and Ross Mining NL and its "controlled entities" (subsidiaries) are referred to as the "economic entity" (group).

## CORPORATE GOVERNANCE

The Directors support and have adhered to the principles set out in the publication "Corporate Practices and Conduct" (2nd edition 1993). By supporting the principles of the publication, the Directors recognise the need for the highest standards of corporate behaviour and accountability and therefore support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is contained in the additional ASX information section of this annual report. The corporate governance statement was approved by the Board on 29 February 1996 and enacted as of that date.

Signed in accordance with a resolution of the Directors.



**I. C. Matheson**  
Chairman



**L. de Graaf**  
Managing Director

Brisbane  
22 August 1996

# INDEPENDENT AUDIT REPORT

To the members of Ross Mining NL.

## SCOPE

We have audited the financial statements of Ross Mining NL for the financial year ended 30 June 1996 as set out on pages 34 to 55 including the Statement by Directors. The financial statements include the accounts of Ross Mining NL, and the consolidated accounts of the economic entity comprising Ross Mining NL and the entities it controlled at year's end or from time to time during the financial year. The Company's Directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

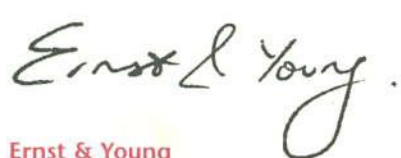
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Company's and the economic entity's financial position, the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

## AUDIT OPINION

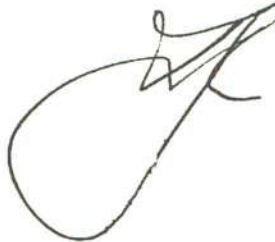
In our opinion, the financial statements of Ross Mining NL are properly drawn up:

- (a) so as to give a true and fair view of:
  - (i) the state of affairs as at 30 June 1996 and of the profit and cash flows for the financial year ended on that date of the Company and of the economic entity; and
  - (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.



Ernst & Young

R.J.C. Walsh  
Partner



Brisbane  
Date opinion formed: 22 August 1996

## DIRECTORS' STATEMENT

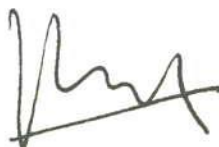
In the opinion of the Directors of Ross Mining NL:

- (a) the accompanying balance sheet and profit and loss account are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June, 1996 and the profit of the Company for the financial year ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due;
- (c) the accompanying consolidated accounts are drawn up so as to give a true and fair view of the state of affairs of the economic entity, constituted by the Company and its controlled entities as at 30 June 1996, and the profit of the economic entity, constituted by the Company and the entities it controlled from time to time during the financial year, for the financial year ended 30 June 1996;
- (d) the financial statements have been made out in accordance with Divisions 4, 4A and 4B of part 3.6 of the Corporations Law; and
- (e) the financial statements have been made out in accordance with applicable Accounting Standards.

Signed in accordance with a resolution of Directors.



**I.C. Matheson**  
Chairman



**L. de Graaf**  
Managing Director

Brisbane  
22 August 1996

## PROFIT AND LOSS ACCOUNT YEAR ENDED 30 JUNE 1996

	Note	Consolidated		Chief Entity	
		1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
Operating Revenue	2	54,262	41,687	53,885	39,991
Operating Profit	2,3	18,522	16,208	18,432	16,361
Income Tax attributable to Operating Profit	3,4	7,213	6,303	7,120	6,436
<b>Operating Profit after Income Tax</b>		<b>11,309</b>	<b>9,905</b>	<b>11,312</b>	<b>9,925</b>
Retained Profits at the beginning of the financial year		16,164	9,093	16,164	9,073
<b>Total available for appropriation</b>		<b>27,473</b>	<b>18,998</b>	<b>27,746</b>	<b>18,998</b>
Dividends provided for	5	3,115	2,834	3,115	2,834
<b>Retained Profits at the end of the financial year</b>		<b>24,358</b>	<b>16,164</b>	<b>24,361</b>	<b>16,164</b>

*The profit and loss account should be read in conjunction with the accompanying notes.*

## BALANCE SHEET AT 30 JUNE 1996

	Note	Consolidated		Chief Entity	
		1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Current Assets</b>					
Cash		5,001	2,296	5,212	2,192
Receivables	6	1,690	2,044	1,568	1,843
Inventories	7	4,492	3,065	4,452	2,970
Investments	8	-	1,458	-	1,402
<b>Total Current Assets</b>		<b>11,183</b>	<b>8,863</b>	<b>11,232</b>	<b>8,407</b>
<b>Non Current Assets</b>					
Receivables	6	-	-	3,599	1,896
Investments	8	2	-	28,775	19,190
Property, plant and equipment	9	5,451	2,987	5,078	2,427
Other	10	60,768	49,487	29,679	32,256
<b>Total Non Current Assets</b>		<b>66,221</b>	<b>52,474</b>	<b>67,131</b>	<b>55,769</b>
<b>Total Assets</b>		<b>77,404</b>	<b>61,337</b>	<b>78,363</b>	<b>64,176</b>
<b>Current Liabilities</b>					
Creditors and borrowings	11	4,582	4,300	4,278	4,065
Provisions	12	9,477	8,408	9,457	8,446
<b>Total Current Liabilities</b>		<b>14,059</b>	<b>12,708</b>	<b>13,735</b>	<b>12,511</b>
<b>Non Current Liabilities</b>					
Creditors and borrowings	11	-	2,037	1,258	5,000
Provisions	12	6,309	5,980	6,334	6,053
<b>Total Non Current Liabilities</b>		<b>6,309</b>	<b>8,017</b>	<b>7,592</b>	<b>11,053</b>
<b>Total Liabilities</b>		<b>20,368</b>	<b>20,725</b>	<b>21,327</b>	<b>23,564</b>
<b>Net Assets</b>		<b>57,036</b>	<b>40,612</b>	<b>57,036</b>	<b>40,612</b>
<b>Shareholders' Equity</b>					
Share capital	13	31,139	27,632	31,139	27,632
Reserves	14	1,536	(3,184)	1,536	(3,184)
Retained profits		24,358	16,164	24,361	16,164
<b>Shareholders' equity attributable to members of Ross Mining NL</b>		<b>57,033</b>	<b>40,612</b>	<b>57,036</b>	<b>40,612</b>
Outside equity interest in controlled entity		3	-	-	-
<b>Total Shareholders' Equity</b>		<b>57,036</b>	<b>40,612</b>	<b>57,036</b>	<b>40,612</b>

*The balance sheet should be read in conjunction with the accompanying notes.*

# STATEMENT OF CASH FLOWS YEAR ENDED 30 JUNE 1996

	Note	Consolidated		Chief Entity	
		1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Cash Flows from Operating Activities</b>					
Cash receipts in the course of operations		54,502	39,692	53,905	38,203
Cash payments in the course of operations		(28,268)	(18,234)	(27,689)	(16,301)
Income tax paid		(6,405)	(2,905)	(6,405)	(2,905)
Interest received		238	747	231	744
Interest & cost of finance paid		(216)	(119)	(216)	(110)
Net cash flow from operating activities	23	19,851	19,181	19,826	19,631
<b>Cash Flows from Investing Activities</b>					
Acquisition of property, plant & equipment		(3,512)	(810)	(3,380)	(639)
Exploration, evaluation & development costs		(7,794)	(8,317)	(3,073)	(12,721)
Proceeds from sales of property, plant & equipment		25	178	23	66
Acquisition of shares		-	(1,458)	-	(1,402)
Cash paid for purchase of controlled entity	23	(697)	(19,190)	(598)	(19,190)
Net cash flow from/(used in) investing activities		(11,978)	(29,597)	(7,028)	(33,886)
<b>Cash Flows from Financing Activities</b>					
Cash proceeds from issue of shares		645	945	642	945
Borrowing repayments from/(to) related parties		-	-	(4,607)	3,698
Borrowings - other		-	3,000	-	3,000
Borrowing repayments - other		(3,000)	-	(3,000)	-
Dividends paid		(2,799)	(2,721)	(2,799)	(2,721)
Finance lease principal		(14)	(131)	(14)	(48)
Net cash flow from/(used in) financing activities		(5,168)	1,093	(9,778)	4,874
Net increase/(decrease) in cash held		2,705	(9,323)	3,020	(9,381)
Add: opening cash brought forward		2,296	11,619	2,192	11,573
<b>Closing cash carried forward</b>		<b>5,001</b>	<b>2,296</b>	<b>5,212</b>	<b>2,192</b>

*The statement of cash flows should be read in conjunction with the accompanying notes.*



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 1.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law which include disclosures required by Schedule 5 and applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

#### (b) Joint Venture

Interests in joint ventures are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

#### (c) Inventories

##### (i) Ore Stockpiles and Gold-in-Circuit

Ore stockpiles and gold-in-circuit are valued at the lower of cost and net realisable value. Cost of production includes direct mining costs and an appropriate proportion of amortised mine development costs.

