

Fountain Head Gold Project



PNX Metals Limited (PNX) is proposing to re-open the historic Fountain Head gold mine, which is situated on granted Mineral Leases just north of the Mt Wells road between the towns of Pine Creek and Adelaide River in the Northern Territory.

A project update was provided to stakeholders in July 2020 describing the impacts and benefits of the proposed development; and included details of layout, processing methodology, key studies being undertaken and potential environmental and social impacts.

In late 2020, PNX amended the proposed processing methodology from heap leach to carbon in pulp (CIP), which in turn has reduced the project footprint and required updates to previously completed studies.

This project update summarises these changes and provides revised timing of the Environmental Impact Statement (EIS) which is currently being prepared and will provide the community with the opportunity to formally comment on the proposal.

Contact the PNX Project Team

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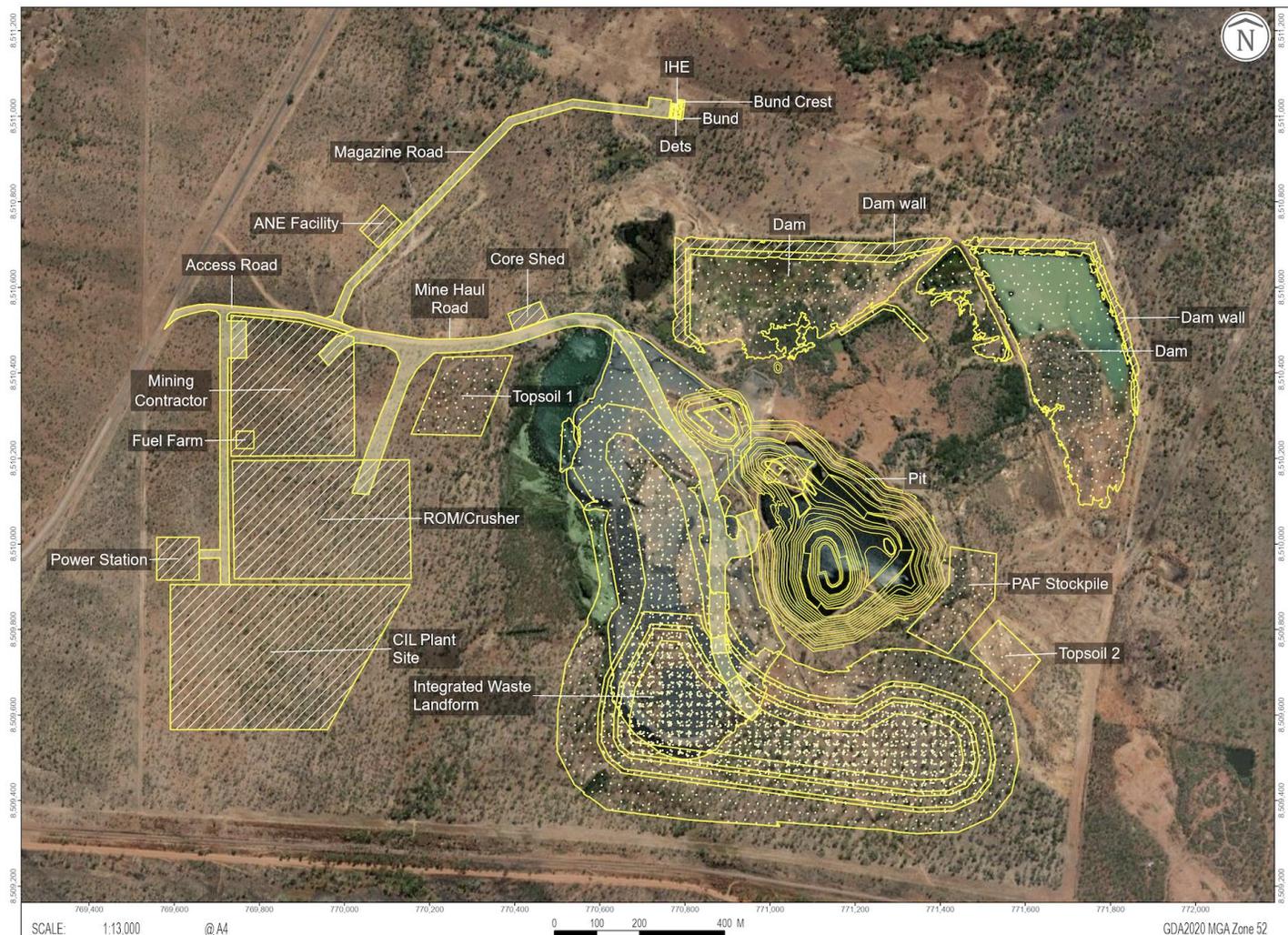
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Updated project layout



