

STATUS OF THIS DOCUMENT

This document has been produced by the Office of the Appeals Convenor as an electronic version of the original Statement for the proposal listed below as signed by the Minister and held by this Office. Whilst every effort is made to ensure its accuracy, no warranty is given as to the accuracy or completeness of this document.

The State of Western Australia and its agents and employees disclaim liability, whether in negligence or otherwise, for any loss or damage resulting from reliance on the accuracy or completeness of this document.

Copyright in this document is reserved to the Crown in right of the State of Western Australia.

Reproduction except in accordance with copyright law is prohibited.

Published on 8 September 2009

Statement No 806

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

MUNGADA IRON ORE PROJECT, 220 KILOMETRES EAST-SOUTHEAST OF
GERALDTON AND 320 KILOMETRES NORTH-NORTHEAST OF PERTH,
SHIRE OF PERENJORI

Proposal: The proposal is to mine hematite and magnetite iron ore from the Blue Hills North and Terapod deposits, and construction of associated mine infrastructure, upgraded access road to Morawa, Tilley Siding, and powerline corridor in the Midwest region of Western Australia.

The proposal is further documented in schedule 1 of this statement.

Proponent: Karara Mining Limited (ACN 070 871 831)

Proponent Address: Level 9, London House,
216 St George's Terrace,
PERTH WA 6000

Assessment Number: 1633

Report of the Environmental Protection Authority: Report 1322

The proposal referred to in the above report of the Environmental Protection Authority may be implemented. The implementation of that proposal is subject to the following conditions and procedures:

1 Proposal Implementation

1-1 The proponent shall implement the proposal as documented and described in schedule 1 of this statement subject to the conditions and procedures of this statement. In implementing the proposal, the proponent shall not increase the mine pit footprint beyond that delineated by MGA coordinates listed in schedule 2 (attached).

2 Proponent Nomination and Contact Details

- 2-1 The proponent for the time being nominated by the Minister for Environment under sections 38(6) or 38(7) of the *Environmental Protection Act 1986* is responsible for the implementation of the proposal.
- 2-2 The proponent shall notify the Chief Executive Officer of the Department of Environment and Conservation (CEO) of any change of the name and address of the proponent for the serving of notices or other correspondence within 30 days of such change.

3 Time Limit of Authorisation

- 3-1 The authorisation to implement the proposal provided for in this statement shall lapse and be void five years after the date of this statement if the proposal to which this statement relates is not substantially commenced.
- 3-2 The proponent shall provide the CEO with written evidence which demonstrates that the proposal has substantially commenced 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 prior to implementation of the proposal.

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 reporting of 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 non-compliance as soon as practicable.
- 4-6 The proponent shall submit a compliance assessment report annually from the date of issue of this Implementation Statement addressing the previous twelve month period or other period as agreed by the CEO.

The compliance assessment report shall:

- 1 be endorsed by the proponent's Managing Director or a person, approved in writing by the CEO, delegated to sign on the Managing Director's behalf;
- 2 include a statement as to whether the proponent has complied with the conditions;
- 3 identify all 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 Performance Review and Reporting

- 5-1 The proponent shall submit to the CEO a Performance Review Report at the conclusion of the first, second, fourth, sixth, eighth and tenth years after the start of implementation and then, at such intervals as the CEO may regard as reasonable, which addresses:
- 1 the major environmental risks and impacts; the performance objectives, standards and criteria related to these; the success of risk reduction/impact mitigation measures and results of monitoring related to management of the major risks and impacts;
 - 2 the level of progress in the achievement of sound environmental performance, including industry benchmarking, and the use of best available technology where practicable; and
 - 3 significant improvements gained in environmental management which could be applied to this and other similar projects.
- 5-2 The proponent shall make the Performance Review Reports required by condition 5-1 publicly available in a manner approved by the CEO.

6 Priority Ecological Community

- 6-1 During construction the proponent shall ensure that there is a system to delineate the area of works in order to meet the outcome of minimising the disturbance to, or loss of, the Blue Hills vegetation complex Priority Ecological Community.
- 6-2 During operations, the proponent shall conduct mining and mining related activities in a manner which ensures that land clearing is kept to a minimum and adverse impacts from mining and mining related activities is managed and controlled.
- 6-3 At all times the proponent shall ensure that adverse impacts from other threatening processes such as fire, weeds, disease and feral animals arising from its operations is managed and controlled.
- 6-4 The proponent shall develop and implement procedures and measures to restrict access to areas under its control that support the Blue Hills vegetation complex Priority Ecological Community to authorised personnel only.
- 6-5 The proponent shall monitor impacts from mining and mining related activities due to:
- 1 dust;
 - 2 saline water application for dust control;
 - 3 fire; and
 - 4 feral species
- on the Blue Hills vegetation complex Priority Ecological Community referred to in condition 6-1. This monitoring is to be carried out to the satisfaction of the CEO.
- 6-6 In the event that the outcome of condition 6-1 is not being met or are not likely to be met, the proponent shall immediately provide and implement proposed management measures to the satisfaction of the CEO.