##### (ii) Consumables

Consumables are valued at the lower of cost and net realisable value.

#### (d) Recoverable Amount

Non-current assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount, those assets have been revalued downwards to their recoverable amount and those revalued amounts are disclosed as "Directors' Valuation" in these accounts. In determining recoverable amount the expected net cash flows have not been discounted. Other than certain non-current assets which are included at Directors' Valuation, the accounts have been prepared under the historical cost convention.

#### (e) Property, Plant & Equipment

##### *Cost and Valuation*

Property, plant and equipment are carried at cost or at Directors' valuation. Any surplus on revaluation is credited directly to the asset revaluation reserve and excluded from the profit and loss account.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

Any gain or loss on the disposal of revalued assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal and is included in the results of the Company or economic entity in the year of disposal.

##### *Depreciation*

Depreciation is provided on a diminishing value or unit of production basis on all property, plant and equipment, other than freehold land, at rates calculated to allocate the cost or valuation, less estimated residual value at the end of the useful lives of the assets, against revenue over those estimated useful lives.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## (f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

## (g) Exploration, Evaluation & Development Expenditure

### *Costs carried forward*

Exploration and evaluation expenditure is written off in the year in which it is incurred except for areas of interest for which rights of tenure are held and for which:

- (i) Exploration and evaluation activities in the area have not yet reached a level which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and significant operations and feasibility studies in relation to the area are continuing; or
- (ii) The expenditure is expected to be recouped through development and economic exploitation of the area of interest, or alternatively by sale.

### *Amortisation*

Once it is decided to proceed with the development of reserves in an area of interest, the accumulated exploration and other costs attributable to that area are transferred to the production phase and amortised against production over the estimated life of the mine. The amortisation is determined on a production output basis.

As a result of the mining of the Mt Coolon deposit, and having regard to the relocation of the Yandan plant to Wirralie in the future, the Company has adopted the Drummond Basin (which contains Yandan, Mt Coolon and Wirralie) as a single area of interest for amortisation purposes. Previously each locality was treated as a separate area of interest for amortisation purposes. The Company considers that the adoption of the Drummond Basin as a single area of interest more appropriately reflects the area of interest concept. Exploration expenditure in the Drummond Basin is therefore now being amortised having been transferred to production phase expenditure due to this change. This change in amortisation methodology has had the effect of reducing amortisation charged in the current year by \$999,500 after tax.

### *Restoration costs*

Rehabilitation costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development or production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to plant closure and removal and restoration of the site including tailings dams and waste dumps. These estimates of the restoration obligations are based on current legal requirements and costs. Any changes in the estimates are adjusted on a prospective basis. In determining restoration obligations, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such gold mines, in the future.

## (h) Employee Entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave and sick leave.

Employee entitlement expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, sick leave and other leave entitlements; and other types of employee entitlements including superannuation are charged against profits on a net basis in their respective categories.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 1.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Foreign Currencies

##### *Translation of foreign currency transactions*

Transactions in foreign currencies of entities within the economic entity are converted to local currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the entities within the economic entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to the local currency using rates of exchange ruling at the end of the financial year.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange rate differences arising on settlement or restatement are brought to account in determining the profit or loss for the financial year.

##### *Translation of accounts of overseas operations*

The accounts of overseas operations which are deemed to be integrated, are translated using the temporal method and any exchange differences have been taken to the profit and loss account.

#### (j) Earnings per share

Basic earnings per share is determined by dividing the operating profit after tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by dividing the operating profit after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 2 - OPERATING PROFIT

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<i>Operating profit before income tax has been determined after:</i>				
(i) <b>Crediting:</b>				
Profit on sale of non current assets	20	38	20	12
(ii) <b>Charging as an Expense:</b>				
Amortisation of capitalised leased assets	17	47	15	37
Amortisation of capitalised mine development and exploration expenses	6,031	4,832	4,969	4,701
Depreciation of plant and equipment	805	905	779	847
Write off of exploration expenses	314	210	103	210
Interest paid to other persons	212	104	212	104
Finance charges - lease liability	4	15	4	6
Loss on disposal of non current assets	166	82	-	1
Government royalties	970	816	963	783
Provision for employee entitlements	224	104	210	100
Rental operating leases	172	144	172	144
Superannuation contributions	315	228	310	222
Provision for rehabilitation	50	50	50	50
Provision for non-recovery of receivable from controlled entity	-	-	1,122	374
<i>Included in the operating profit are the following items of operating revenue:</i>				
<b>Sales Revenue</b>				
Gold sales	47,910	40,694	47,563	39,121
Silver sales	41	28	39	19
Proceeds from close out of forward sales contracts	6,029	41	6,029	41
	<b>53,980</b>	<b>40,763</b>	<b>53,631</b>	<b>39,181</b>
<b>Other Revenue</b>				
Interest received from other persons/corporations	238	747	231	744
Sundry revenue	19	-	-	-
Proceeds from sale of non current assets	25	177	23	66
	<b>282</b>	<b>924</b>	<b>254</b>	<b>810</b>
<b>Operating revenue</b>	<b>54,262</b>	<b>41,687</b>	<b>53,885</b>	<b>39,991</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 3 - ABNORMAL ITEMS

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<i>Included in the operating profit is the following abnormal item:</i>				
Profit on closeout of 202,800 ounces of gold from hedging position	6,023	-	6,023	-
Restatement of deferred tax liability as a result of the change in income tax rate from 33% to 36% (Note 4)	-	(498)	-	(504)
Applicable income tax	(2,168)	-	(2,168)	-
	<b>3,855</b>	<b>(498)</b>	<b>3,855</b>	<b>(504)</b>

## NOTE 4 - INCOME TAX EXPENSE

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
Prima facie income tax expense 36% (1995 33%)	6,668	5,349	6,635	5,399
Tax effect of permanent differences:				
Legal fees	-	175	-	175
Amortisation of mining leases	514	247	445	236
Provision for non recovery	-	-	407	124
Other items	18	3	1	3
Underprovision prior period	12	31	12	31
Tax losses transferred from controlled entity	-	-	(380)	(36)
Income tax attributable to operating profit	7,213	5,805	7,120	5,932
Abnormal tax expense attributable to change in tax rate (Note 3)	-	498	-	504
Total income tax expense	7,213	6,303	7,120	6,436
Income tax provided comprises:				
Provision attributable to current year	6,884	5,215	6,986	5,295
Under/(over) provision of previous year	147	-	147	-
Provision attributable to future years:				
Deferred income tax liability	194	1,190	78	1,207
Future income tax benefit	(12)	(102)	(91)	(66)
	<b>7,213</b>	<b>6,303</b>	<b>7,120</b>	<b>6,436</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 1996**

**NOTE 5 - DIVIDENDS PROVIDED FOR**

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
Franked dividend - underprovision prior period	1	35	1	35
Franked dividends proposed	3,114	2,799	3,114	2,799
Previous year franked dividends paid	2,799	2,725	2,799	2,725
Amount of unappropriated profits and reserves which could be distributed as franked dividends out of existing franking credits or out of franking credits arising from the payment of income tax in the forthcoming period in respect of the current year's profits.	18,437	13,851	18,437	13,851

