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Published on: 2 April 2014

Statement No:964

**STATEMENT THAT A PROPOSAL MAY BE IMPLEMENTED
(PURSUANT TO THE PROVISIONS OF THE
ENVIRONMENTAL PROTECTION ACT 1986)**

Sorby Hills Silver Lead Zinc Project

Proposal: The proposal is to develop a silver, lead and zinc mine, associated infrastructure and processing facilities approximately 50 kilometres north of Kununurra, with the concentrate produced transported by road and shipped through Wyndham Port.

The Proposal is further documented in Schedule 1 of this Statement.

Proponent: Sorby Management Pty Ltd
Australian Company Number 145 292 486

Proponent Address: Level 3
2 Elizabeth Plaza
NORTH SYDNEY NSW 2060

Assessment Number: 1920

Report of the Environmental Protection Authority Number: 1491

This Statement authorises the implementation of the proposal described and documented in Columns 1 and 2 of Table 2 of Schedule 1. The implementation of the proposal is subject to the following implementation conditions and procedures and Schedule 3 details definitions of terms and phrases used in the implementation conditions and procedures.

1 Proposal Implementation

1-1 When implementing the proposal, the proponent shall not exceed the authorised extent of the proposal as defined in Column 3 of Table 2 in Schedule 1, unless amendments to the proposal and the authorised extent of the proposal has been approved under the EP Act.

2 Contact Details

- 2-1 The proponent shall notify the CEO of any change of its name, physical address or postal address for the serving of notices or other correspondence within 28 days of such change. Where the proponent is a corporation or an association of persons, whether incorporated or not, the postal address is that of the principal place of business or of the principal office in the State.

3 Time Limit for Proposal Implementation

- 3-1 The proponent shall not commence implementation of the proposal after the expiration of five years from the date of this Statement, and any commencement, within this five year period, must be substantial.
- 3-2 Any commencement of implementation of the proposal, within five years from the date of this Statement, must be demonstrated as substantial by providing the CEO with written evidence, on or before the expiration of five years from the date of this Statement.

4 Compliance Reporting

- 4-1 The proponent shall prepare and maintain a compliance assessment plan to the satisfaction of the CEO.
- 4-2 The proponent shall submit to the CEO the compliance assessment plan required by condition 4-1 at least six months prior to the first compliance assessment report required by condition 4-6, or prior to implementation, whichever is sooner.

The compliance assessment plan shall indicate:

- (1) the frequency of compliance reporting;
 - (2) the approach and timing of compliance assessments;
 - (3) the retention of compliance assessments;
 - (4) the method of reporting of potential non-compliances and corrective actions taken;
 - (5) the table of contents of compliance assessment reports; and
 - (6) public availability of compliance assessment reports.
- 4-3 The proponent shall assess compliance with conditions in accordance with the compliance assessment plan required by condition 4-1.
- 4-4 The proponent shall retain reports of all compliance assessments described in the compliance assessment plan required by condition 4-1 and shall make those reports available when requested by the CEO.
- 4-5 The proponent shall advise the CEO of any potential non-compliance within seven days of that potential non-compliance being known.

- 4-6 The proponent shall submit to the CEO the first compliance assessment report 15 months from the date of issue of this Statement addressing the 12 month period from the date of issue of this Statement and then annually from the date of submission of the first compliance assessment report.

The compliance assessment report shall:

- (1) be endorsed by the proponent's Managing Director / General Manager / Chief Executive Officer or a person delegated to sign on the Managing Director's / General Manager's / Chief Executive Officer's behalf;
- (2) include a statement as to whether the proponent has complied with the conditions;
- (3) identify all potential non-compliances and describe corrective and preventative actions taken;
- (4) be made publicly available in accordance with the approved compliance assessment plan; and
- (5) indicate any proposed changes to the compliance assessment plan required by condition 4-1.

5 Public Availability of Data

- 5-1 Subject to condition 5-2, within a reasonable time period approved by the CEO of the issue of this statement and for the remainder of the life of the proposal the proponent shall make publicly available, in a manner approved by the CEO, all validated environmental data (including sampling design, sampling methodologies, empirical data and derived information products (e.g. maps)) relevant to the assessment of this proposal and implementation of this Statement.

- 5-2 If any data referred to in condition 5-1 contains particulars of:

- (1) a secret formula or process; or
- (2) confidential commercially sensitive information;

the proponent may submit a request for approval from the CEO to not make this data publicly available. In making such a request the proponent shall provide the CEO with an explanation and reasons why the data should not be made publicly available.