Key changes to the Project include:

- A change in the processing methodology from heap leach to carbon in pulp.
- The existing waste rock storage will become an integrated waste landform (IWL) and be used to store filtered tailings and benign waste rock.
- The approach to tailings management is unique to the NT and offers long term environmental benefits. Filtered tailings have up to 90% of water removed and this subsequently reduces the risk of

seepage from the IWL.

- Increased energy requirements which will be sourced via an on-site power station.
- Additional equipment for the crushing and grinding of ore.
- The project footprint on non-disturbed land will be reduced with the new design, from 82.3 ha to 80.6 ha
- The original mine schedule was for 3 years, and to begin in late 2020. The new schedule is for mining to take 3.5 years and if approved, will begin in the first half of 2022.

Changes to studies

Studies PNX has updated for inclusion in the EIS include;

- Air quality
- Noise
- Traffic
- Hydrology
- Groundwater

Key findings to-date from these studies include;

- Ground-level concentrations of particulate matter and dust deposition rates caused by the Project will comply with air quality criteria at nearby receptors.
- Project noise will comply with the noise guideline criteria at the nearest receptor during construction and operations.
- The increase in traffic is minimal and has not changed the previous assessment or recommendations.
- Overall results indicate that the majority of waste materials to be mined will be non-acid forming, with a minor proportion of potentially acid forming (PAF).
- It is proposed that the PAF material will be stockpiled and then backfilled into the mined void following completion of mining. The PAF material will be covered with water eliminating the potential for acid drainage.

Updated ground and surface water modelling is yet to be finalised and additional geochemical testing of waste rock and tailings is currently underway to inform the water management component of the studies.

The aquatic and terrestrial ecology and cultural heritage studies were not required to be updated as the changes in processing methodology did not require the impact assessment to be updated.

Management plans addressing the key issues and impacts will be released with the EIS, and include a Water Management Plan, Stakeholder Engagement Plan, Cultural Heritage Management Plan and Closure Plan.



Have your say



Stakeholder consultation is an important part of the environmental and social impact assessment process. Consultation with stakeholders, including government authorities, businesses, Traditional Owners and landholders, commenced in June 2019, and feedback has been built into the Project design.

PNX provided a Project information flyer in July 2020 inviting the public to ask questions or provide comments on the proposed project.

PNX has also been engaging with industry and government stakeholders about the project, including the AustralAsia Railway Corporation, APA (owners and operators of the nearby gas pipeline) and the Aboriginal Areas Protection Authority.

In 2019, the draft terms of reference for the EIS were exhibited for public comment. Once the draft EIS is submitted to the EPA, it will be available from the EPA website and in hard copy at selected locations for the community to review and provide comment. The EPA will consider community submissions in their response to the draft EIS.

If the Project is approved to commence, consultation with local communities will continue and be focused on employment and procurement opportunities and the timing of Project activities that may impact road, railway or other stakeholders.

Interested community members are encouraged to direct any questions about the recommencement of mining at Fountain Head to the contact details below.

Draft EIS Development (Mar – May 2021)	Draft EIS Assessment (June – Aug 2021)	If the Project is Approved
<ul style="list-style-type: none"> • Conduct Project briefings/meetings with government authorities and business. • Distribute project update(s) to community members. • Community members encouraged to contact PNX with questions or concerns. • Respond to community concerns and incorporate feedback into Project design. 	<ul style="list-style-type: none"> • Public exhibition of EIS (hard copy and on the EPA website). • EPA will review public submissions and draft a response. 	<ul style="list-style-type: none"> • Regular updates provided on PNX website. • Community notices or meetings as required. • Consultation with Traditional Owners on cultural heritage matters.

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