**NOTE 6 - RECEIVABLES**

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Current</b>				
Sundry debtors and prepayments	1,690	2,044	1,568	1,843
<b>Non Current</b>				
Amount receivable from controlled entities	-	-	5,104	2,270
Provision for non recovery	-	-	(1,505)	(374)
	-	-	3,599	1,896

**NOTE 7 - INVENTORIES**

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Current</b>				
Ore stocks at cost	2,795	1,431	2,795	1,431
Gold-in-circuit at cost	271	333	271	312
Consumables & spare parts at cost	1,446	1,321	1,406	1,247
Less: provision for obsolescence	(20)	(20)	(20)	(20)
	4,492	3,065	4,452	2,970

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 1996

NOTE 8 - INVESTMENTS

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Current</b>				
Shares in non-controlled listed Company	-	1,458	-	1,402
Gold nuggets	2	-	-	-
	2	1,458	-	1,402
Aggregate quoted market value of investments listed on a prescribed stock exchange as at 30 June 1995	-	1,694	-	1,650
<b>Non-Current</b>				
Controlled entities - unlisted shares (Note 15)	-	-	28,775	19,190

NOTE 9 - PROPERTY, PLANT & EQUIPMENT

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Plant &amp; Equipment</b>				
At cost	7,934	5,549	7,380	3,962
Less: accumulated depreciation	(2,503)	(2,623)	(2,317)	(1,565)
	5,431	2,926	5,063	2,397
<b>Plant &amp; Equipment under Lease</b>				
At cost	106	282	68	68
Less: accumulated amortisation	(86)	(221)	(53)	38
	20	61	15	30
<b>Total plant &amp; equipment</b>	<b>5,451</b>	<b>2,987</b>	<b>5,078</b>	<b>2,427</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 10 - OTHER NON-CURRENT ASSETS

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<i>Exploration, evaluation and development costs carried forward in respect of mining areas of interest.</i>				
<b>Pre-production</b>				
Exploration & evaluation phases - at cost	39,568	27,743	9,501	12,019
Development phase - at cost	-	5,976	-	5,976
	<b>39,568</b>	<b>33,719</b>	<b>9,501</b>	<b>17,995</b>
<b>Production</b>				
Exploration, evaluation and mine development costs at cost	37,323	25,863	34,263	22,803
Less: accumulated amortisation	(17,146)	(11,118)	(14,085)	(8,542)
	20,177	14,745	20,178	14,261
At Directors' valuation 1995	1,023	1,023	-	-
	<b>21,200</b>	<b>15,768</b>	<b>20,178</b>	<b>14,261</b>
Total other non current assets	<b>60,768</b>	<b>49,487</b>	<b>29,679</b>	<b>32,256</b>
<i>Exploration, evaluation and development costs carried forward in respect of mining areas of interest in the pre-production phase, include the following joint ventures.</i>				
Joint venture with Menzies Gold NL (Ross earning 75%)				
<b>Bimurra</b> Exploration & evaluation	137	164	137	164
Joint venture with Newcrest Mining Ltd (Ross earning 51%)				
<b>Rosetta</b> Exploration & evaluation	184	132	184	132
Joint venture with Sons of Gwalia Ltd (Ross earning 65%)				
<b>Yacamunda, Rotten Stone, Boundary Creek</b> Exploration & evaluation	311	70	311	70
<b>Totals</b>	<b>632</b>	<b>366</b>	<b>632</b>	<b>366</b>

*The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of costs carried forward for the development phase is not being charged pending the commencement of production.*



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 11 - CREDITORS AND BORROWINGS

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Current</b>				
Other loans (Secured)	-	1,000	-	1,000
Lease liabilities (Note 16)	37	14	37	14
Trade creditors	4,545	3,286	4,241	3,051
	4,582	4,300	4,278	4,065
<b>Non Current</b>				
Bank loans (secured)	-	2,000	-	2,000
Amount payable to controlled entity	-	-	1,258	2,963
Lease liabilities (Note 16)	-	37	-	37
	-	2,037	1,258	5,000

## NOTE 12 - PROVISIONS

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Current</b>				
Employee entitlements	506	282	486	276
Rehabilitation	154	104	154	104
Income tax (Note 4)	5,694	5,215	5,694	5,259
Dividend	3,123	2,807	3,123	2,807
	9,477	8,408	9,457	8,446
<b>Non Current</b>				
Deferred tax liability (Note 4)	6,309	5,980	6,334	6,053

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 13 - SHARE CAPITAL

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Authorised Share Capital</b>				
250,000,000 ordinary shares of 20 cents each	50,000	50,000	50,000	50,000
<b>Issued and Fully Paid Capital</b>				
Opening balance - 137,743,770 (1995 134,056,770) ordinary shares of 20 cents each	27,549	26,812	27,549	26,812
Issued during the year - 15,239,009 (1995 nil) ordinary shares of 20 cents each	3,048	-	3,048	-
Conversion of 50,000 (1995 305,000) partly paid shares	10	61	10	61
Exercise of 2,274,000 (1995 3,382 000)	454	676	454	676
Closing balance - 155,306,779 (1995 137,743,770) ordinary shares of 20 cents each	31,061	27,549	31,061	27,549
<b>Issued and Partly Paid Capital</b>				
Opening balance - 920,000 (1995 1,225,000) ordinary shares of 20 cents each issued at various discounts	83	113	83	113
Conversion to fully paid shares:				
Nil (1995 20,000) shares at 7 cents per share	-	(1)	-	(1)
50,000(1995 185,000) shares at 10.5 cents per share	(5)	(20)	(5)	(20)
Nil (1995 100,000) shares at 9 cents per share	-	(9)	-	(9)
Closing balance - 870,000 (1995 920,000) ordinary shares of 20 cents each issued at various discounts.	78	83	78	83
<b>Total Issued Capital</b>	<b>31,139</b>	<b>27,632</b>	<b>31,139</b>	<b>27,632</b>

### Shares issued during the year:

On 28 September 1995, the chief entity acquired 100% of the share capital of Auralia Resources NL (Auralia), a Company listed at that time on the Australian Stock Exchange. This acquisition was achieved via a Scheme of Arrangement wherein under the terms of the scheme, Auralia shareholders received one (1) Ross Mining share for every five point four (5.4) Auralia shares. The merger was approved by Court hearing on 27 September 1995 and trading in Auralia shares was halted on 28 September 1995. During October 1995, 15,239,009 Ross Mining NL shares were issued at a premium of 29.8 cents as consideration for the Auralia shares. Details of the consideration and net assets of Auralia are disclosed in note 23 of these accounts.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 13 - SHARE CAPITAL (CONTINUED)

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Options - Employees'</b>				
Balance at beginning of period	1,060,000	990,000	1,060,000	990,000
Granted	575,000	460,000	575,000	460,000
Exercised	(124,000)	(282,000)	(124,000)	(282,000)
Cancelled	(360,000)	(108,000)	(360,000)	(108,000)
Balance at end of period	1,151,000	1,060,000	1,151,000	1,060,000
<b>Options - Directors'</b>				
Balance at beginning of period	2,150,000	5,250,000	2,150,000	5,250,000
Granted	-	-	-	-
Exercised	(2,150,000)	(3,100,000)	(2,150,000)	(3,100,000)
Cancelled	-	-	-	-
Balance at end of period	-	2,150,000	-	2,150,000
<b>Total options outstanding</b>	<b>1,151,000</b>	<b>3,210,000</b>	<b>1,151,000</b>	<b>3,210,000</b>

### Options Issued During the Year:

All movements in Employees' and Directors' options and partly paid shares were in accordance with the terms of the Management Share Option Scheme approved by shareholders in November 1987 and the Employee Share/Option Plan approved by shareholders on 22 November 1991. Options are personal, cannot be traded and are unlisted. Employee Options are issued with a 5 year term and have an exercise price equivalent to the market price on the date the option contract was executed. Directors' Options expired on 31 October 1995 and had an exercise price of 25 cents.