6 Vegetation

- 6-1 The proponent shall ensure that groundwater abstraction associated with implementation of the proposal does not cause the loss of vegetation in excess of the 573 hectares clearing approved within the 1045 ha Project Development Envelope as shown in Figure 2 of Schedule 1 and defined by geographic coordinates in Schedule 2.

- 6-2 To verify that condition 6-1 is being met, the proponent shall develop a Groundwater Dependent Vegetation Monitoring and Management Plan in consultation with the DoW and DPaW to the requirements of the CEO.

The Groundwater Dependent Vegetation Monitoring and Management Plan shall include:

- (1) identification of potential impact monitoring and control sites;
- (2) the design of a survey to acquire baseline data, including groundwater dependent vegetation health and abundance parameters;
- (3) definition of groundwater dependent vegetation health and abundance parameters;
- (4) definition of environmental parameters to be monitored, including groundwater drawdown;
- (5) definition of monitoring frequency and timing;
- (6) identification of criteria to measure decline in groundwater dependent vegetation health; and
- (7) details of management actions and strategies to be implemented should the criteria defined pursuant to condition 6-2 (6) indicate a decline in groundwater dependent vegetation health that is attributable to the extraction of groundwater for the Sorby Hills Mine.

6-3 The proponent shall implement the Groundwater Dependent Vegetation Monitoring and Management Plan required by condition 6-2 prior to the start of dewatering until advised otherwise by the CEO.

6-4 Prior to the commencement of dewatering, the proponent shall implement the baseline monitoring survey required by condition 6-2 (2) for all sites identified in condition 6-2 (1) and submit the results to the CEO.

6-5 In the event that monitoring required by condition 6-3 indicates a decline in groundwater dependent vegetation health compared with the control sites identified in condition 6-1, the proponent shall provide a report to the CEO within 21 days of the decline being identified which:

- (1) describes the decline or change;
- (2) provides information which allows determination of the likely root cause of the decline or change; and
- (3) if considered likely to be the result of activities undertaken in implementing the proposal, proposes the actions and associated timelines to remediate the decline or change.

6-6 The proponent shall implement the actions identified in condition 6-5 (3) until the CEO determines that the remedial actions may cease.

6-7 The proponent may review and revise the Groundwater Dependent Vegetation Monitoring and Management Plan, to the requirements of the CEO.

6-8 The proponent shall review and revise the Groundwater Dependent Vegetation Monitoring and Management Plan as and when directed by the CEO.

- 6-9 The proponent shall implement revisions of the Groundwater Dependent Vegetation Monitoring and Management Plan approved under condition 6-7 or required by condition 6-8.

7 Concentrate handling, storage and transport

- 7-1 The proponent shall ensure that lead, zinc, and/or silver ore concentrates are not emitted to the surrounding environment during unloading, loading, or storage at Wyndham Port.
- 7-2 Prior to the commencement of concentrate production the proponent shall prepare a Wyndham Port Heavy Metals Survey Plan to the requirements of the CEO with the objective of establishing a pre-development baseline. The Wyndham Port Heavy Metals Survey Plan shall:
- (1) identify sampling sites at Wyndham Port;
 - (2) specify the profile depth to be sampled at each site;
 - (3) specify the levels of analytical detection required;
 - (4) establish the current levels of lead (including the lead isotope signature of the Sorby Hills lead sulphide deposit), silver and zinc present in the sediment at monitoring sites required by condition 7-2 (1) at the time of sampling; and
 - (5) detail the sampling methodology in accordance with ANZECC Guidelines for sediment sampling and the CSIRO Handbook for Sediment Quality Assessment (2005).
- 7-3 Prior to the commencement of concentrate production the proponent shall implement the approved Wyndham Port Heavy Metals Survey Plan and submit the results of that survey to the CEO.
- 7-4 Prior to the commencement of concentrate production the proponent shall prepare a Heavy Metals Monitoring Plan to the requirements of the CEO. The Heavy Metals Monitoring Plan shall:
- (1) when implemented, substantiate whether condition 7-1 is being met;
 - (2) detail a sediment sampling program for lead, silver and/or zinc (including the lead isotope ratio specifically attributable to the Sorby Hills lead sulphide deposit), silver and/or zinc which shall include the following:
 - (a) location of sample sites;
 - (b) frequency of sampling;
 - (c) the profile depth to be sampled;
 - (d) the level of analytical detection required;
 - (e) the methodology for evaluating the data to determine whether lead, silver or zinc from the Sorby Hills project has been detected, including the statistical power for detecting the presence of lead, silver or zinc attributable to the proposal;
 - (f) the number of replicate samples required; and

- (g) detail the sampling methodology in accordance with ANZECC Guidelines for sediment sampling and the CSIRO Handbook for Sediment Quality Assessment (2005).