## NOTE 14 - RESERVES

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Share Premium Reserve</b>				
Opening balance	7,102	6,864	7,102	6,864
Issue of 17,513,009 (1995 3,382,000) ordinary 20 cent shares at various premiums per share	4,720	238	4,720	238
Closing balance	11,822	7,102	11,822	7,102
<b>Share Discount Reserve</b>	<b>(10,286)</b>	<b>(10,286)</b>	<b>(10,286)</b>	<b>(10,286)</b>
<b>Total Reserves</b>	<b>1,536</b>	<b>(3,184)</b>	<b>1,536</b>	<b>(3,184)</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 15 - INVESTMENT IN CONTROLLED ENTITIES AND CONTRIBUTION TO ECONOMIC ENTITY PROFIT

Name of Company	Book Value of Chief Entity's Investment		Contribution to Economic Entity Profit (\$'000)	
	As at 30/06/96	As at 30/06/95	Year Ended 30/06/96	Year Ended 30/06/95
Ross Mining NL			11,320	9,925
<b>100% Controlled Entities</b>				
Belyando Mining Pty Ltd	2	2	(857)	(344)
Ross Mining Investments Pty Ltd	2	2	-	-
Saracen Minerals Pty Ltd (Formerly Saracen Minerals Limited)	19,189,649	19,189,649	(220)	(50)
Ross Mining (Solomon Islands) Limited (Formerly Saracen Minerals (Solomon Islands) Ltd)	-	-	-	-
<b>100% Acquired 28 September 1995 *</b>				
Auralia Resources Pty Ltd (Formerly Auralia Resources NL)	9,585,312	-	(57)	-
Levu Gold Pty Ltd (Formerly Levu Gold NL)	-	-	(1)	-
Capricornia Prospecting Pty Ltd	-	-	2	-
<b>Consolidation Adjustments</b>	-	-	1,122	374
	<b>28,774,965</b>	<b>19,189,653</b>	<b>11,309</b>	<b>9,905</b>

\* At balance date chief entity held 99.98% of the issued share capital of Auralia Resources Pty Ltd.

All the above companies are incorporated in Australia with the exception of Ross Mining (Solomon Islands) Ltd which is incorporated in the Solomon Islands.

## NOTE 16 - COMMITMENTS FOR EXPENDITURE

### Exploration Tenement Leases

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity is required to outlay lease rentals and to meet expenditure requirements of the Queensland, New South Wales and Solomon Islands Mines Departments. These obligations are subject to renegotiation upon expiry of the exploration leases or when application for a mining lease is made. The obligations are not provided for in the accounts and are payable as follows:

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
Payable no later than one year	3,740	3,600	3,601	3,600
Payable later than one, not later than 2 years	732	3,100	174	1,574
Payable later than 2 years, not later than 5 years	523	114	522	114
	<b>4,995</b>	<b>6,814</b>	<b>4,297</b>	<b>5,288</b>

It should be noted that the nature of tenement portfolio management is such that the actual expenditures incurred may vary significantly from these "commitments", depending upon the results of future exploration.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 1996

NOTE 16 - COMMITMENTS FOR EXPENDITURE (CONTINUED)

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>Joint Venture Commitments</b>				
<i>The Company and economic entity have the following cumulative commitments in respect of exploration joint ventures to which they are farming in and are not provided for in the accounts:</i>				
Payable no later than one year	574	539	574	539
Payable later than one, not later than 2 years	1,547	574	1,547	574
Payable later than 2 years, not later than 5 years	-	1,483	-	1,483
	<b>2,121</b>	<b>2,596</b>	<b>2,121</b>	<b>2,596</b>
<b>Finance Lease Commitments:</b>				
Payable no later than one year	39	18	39	18
Payable later than one, not later than 2 years	-	39	-	39
	39	57	39	57
Future finance charges	(2)	(6)	(2)	(6)
Lease liability	37	51	37	51
Classified as:				
Current (Note 11)	37	14	37	14
Non current (Note 11)	-	37	-	37
	37	51	37	51
<b>Operating Lease Commitments (non-cancellable):</b>				
Payable no later than one year	190	166	190	166
Payable later than one, not later than 2 years	205	179	205	179
Payable later than 2, not later than 5 years	70	248	70	248
	<b>465</b>	<b>593</b>	<b>465</b>	<b>593</b>
<b>Gold Delivery Commitments:</b>				
<b>Contract Type</b>		<b>Maturity Dates</b>	<b>Ounces</b>	<b>Price (A\$/oz)</b>
<i>As at 30/6/96:</i>				
Gold fixed forwards		September 1996 to December 1998	52,646	\$562.00
<i>As at 30/6/95</i>				
Gold fixed forwards		September 1995 to June 2002	278,983	\$674.87
Gold deferred forwards			4,000	\$562.00
<b>Total</b>			<b>282,983</b>	<b>\$673.27</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 16 - COMMITMENTS FOR EXPENDITURE (CONTINUED)

Currency Commitments:			
Contract Type	Maturity Dates	US\$	Price
As at 30/6/96: Fixed US\$	June 1997	5,223,193	0.6960
Fixed US\$	December 1997	6,666,667	0.7090
Fixed US\$	June 1998 to December 2000	30,000,000	0.6999
<b>Total</b>		<b>41,889,860</b>	<b>0.7009</b>
As at 30/6/95: Fixed US\$	June 1995 to June 1997	15,500,000	0.6960
Fixed US\$	December 1995 to December 1997	20,000,000	0.7090
<b>Total</b>		<b>35,500,000</b>	<b>0.7033</b>

## NOTE 17 - REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors of the economic entity for:	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
Auditing the accounts	61	43	61	35
Other services	13	42	13	42
Share registry	35	31	35	31
	<b>109</b>	<b>116</b>	<b>109</b>	<b>108</b>

## NOTE 18 - EARNINGS PER SHARE

	Consolidated	
	1996	1995
Basic earnings per share (cents per share)	7.6	7.3
Diluted earnings per share (cents per share)	7.6	7.1
Weighted average number of ordinary shares used in calculation of basic earnings per share	148,758,386	136,597,082

## NOTE 19 - SUPERANNUATION COMMITMENTS

The chief entity operates a superannuation scheme for executive Directors under which they are entitled to benefits on retirement or death. The scheme is non contributory whereby only the Company contributes to the plan in sufficient amount to meet all estimated future liabilities. At balance date the assets of the scheme are sufficient to satisfy all benefits that would have vested under the scheme in the event of its termination and voluntary or compulsory liquidation of employment of each of the two executive Directors concerned.

The chief entity also contributes to an external accumulation fund for its other Australian based employees which provides benefits for employees and their dependants on retirements, disability or death. It provides benefits on a defined contribution basis. Some employees also voluntarily contribute to this fund. Contributions are enforceable to the extent of the contribution required by the Superannuation Guarantee Levy. In the Solomon Islands the Company is legally obliged to contribute 12.5% of salaries and wages to the National Provident Fund which is a national retirement plan administered by the government.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 20 - REMUNERATION OF DIRECTORS AND EXECUTIVES

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<b>DIRECTORS</b>				
<i>The Directors of Ross Mining NL during the financial year were W. Magi (resigned 25/9/95), L. de Graaf, J.J. Lawton, H. Jones (appointed 29/9/95), I.C. Matheson, D.C. Pursell and R.G. Tweedie.</i>				
Income received or due and receivable by Directors of Ross Mining NL and the economic entity. The Directors have applied ASC Class Order 95/741 in the disclosure of Directors' remuneration and benefits.	480	485	480	485
<i>The number of Ross Mining NL Directors included in these figures are shown below in their relevant income bands (including superannuation contributions):</i>				
<b>Income between</b>				
\$10,000 and \$19,999			3	3
\$30,000 and \$39,999			2	-
\$100,000 and \$109,999			-	1
\$130,000 and \$139,999			-	1
\$150,000 and \$159,999			1	-
\$190,000 and \$199,999			-	1
\$210,000 and \$219,999			1	-
There have been no prescribed benefits paid to or on behalf of Directors and principal executive officers of entities in the economic entity which require approval at a general meeting. In the opinion of Directors, remuneration paid to Directors is considered reasonable.				
<b>EXECUTIVES</b>				
Income received by executive officers whose income is more than \$100,000 from the chief entity.	824	691	824	691
<i>The number of executive officers included in these figures are shown below in their relevant income bands:</i>				
<b>Income between</b>				
\$100,000 and \$109,999	1	-	1	-
\$110,000 and \$119,999	2	2	2	2
\$120,000 and \$129,999	1	-	1	-
\$130,000 and \$139,999	-	2	-	2
\$150,000 and \$159,999	1	-	1	-
\$190,000 and \$199,999	-	1	-	1
\$210,000 and \$219,999	1	-	1	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 21 - RELATED PARTY INFORMATION

### DIRECTORS

The names of each person holding the position of Director of the Company during the financial year and details of their remuneration are set out in note 20.

No Director of the economic entity has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in this note, note 20, note 24, or the fixed salary of a full-time employee of the chief entity or of a related body corporate) by reason of a contract made by the chief entity or a related body corporate, with the Director, with a firm of which the Director is a member or with a Company in which the Director has a substantial financial interest.

	Consolidated	
	1996 \$'000	1995 \$'000
<b>Directors' Shareholdings</b>		
<i>The aggregate number of fully paid shares acquired by Directors of the Company and the economic entity and their Director-related entities during the year, including the exercise of options:</i>		
Fully paid ordinary shares	2,150,000	3,100,000
<i>The aggregate number of fully paid shares disposed of by Directors of the Company and the economic entity and their Director-related entities during the year:</i>		
Fully paid ordinary shares	2,250,000	3,200,000
<i>Directors' relevant interests in the shares and unlisted options of the Company at balance date:</i>		
Ordinary fully paid		
L. de Graaf	3,000,000	3,000,000
J.J. Lawton	1,473,515	1,273,515
I.C. Matheson	80,000	80,000
R.G. Tweedie	20,000	20,000
Ordinary partly paid (11 cents due):		
L. de Graaf	250,000	250,000
J.J. Lawton	500,000	500,000
Unlisted options:		
W.G. Magi	-	500,000
L. de Graaf	-	1,000,000
J.J. Lawton	-	650,000

Ross Mining NL is the ultimate holding Company.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 22 - SEGMENT INFORMATION

	Australia \$'000	Solomon Islands \$'000	Total \$'000
Segment Assets - 1995	45,433	15,904	61,337
Segment Assets - 1996	56,871	20,533	77,404

*During the reporting period, the economic entity engaged in gold mining and exploration for various minerals within Australia and the Solomon Islands. All revenue received, and the total result was from the Australian Operations.*

## NOTE 23 - STATEMENT OF CASH FLOWS

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
(a) <i>Reconciliation of the operating profit after tax with the net cash flows from operations:</i>				
Operating profit after tax	11,309	9,905	11,312	9,925
Depreciation & amortisation	6,853	5,784	6,341	5,585
Amounts set aside to provisions	752	1,241	1,826	1,655
Exploration expenditure written off	314	210	103	210
Proceeds from the sale of non-current assets	(25)	(178)	(23)	(66)
Book value of non-current assets sold	170	221	3	54
<b>Changes in Assets &amp; Liabilities</b>				
Receivables & prepayments - current	504	(969)	275	(978)
Inventory	(1,427)	454	(1,482)	(470)
Trade creditors	1,072	202	1,190	166
Deferred income tax liability	329	2,311	281	3,550
<b>Net Cash Flow from Operating Activities</b>	<b>19,851</b>	<b>19,181</b>	<b>19,826</b>	<b>19,631</b>
(b) <i>Financing facility:</i>				
Undrawn credit facility of the economic entity at balance date	10,000	8,000	10,000	8,000

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 1996

## NOTE 23 - STATEMENT OF CASH FLOWS (CONTINUED)

### (c) Acquisition of Controlled Entity

On 28 September 1995, the chief entity acquired 100% of the share capital of Auralia Resources NL (Auralia), a Company listed at that time on the Australian Stock Exchange. The Company has since been delisted and the three minority option holders have subsequently exercised some of their Auralia options to hold a total of 1,502 shares in Auralia. At 30/6/96 the chief entity therefore held 99.98% of the issued share capital of Auralia. The Company was converted to a proprietary company limited by shares on 1st March 1996 and the Company's new name is therefore Auralia Resources Pty Ltd. The acquisition details are:

<b>Consideration</b>	
Shares issued 15,239,007	7,585
Cash paid (investment held at 30/6/95)	1,458
Cash paid current year	543
<b>Total Consideration</b>	<b>9,586</b>
<b>Net Assets of Auralia Resources NL at 28/9/95:</b>	
Cash	46
Receivables	150
Investments	2
Exploration and evaluation expenditure	9,748
Plant and equipment	27
Trade creditors	(187)
Loan from Ross Mining NL	(200)
<b>Total net assets purchased</b>	<b>9,586</b>
<b>Net cash effect</b>	
Cash consideration above	543
Loan included in net assets acquired	200
Cash on hand included in net assets acquired	(46)
<b>Cash paid for purchase of controlled entity as reflected in the consolidated accounts</b>	<b>697</b>

## NOTE 24 - CONTINGENT LIABILITY

	Consolidated		Chief Entity	
	1996 \$'000	1995 \$'000	1996 \$'000	1995 \$'000
<i>Details and maximum amounts of contingent liabilities for which no provisions are included in the financial statements:</i>				
Bank guarantees	1,870	2,431	1,671	2,390
Termination benefits under service agreements with executive directors	200	170	200	170

# SCHEDULE OF TENEMENTS HELD AT 30 JUNE 1996

	Tenement No.	Project	Registered Holders(s)	Group Equity	
QUEENSLAND	EPM 7259	Rosetta	Newcrest Mining NL	51%	
	EPM 8257	Yandan	Ross Mining NL	100%	
	EPM 8908	Olderfleet	Ross Mining NL	100%	
	EPM 8909	Blackadder	Ross Mining NL	100%	
	EPM 9073	The Range	Saracen Minerals Pty Ltd	70%	
	EPM 9080	Yacamunda	Sons of Gwalia Ltd	60%	
	EPM 9081	Rottenstone	Sons of Gwalia Ltd	60%	
	EPM 9252	Boundary Creek	Sons of Gwalia Ltd	60%	
	EPM 9308	Wirralie	Ross Mining NL	100%	
	EPM 9310	Mt Coolon	Ross Mining NL	100%	
	EPM 9718	Conway	Ross Mining NL	100%	
	EPM 10225	Camberwell	Ross Mining NL	100%	
	EPM10425	Yandan Southwest	Ross Mining NL	100%	
	EPM 10586	Carmel East	Ross Mining NL	100%	
	EPM 10909	St Anne	Ross Mining NL	100%	
	EPM 10995	Suttor River	Ross Mining NL	100%	
	EPM 11048	Sellheim	Ross Mining NL	100%	
	EPM(A) 11258	Rankin	Ross Mining NL	100%	
	ML 1029	Koala 1	Ross Mining NL	100%	
	ML 1079	Wirralie	Ross Mining NL	100%	
	ML 1085 - 1086	Koala	Ross Mining NL	100%	
	ML 1095 - 1096	Yandan	Ross Mining NL	100%	
	ML 2292	Byjingo	Ross Mining NL	100%	
	ML 2312	Belyando	Ross Mining NL	100%	
	ML 10124	East & West	Minexco Associates Pty Ltd	13%	
	ML 10125	Welcome Again	Minexco Associates Pty Ltd	13%	
	MDL 22	Bimurra	Menzies Gold NL	75%	
	MDL 131 - 132	The Range	Saracen Minerals Pty Ltd	70%	
	NEW SOUTH WALES	EL 2619	Timbarra	Ross Mining NL	100%
		EL 3788	Timbarra	Ross Mining NL	100%
		EL 4160	Timbarra	Ross Mining NL	100%
		EL 4175	Timbarra	Ross Mining NL	100%
		EL 4560	Solferino	Levu Gold Pty Ltd	100%
EL 4614		Boonoo Boonoo	Auralia Resources Pty Ltd	100%	
EL 4708		Inverell	Auralia Resources Pty Ltd	100%	
EL 4712		Inverell	Auralia Resources Pty Ltd	100%	
EL(A) 61		Timbarra	Ross Mining NL	100%	
E(P)L 1082		Timbarra	Capricornia Prospecting Pty Ltd	100%	
E(P)L 1084 - 1086		Timbarra	Capricornia Prospecting Pty Ltd	100%	
E(P)L 1099		Timbarra	Ross Mining NL	100%	
E(P)L 1100		Timbarra	Ross Mining NL	100%	
E(P)L 1101		Timbarra	Ross Mining NL	100%	
ML 1386		Timbarra	Capricornia Prospecting Pty Ltd	100%	