- 7-5 In the event that monitoring required by condition 7-4 detects the presence of lead, silver or zinc attributable to implementation of the proposal, the proponent shall:
- (1) immediately cease loading operations; and
 - (2) provide a report to the CEO within three days of the lead, zinc or silver being detected which identifies management and/or contingency measures to be implemented to prevent further loss of lead, silver and/or zinc to the environment and remediate previous contamination attributed to implementation of this proposal.
- 7-6 The proponent shall implement the actions identified in condition 7-5 (2) until the CEO determines that the remedial actions may cease.
- 7-7 Prior to the commencement of concentrate production the proponent shall implement the Heavy Metals Monitoring Plan required by condition 7-4.
- 7-8 The proponent may review and revise the Heavy Metals Monitoring Plan, to the requirements of the CEO.
- 7-9 The proponent shall review and revise the Heavy Metals Monitoring Plan as and when directed by the CEO.
- 7-10 The proponent shall implement revisions of the Heavy Metals Monitoring Plan approved under condition 7-8 or required by condition 7-9.

[Signed 2 April 2014]

Albert Jacob MLA
MINISTER FOR ENVIRONMENT; HERITAGE

Table 1: Summary of the Proposal

Proposal Title	Sorby Hills Silver Lead Zinc Project
Short Description	The proposal is to develop a silver, lead and zinc mine and processing facility approximately 50 kilometres north of Kununurra, including construction of associated mine infrastructure (ROM pad, haul roads, laboratory, two evaporation ponds, evaporation basin, access road, power generation, hardstand area, diesel storage and refuelling area, workshop, site office, explosives magazine, potable water storage tank, bioremediation facility, landfill site, fire breaks and perimeter fence), discharge of waste to a TSF and road train transport of the concentrate produced to Wyndham Port for export.

Table 2: Location and authorised extent of physical and operational elements

Column 1	Column 2	Column 3
Element	Location	Authorised Extent
Mine and associated infrastructure	Figure 2 and geographic coordinates of the Project Development Envelope detailed in Schedule 3.	Clearing of not more than 573 ha within a 1045 ha development envelope.
Mineralised waste materials		No permanent waste dumps.
Dewatering		Up to 1.0 gigalitre per annum of uncontaminated waste water not used for operations discharged to an evaporation basin.
Concentrate transport method to Wyndham Port		Sealed 'Rotabox' (or equivalent standard) containers
Moisture content of concentrate		A minimum of 7%

Figures (attached)

Figure 1 Regional location

Figure 2 Sorby Hills Project Development Envelope, Development Exclusion Boundary and conceptual layout