# SCHEDULE OF TENEMENTS HELD AT 30 JUNE 1996

	Tenement No.	Project	Registered Holder(s)	Group Equity
<b>NORTHERN TERRITORY</b>	MCN 14	Spring Hill	Ross Mining NL	100%
	MCN 93	Spring Hill	Ross Mining NL	100%
	MCN 130	Spring Hill	Ross Mining NL	100%
	MCN 142	Spring Hill	Ross Mining NL	100%
	MCN 176	Spring Hill	Ross Mining NL	100%
	MCN 177	Spring Hill	Ross Mining NL	100%
	MCN 178	Spring Hill	Ross Mining NL	100%
	MCN 187	Spring Hill	Ross Mining NL	100%
	MCN 229	Spring Hill	Ross Mining NL	100%
	MCN 302	Spring Hill	Ross Mining NL	100%
	MCN 318	Spring Hill	Ross Mining NL	100%
	MCN 420	Spring Hill	Ross Mining NL	100%
	MCN 421	Spring Hill	Ross Mining NL	100%
	MCN 422	Spring Hill	Ross Mining NL	100%
	MCN 434	Spring Hill	Ross Mining NL	100%
	MCN 509	Spring Hill	Ross Mining NL	100%
	MCN 597	Spring Hill	Ross Mining NL	100%
	MCN 677	Spring Hill	Ross Mining NL	100%
	MCN 741	Spring Hill	Ross Mining NL	100%
	MCN 742	Spring Hill	Ross Mining NL	100%
	MCN 752	Spring Hill	Ross Mining NL	100%
	MCN 858	Spring Hill	Ross Mining NL	100%
	MCN 859	Spring Hill	Ross Mining NL	100%
	MCN 896	Spring Hill	Ross Mining NL	100%
	MCN 967	Spring Hill	Ross Mining NL	100%
	MCN 3709	Spring Hill	Ross Mining NL	100%
	MCN 3715	Spring Hill	Ross Mining NL	100%
	MCN 3717 - 3719	Spring Hill	Ross Mining NL	100%
	MCN 3965 - 3968	Spring Hill	Ross Mining NL	100%
	MCN 4033 - 4066	Spring Hill	Ross Mining NL	100%
	MCN 4195	Spring Hill	Ross Mining NL	100%
	MCN 4196	Spring Hill	Ross Mining NL	100%
		MLN 789	Spring Hill	Ross Mining NL
	MLN 799 - 803	Spring Hill	Ross Mining NL	100%
	MLN 834	Spring Hill	Ross Mining NL	100%
	MLN 870	Spring Hill	Ross Mining NL	99%
	MLN 871	Spring Hill	Ross Mining NL	99%
	MLN 939	Spring Hill	Ross Mining NL	100%
<b>WESTERN AUSTRALIA</b>	ML 53 / 231	Jonesville	Auralia Resources Pty Ltd	100%
	ML 53 / 232	Jonesville	Auralia Resources Pty Ltd	100%
<b>SOLOMON ISLANDS</b>	SPL 185	Gold Ridge	Ross Mining (Solomon Islands) Ltd	100%
	SPL 194	Bahomea	Ross Mining (Solomon Islands) Ltd	100%

## KEY

EL	Exploration Licence	MCN	Mining Claim (Northern Region)	PL	Prospecting Licence
EPL	Exploration Prospecting Licence	MDL	Mining Development Lease	SPL	Special Prospecting Licence
EPM	Exploration Permit - Minerals	ML	Mining Lease	(A)	Application Only
		MLN	Mining Lease (Northern Region)		

# SHAREHOLDER INFORMATION

## SUBSTANTIAL SHAREHOLDERS

At 24 September 1996 substantial shareholders (holding not less than 5%) as shown in the Company's Register of substantial shareholders were:

	No. of Shares Held	% of Issued Capital
Todd Petroleum Mining Co Ltd	26,382,385	16.99%
Mercury Asset Management plc	13,872,500	8.93%
SAS Trustee Corporation	10,640,930	6.85%
Australian Mutual Provident Society	8,443,700	5.44%
Permanent Trustee Company Limited	8,028,490	5.17%

## ANALYSIS OF MEMBERS' SHAREHOLDING

- At 24 September 1996 there were 3,638 holders of fully paid ordinary shares recorded in the Company's share register. An analysis of the size of holdings is shown below:

No. of Ordinary Shares	No. of Shareholders	No. of Shares	%
1 - 1,000	794	525,883	0.34
1,001 - 5,000	1,726	5,272,853	3.39
5,001 - 10,000	568	4,778,211	3.08
10,001 - 100,000	481	13,825,760	8.90
100,001 and over	69	130,915,072	84.29
	3,638	155,317,779	100.00

- At 24 September 1996 there were 5 holders of partly paid ordinary shares recorded in the Company's share register. The amounts credited on these partly paid shares is shown below:

Paid -up to	No. of Shareholders	No. of Shares
10.5 cents	1	60,000
7 cents	2	60,000
9 cents	2	750,000
	5	870,000

These shares were issued in accordance with the terms of the Employee Share/Option Plan approved by shareholders on 22 November 1991. Accordingly they cannot be listed for quotation on the Official List of the Australian Stock Exchange Limited until they are fully paid and until the expiration of one year from the allotment date.

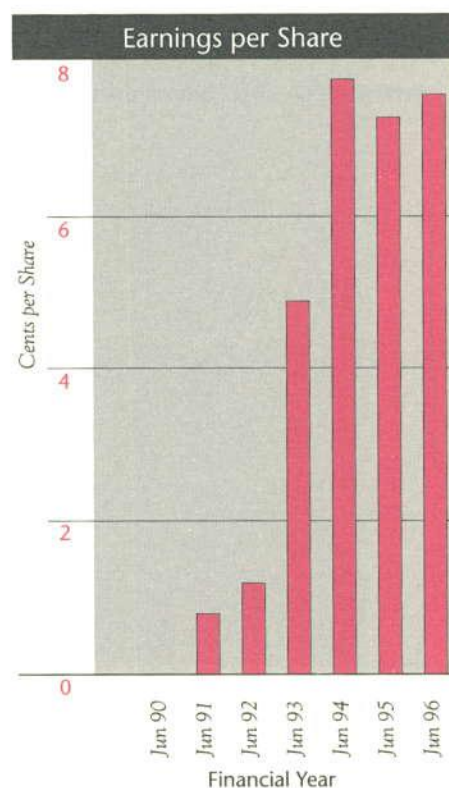
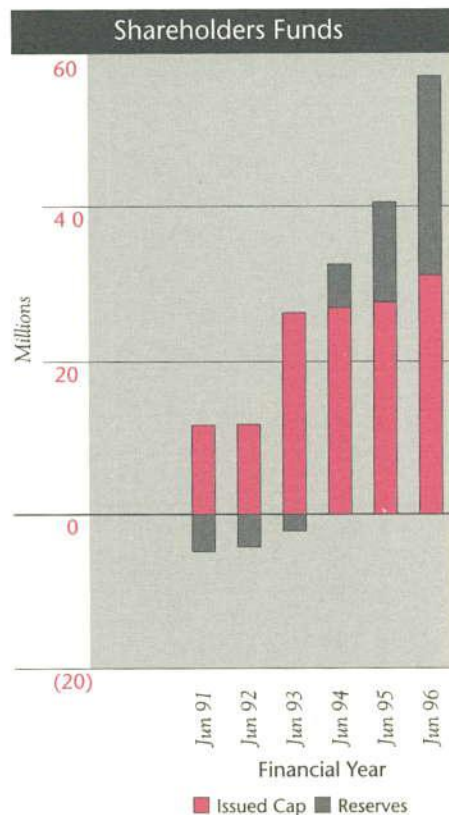
- Number of shareholders with less than a marketable parcel: 26
- The issued ordinary fully paid shares of the Company carry the right to one vote for each share. The issued ordinary partly paid shares carry voting rights pro-rata to the amount paid-up. No other class of share has been issued.

# SHAREHOLDER INFORMATION

## TWENTY LARGEST SHAREHOLDERS

At 24 September 1996 the top twenty shareholders were:

	Fully Paid Ordinary Shares Held	Percentage	
1	Bolton Mining Company Limited	26,382,385	16.99
2	Westpac Custodian Nominees Limited	25,712,831	16.55
3	ANZ Nominees Limited	13,044,296	8.40
4	SAS Trustee Corporation	10,640,930	6.85
5	National Nominees Limited	6,828,817	4.40
6	Australian Mutual Provident Society	6,169,424	3.97
7	Permanent Trustee Company Limited (Btequi a/c)	3,847,000	2.48
8	Pendal Nominees Pty Limited	3,001,585	1.93
9	Dr Lambertus de Graaf	3,000,000	1.93
10	Permanent Trustee Company Limited (Cnasmaco a/c)	2,796,300	1.80
11	Queensland Investment Corporation (Number 4 a/c)	1,878,379	1.21
12	Chase Manhattan Nominees Pty Ltd	1,784,865	1.15
13	Queensland Investment Corporation	1,767,602	1.14
14	Mercantile Mutual Life Insurance Company Limited	1,711,500	1.10
15	AMP Custodian Services Pty Ltd	1,473,791	0.95
16	Mr Jeffrey John Lawton	1,473,515	0.95
17	Perpetual Trustees Victoria Limited	1,336,986	0.86
18	Sandhurst Trustees Ltd (Nsko a/c)	1,170,000	0.75
19	HKBA Nominees Limited	1,010,704	0.65
20	MLC Limited	965,200	0.62
	<b>115,996,110</b>	<b>74.68</b>	



# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Ross Mining NL is responsible for the corporate governance of the economic entity. The Board guides and monitors the business and affairs of Ross Mining NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure the Board is well equipped to discharge its responsibilities, it has established guidelines for the nomination and selection of Directors and for the operation of the Board.

## COMPOSITION OF THE BOARD

The composition of the Board is determined in accordance with the following principles and guidelines.

- The Board should comprise at least five Directors and should maintain a majority of Non-Executive Directors.
- The Chairperson should be a Non-Executive Director.
- The Board should comprise Directors with an appropriate range of qualifications and expertise. The terms and conditions of the appointment and retirement of Non-Executive Directors are set out in a letter of appointment. The appointment letter covers the following matters:
  - the manner in which remuneration is determined;
  - the term of the appointment, subject to shareholder approval;
  - the expectation of the Board in relation to attendance and preparation for all Board meetings;
  - the procedures dealing with conflicts of interest; and
  - the availability of independent advice.
- The Board shall meet at least quarterly and follow meeting guidelines set down to ensure all Directors are made aware of, and have available to them all necessary information enabling them to participate in an informed discussion of all agenda items.

*The Directors in office at the date of this statement are:*

Name	Position	Age	Expertise
I.C. Matheson	Chairman, Non-Executive Director	71	Banking & Accounting
L. de Graaf	Managing Director and Chief Executive Officer	50	Geology, Mining & Development
J.J. Lawton	Executive Director	47	Geology, Mining & Development
D.C. Pursell	Non-Executive Director	63	Mining & Development
R.G. Tweedie	Non-Executive Director	50	Legal, Oil and Gas & Management
H. Jones	Non-Executive Director	73	Mining & Development

# CORPORATE GOVERNANCE STATEMENT

## AUDIT COMMITTEE

The Board has established an Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information as well as non-financial considerations, such as the benchmarking of operational key performance indicators.

*The responsibilities of the Audit Committee include:*

- The establishment and maintenance of a framework of internal control and ethical standards for the management of the economic entity;
- Reviewing internal and external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified appropriate and prompt remedial action is taken by management;
- Liaising with the external auditors and ensuring that the annual and half-yearly statutory audits are conducted in an effective manner;
- Reviewing the Proforma Half-Year and Proforma Preliminary Final Statement prior to lodgement of those documents with the ASX, and any significant adjustments required as a result of the audit, and to make any necessary recommendation to the Board for the approval of these documents;
- Reviewing the draft financial statements and the audit report and making necessary recommendations to the Board for the approval of the financial statements;
- Monitoring compliance with the Corporations Law, Stock Exchange Listing Rules and any matters outstanding with auditors, Australian Taxation Office, Australian Securities Commission, Australian Stock Exchange and financial institutions;
- Reviewing reports on any major defalcations, frauds and thefts from the Company;
- Reviewing the declaration from the Company Secretary on compliance with statutory responsibilities; and
- Nomination of the external auditor, and reviewing the adequacy of the scope.

*All members of the Audit Committee are Non-Executive Directors. The members of the Audit Committee during the year were:*

Ian Matheson  
Duncan Pursell  
Richard Tweedie

## BOARD RESPONSIBILITIES

As the Board acts on behalf of the shareholders and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the economic entity is delegated by the Board to the Chief Executive Officer and the Management Team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and have in place procedures to assess the performance of the Executive Directors.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved. In addition to the establishment of the Audit Committee referred to above, these mechanisms include the following:



# CORPORATE GOVERNANCE STATEMENT

- Board approval of a strategic plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- The strategic plan is a dynamic document and the Board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity.
- Implementation of operating plans and budgets by management and Board monitoring of progress against budget. This includes the establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes.
- Having external consultants periodically review the Company's performance on environmental and occupational health and safety issues.
- Procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.
- The Board is responsible for the review and approval of acquisitions and disposals of businesses and assets, and the approval of contracts and financing arrangements above defined limits. Below these limits the Board delegates these responsibilities to the CEO and management team.
- The Board is responsible for managing the organisation's financial risk and delegates certain responsibilities to the CEO and management team. They advise the Board on such matters as the entity's liquidity, currency, interest rate and credit policies and exposures.

## MONITORING OF THE BOARD'S PERFORMANCE AND COMMUNICATION TO SHAREHOLDERS

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is reviewed annually by the Chairperson, and if performance is unsatisfactory appropriate action is taken.

The Board is responsible for the nomination of new Directors and collectively reviews Director remuneration.

The Board is responsible for establishing and reviewing the compensation arrangements for the Executive Directors.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to the shareholders through:

- the Annual Report, which is distributed to all shareholders (unless shareholders specifically indicate otherwise);
- Quarterly Reports, which are distributed to all shareholders (unless shareholders specifically indicate otherwise); and
- the Annual General Meeting, and other meetings so called to obtain approval for Board action as appropriate.

# NOTICE OF MEETING

Notice is hereby given that the tenth Annual General Meeting of Ross Mining NL will be held in the Townsville Room, Sheraton Hotel, 249 Turbot Street, Brisbane, on 21 November 1996 at 10.00 am.

## ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Profit and Loss Statement for the year ended 30 June 1996, the Balance Sheet at that date and the Auditors' Report thereon.
2. To declare a dividend of two cents per fully paid ordinary share as recommended by the Directors.
3. To re-elect Directors:

Mr John Lawton retires by rotation in accordance with Article 79(2) of the Company's Articles of Association and being eligible, offers himself for re-election.

Mr Duncan Pursell retires by rotation in accordance with Article 79(2) of the Company's Articles of Association and being eligible, offers himself for re-election.

Mr Ian Matheson, must retire in accordance with Article 80 and Section 228 of the Corporations Law. It is proposed to re-elect Mr Matheson, who is aged 72 years, as a Director. The Corporations Law requires that since Mr Matheson has attained the age of 72 years, his election must be approved by not less than three-quarters of members voting in person and by proxy and that he hold office only until the conclusion of the next Annual General Meeting of the Company.