Figure 3 Sorby Hills facilities at Wyndham Port

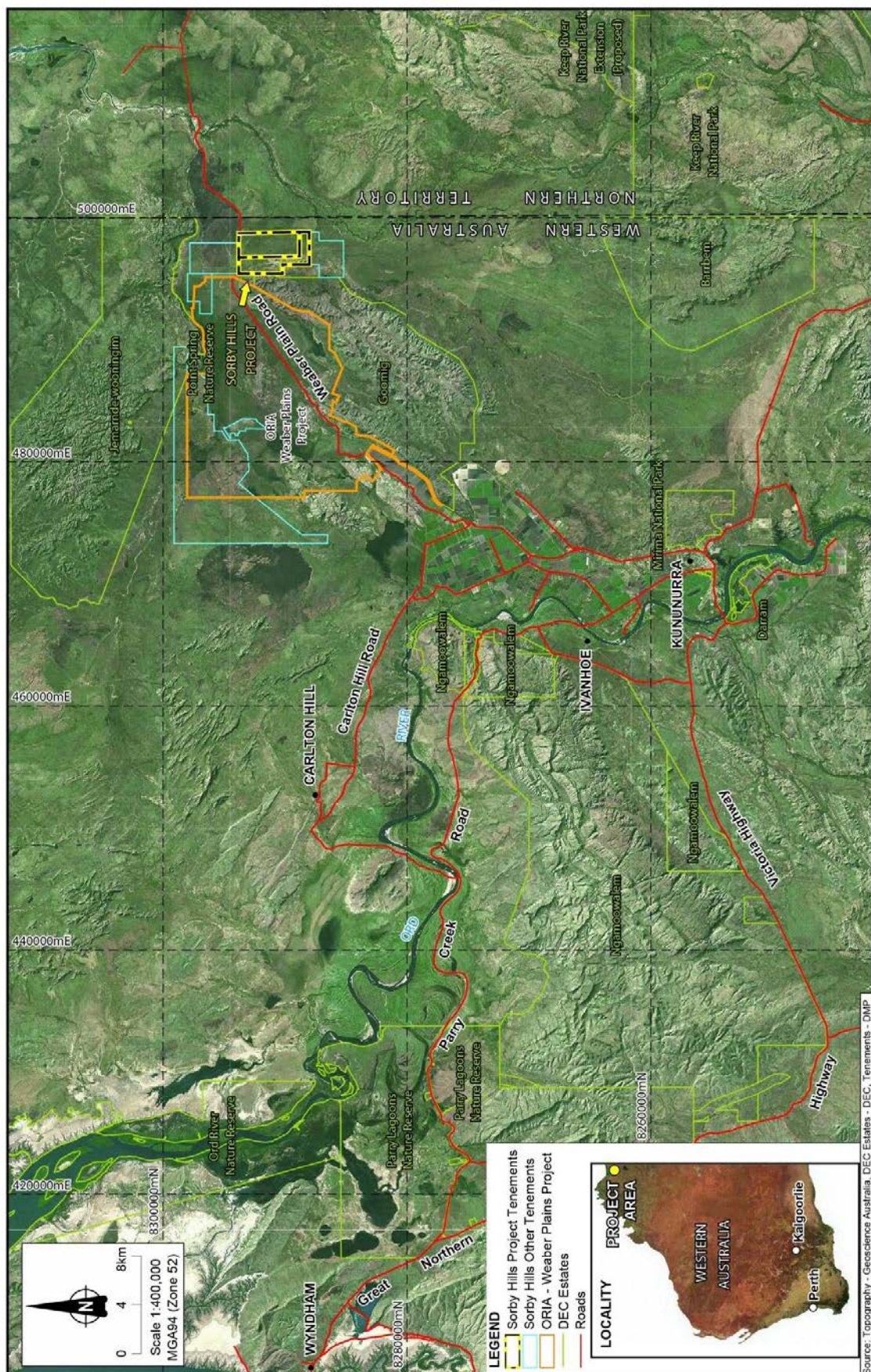


Figure 1: Regional location

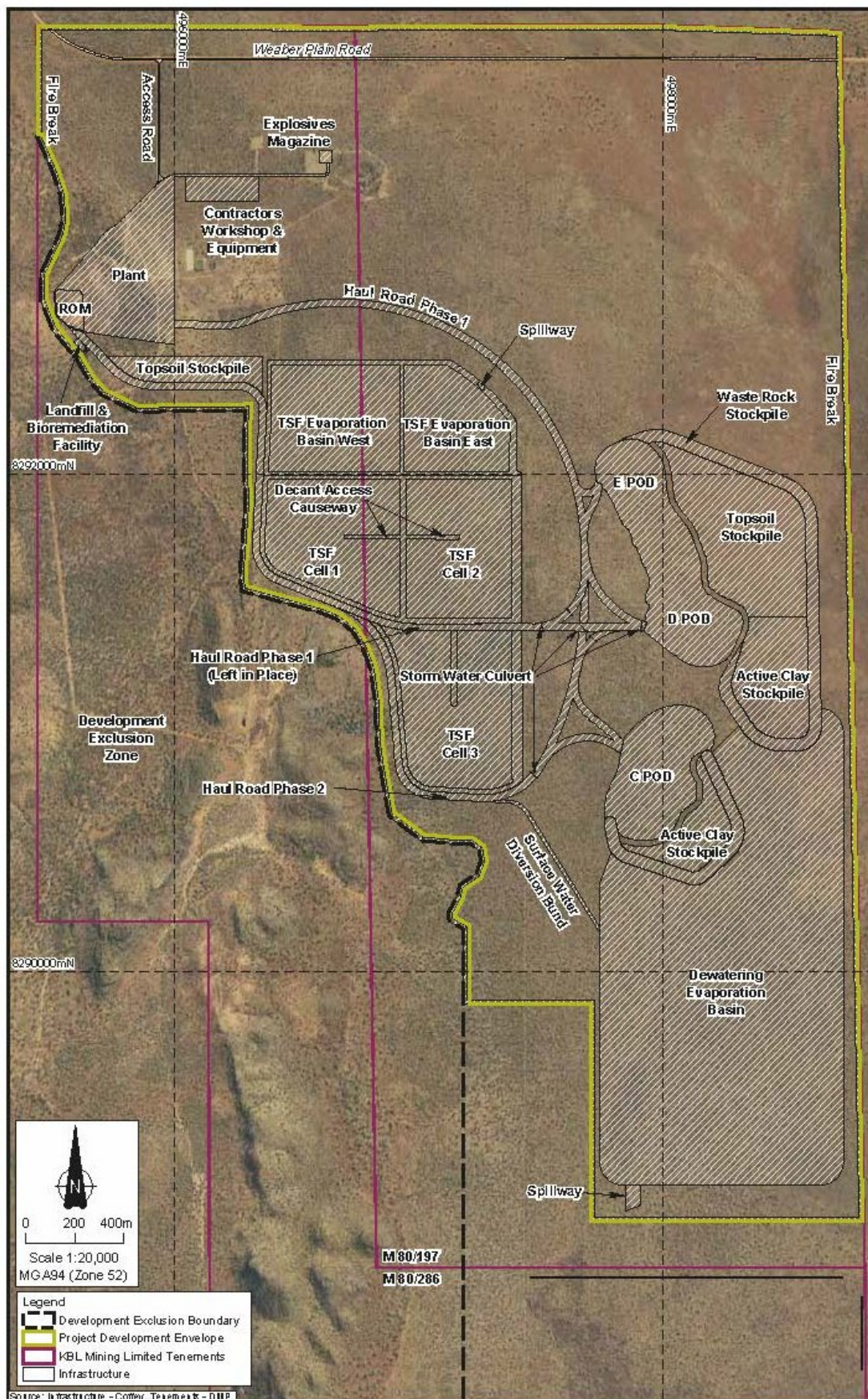


Figure 2: Sorby Hills Project Development Envelope, Development Exclusion Boundary and conceptual layout



Figure 3: Sorby Hills facilities at Wyndham Port

Schedule 2

Term or Phrase	Definition
ANZECC Guidelines for Sediment Sampling	The Australian and New Zealand Environment and Conservation Council and Agricultural and Resource Management Council of Australia <i>Australian Guidelines for Water Quality Monitoring and Reporting 2000</i> .
CEO	The Chief Executive Officer of the Department of the Public Service of the State responsible for the administration of section 48 of the <i>Environmental Protection Act 1986</i> , or his delegate.
DoW	Department of Water
DPaW	Department of Parks and Wildlife
EPA	Environmental Protection Authority
EP Act	<i>Environmental Protection Act 1986</i>
ha	hectare
TSF	Tailings Storage Facility
ROM	Run-of-mine

Notes

The following notes are provided for information and do not form a part of the implementation conditions of the Statement:

- The proponent for the time being nominated by the Minister for Environment under section 38(6) of the *Environmental Protection Act 1986* is responsible for the implementation of the proposal unless and until that nomination has been revoked and another person is nominated.
- If the person nominated by the Minister, ceases to have responsibility for the proposal, that person is required to provide written notice to the Environmental Protection Authority of its intention to relinquish responsibility for the proposal and the name of the person to whom responsibility for the proposal will pass or has passed. The Minister for Environment may revoke a nomination made under section 38(6) of the *Environmental Protection Act 1986* and nominate another person.
- To initiate a change of proponent, the nominated proponent and proposed proponent are required to complete and submit *Post Assessment Form 1 – Application to Change Nominated Proponent*.
- The General Manager of the Office of the Environmental Protection Authority was the Chief Executive Officer of the Department of the Public Service of the State responsible for the administration of section 48 of the *Environmental Protection Act 1986* at the time the Statement was signed by the Minister for Environment.

SORBY HILLS SILVER LEAD ZINC MINE

Coordinates that define the Project Development Envelope

Coordinates defining the Project Development Envelope are held by the Office of the EPA, dated 19 September 2013.