Mr Howard Jones, OBE, must retire in accordance with Article 80 and Section 228 of the Corporations Law. It is proposed to re-elect Mr Jones, who is aged 73 years, as a Director. The Corporations Law requires that since Mr Jones has attained the age of 72 years, his election must be approved by not less than three-quarters of members voting in person and by proxy and that he hold office only until the conclusion of the next Annual General Meeting of the Company.

4. To transact any other business which may be lawfully brought forward.

## SPECIAL BUSINESS

5. To consider, and if thought fit, pass the following resolution as a special resolution:

To approve the Dividend Reinvestment Plan in the form despatched to members with the Notice of Meeting a copy of which proposed Dividend Reinvestment Plan is tabled at the Meeting.

6. To consider, and if thought fit, pass the following resolution as a special resolution:

To approve the proposed issue of a total of 1,000,000 share options to Executive Directors in accordance with section 6 (dealing with Options) of the Employee Share/Option Plan approved by Shareholders on 22 November 1991.

The proposed allotment is as follows:

L. de Graaf - 500,000 options

J.J. Lawton - 500,000 options

By order of the Board  
PAUL FREDERIKS  
Company Secretary

Brisbane  
October 1996

# EXPLANATORY MEMORANDUM

## RESOLUTION 5 - DIVIDEND REINVESTMENT PLAN

The Directors believe that it is opportune to establish a Dividend Reinvestment Plan (DRP) which will enable shareholders to elect to reinvest dividends on some or all of their shares. Given the relatively significant capital requirements of the various projects under development, the DRP will allow the Company to continue to pay cash dividends with full franking credits attached whilst ensuring that, if required, there is capacity for shareholders to reinvest their dividends at a discount. In the future, the Board will assess the need for a DRP to be used on a case by case basis for each dividend declared, principally taking into account the capital requirements of the Company at that point in time.

The DRP would provide that the price paid per share under the Plan would be the average price at which the Company shares have traded for 5 days after the Company closes its share register for the purposes of determining entitlements to dividends - with a discount of up to 10%. A booklet is enclosed with this Annual Report which contains a general explanation of the operation of the proposed Plan, a copy of the terms of the Plan and a form which needs to be returned to the Company as soon as possible to enable you to participate in the Plan on the basis it is approved at the Annual General Meeting to be held on 21 November 1996.

## RESOLUTION 6 - ISSUE OF A TOTAL OF 1,000,000 OPTIONS TO DIRECTORS

The Non-Executive Directors have recommended the issue of these options to the two Executive Directors as the Company enters an important and crucial growth stage. The Company is extending its operations offshore, the success of which is vital for the Company's future. The options are therefore being issued as an incentive to the Executive Directors at a time when the success of the Company's growth plans will ultimately determine Shareholder value.

The exercise price of the options is to be the weighted average price at which the Company's shares have traded for five days after the Company closes its share register for the purposes of determining entitlements to dividends. Each option contract is for a five year period and relates to ordinary shares. The options are personal to the Directors, cannot be traded, are unlisted and are not capable of exercise or transfer for a period of twelve months from the date of grant.

The Employee Share/Option Plan allows for the issue of fully paid shares, partly paid shares and/or options to Directors, employees and consultants. Since the last approval of the issue of securities under the plan, Directors have been issued the following securities under the plan:

Director	Year	Type of Security	Number of Securities	Issue Price
L. de Graaf	1992	Partly paid shares	500,000	9 cents
J.J. Lawton	1992	Partly paid shares	500,000	9 cents

Dr L. de Graaf and Mr J.J. Lawton and their respective associates must not cast any vote on Resolution 6 and any votes cast will be disregarded except if cast as a proxy for a person who is entitled to vote and in accordance with the directions on the proxy form.

# PROXY FORM

If you will not be attending the Annual General Meeting on 21 November 1996, you may exercise your right to vote your shares, by appointing a person who is attending as your proxy.

<b>Please fill out the shareholder's name and quantity of shares owned</b>	<b>The Secretary</b> Ross Mining NL PO Box 1546 MILTON QLD 4064
	I <input type="text"/> (full name) of <input type="text"/> (address) <b>1</b> being a member of Ross Mining NL and holding <input type="text"/> ordinary shares in the Company,

<b>SECTION A</b> Insert the name and address of the person you wish to appoint as your proxy	<b>SECTION A</b> hereby appoint <input type="text"/> (full name) of <input type="text"/> (address) or, in the absence of such appointment, the Chairman of the Meeting as my proxy to attend and exercise <input type="text"/> % of my voting rights on my behalf at the Annual General Meeting of the Company to be held on 21 November 1996 and at any adjournment thereof. <b>2</b>
---	--

<b>SECTION B</b> Complete this section ONLY if you wish to appoint a second proxy	<b>AND SECTION B (IF YOU WISH TO APPOINT 2 PROXIES)</b> hereby appoint <input type="text"/> (full name) of <input type="text"/> (address) or, in the absence of such appointment, the Chairman of the Meeting as my proxy to attend and exercise <input type="text"/> % of my voting rights on my behalf at the Annual General Meeting of the Company to be held on 21 November 1996 and at any adjournment thereof <b>3</b>
--	--

<b>This proxy form must be signed by the shareholder or by the shareholder's attorney, or if a corporation, under its common seal, or under the hand of an authorised officer or attorney who has not received any notice of Revocation</b>	<b>SIGNATURE OF SHAREHOLDER(S)</b> Dated this <input type="text"/> day of <input type="text"/> 1996 Signature of Shareholder <input type="text"/>
	<b>4</b>

FOR YOUR VOTES TO BE COUNTED, THIS FORM, PROPERLY COMPLETED, MUST BE RECEIVED BY THE COMPANY NO LATER THAN THE TIMES SHOWN ON THE REVERSE. COMPLETE THE REVERSE SIDE IF YOU WISH TO DIRECT YOUR PROXY HOW TO VOTE.

# PROXY FORM

## DIRECTING YOUR PROXY HOW TO VOTE

	Section A		Section B	
	For	Against	For	Against
<b>Ordinary Business</b>				
1. To adopt the reports and accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a dividend of 2 cents per share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Directors:				
Mr J. Lawton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr D. Pursell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr I. Matheson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mr H. Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Special Business</b>				
5. To approve a Dividend Reinvestment Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To issue 1,000,000 options to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5

If you wish to direct your single proxy how to vote on any item, place a mark in the appropriate box for Section A

If you have appointed two proxies place a mark in the appropriate boxes for both sections A and B

Your completed proxy form must be received at the Registered Office of the Company in Brisbane not later than 10.00 am Tuesday 19 November 1996

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Deadline for Receipt of Proxies

The Secretary  
 Ross Mining NL  
 PO Box 1546  
 MILTON QLD 4064

THE DIRECTORS OF ROSS MINING WOULD LIKE TO THANK YOU FOR YOUR SUPPORT DURING THE PAST FINANCIAL YEAR AND LOOK FORWARD TO YOUR CONTINUING SUPPORT IN THE FUTURE

## PROXIES

A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote instead of the member. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. A proxy need not be a member of the Company. Forms to appoint proxies must be lodged at the registered office of the Company not less than 48 hours before the time of the meeting. For the purpose of determining a person's entitlement to vote at the meeting, a person will be recognised as a member and the holder of shares if that person is registered as a holder of shares at 10.00pm on 19 November 1996.

For the convenience of shareholders, a proxy form is included with this notice. If a member elects to appoint two proxies, Sections A and B should be completed and the proportion of the member's voting rights allotted to each proxy inserted in the spaces provided, the member then signing the form. In the case of joint holders all must sign. Where a member signs under Power of Attorney, the Power of Attorney, if not already noted by the Company, should be forwarded to the Company Secretary at the registered office of the Company for noting.

Proxies for Corporate Bodies must be under seal.



ROSS MINING N.L.

HEAD OFFICE

LEVEL 3 189 CORONATION DRIVE MILTON QLD 4064 POSTAL ADDRESS PO BOX 1546 MILTON QLD 4064  
TEL 07 3369 1700 FAX 07 3369 1119