7 Groundwater dependant vegetation

- 7-1 The proponent shall ensure that groundwater abstraction does not adversely affect the groundwater regime which supports vegetation on the gilgai formation.
- 7-2 The proponent shall develop groundwater trigger levels for management and contingency actions prior to implementation of the proposal.
- 7-3 The proponent shall monitor groundwater levels within and near to the gilgai against the groundwater trigger levels referred to in condition 7-2 and implement management and contingency actions in the event that groundwater trigger levels are met. This monitoring is to be carried out to the satisfaction of the CEO.
- 7-4 The proponent shall monitor the health and condition of vegetation in the gilgai formation to demonstrate the requirements of condition 7-1 are being met. This monitoring is to be carried out to the satisfaction of the CEO.

- 7-5 In the event that the requirements of condition 7-1 are not being met or are not likely to be met, the proponent shall immediately provide and implement proposed management measures to the satisfaction of the CEO.

8 Fauna protection from trenches

- 8-1 The proponent shall limit the length of any continuous open trench for pipelines to a maximum length of two and a half kilometres at any time.
- 8-2 Fauna refuges and/or ramps are to be placed in the trench at intervals not exceeding 50 metres.
- 8-3 The proponent shall employ at least two qualified “fauna handlers” to remove fauna from the trench. The “fauna handlers” shall be able to demonstrate suitable experience to obtain a fauna handling licence from the Department of Environment and Conservation.
- 8-4 Inspection and removal of fauna from trenches by fauna handlers shall occur twice daily and within half an hour prior to the backfilling of trenches, with the first daily inspection and removal to be undertaken no later than 3.5 hours after sunrise, and the second inspection and removal to be undertaken daily between the hours of 3:00 pm and 6:00 pm.
- 8-5 In the event of significant rainfall, the proponent shall, following the removal of fauna from the trench, pump out pooled water in the open trench (with the exception of groundwater) and discharge it via a mesh (to dissipate energy) to adjacent areas.
- 8-6 Within 14 days following completion of the construction of each pipeline, the proponent shall provide a report on removed fauna and fauna deaths, within the pipeline corridor to the CEO.

9 Fauna mortality register

- 9-1 The proponent shall prepare and implement strategies to avoid fauna deaths in areas of mining or mining related activities.
- 9-2 Prior to ground disturbing activity the proponent shall prepare and implement a Fauna Mortality Register for conservation significant species in the proposal area.
- 9-3 The proponent shall submit the strategies required by condition 9-1 to the CEO.
- 9-4 The proponent shall review and revise the strategies required by condition 9-1 as required by the CEO.

10 Conservation significant reptiles

- 10-1 Prior to ground disturbing activities the proponent shall carry out field surveys for conservation significant reptile species.

- 10-2 Should any conservation significant reptile species be located, these shall be re-located into areas of suitable habitat in an area safe from disturbance from mining and associated operations.
- 10-3 Relocation of conservation significant reptile species as required by condition 10-2 shall be carried out to the requirements of the CEO of the Department of Environment and Conservation.

11 Mine Closure and Rehabilitation

- 11-1 As mining progresses, the proponent shall commence progressive rehabilitation of the mine site area in accordance with the following:
- 1 Re-establishment of vegetation in the rehabilitation area to be comparable with that of the pre-mining vegetation such that the following criteria are met within five years following the cessation of productive mining:
 - (a) flora and vegetation are re-established with not less than 70 percent species composition (not including weed species); and
 - (b) weed coverage consistent with recorded baseline levels or 10 percent, whichever is less.
 - 2 A schedule of the rate of rehabilitation acceptable to the CEO of the Department of Environment and Conservation and Director Environment of the Department of Mines and Petroleum.
- 11-2 Within six months following the cessation of mining, the proponent shall:
1. take measures, as agreed with the CEO of the Department of Environment and Conservation and Director Environment of the Department of Mines and Petroleum, to ensure that permanent standing water within the pit voids do not result in an increase in feral fauna to a level that may have a measurable impact on native fauna or native flora on the Blue Hills Range in the vicinity of the proposal area as compared to monitoring results obtained during mining;
 2. monitor and record feral animal populations on the Blue Hills Range in the vicinity of the proposal area at least once each calendar year for seven years;
 3. monitor and record Declared Rare Flora and Priority Flora species and vegetation condition as defined by Keighery (1994) on the Blue Hills Range in the vicinity of the proposal area at least once each calendar year during spring for seven years; and
 4. report the results of the monitoring to the CEO of the Department of Environment and Conservation and Director Environment of the Department of Mines and Petroleum as part of the annual compliance reporting under condition 4.
- 11-3 Within five years of the cessation of mining, the proponent shall determine and provide a report on the long term management of the pit lake to the satisfaction of the Minister for Environment and the Minister for Mines and Petroleum in liaison

with the Department of Environment and Conservation and Department of Mines and Petroleum.

- 11-4 In liaison with the Department of Environment and Conservation and the Department of Mines and Petroleum, the proponent shall monitor progressively the performance of rehabilitation required by condition 11-1 based on annual reporting.
- 11-5 The proponent shall submit annually a report of the rehabilitation performance monitoring required by condition 11-4 to the CEO of the Department of Environment and Conservation and Director Environment of the Department of Mines and Petroleum.
- 11-6 The proponent shall make the reports required by condition 11-2 and 11-4 publicly available in a manner approved by the CEO of the Department of Environment and Conservation.

Donna Faragher JP MLC
MINISTER FOR ENVIRONMENT; YOUTH

The Proposal (Assessment No. 1633)

The proposal is to:

- mine hematite and magnetite iron ore from the Blue Hills North and Terapod deposits; and
- develop associated mining infrastructure (i.e. ROM pad, waste dump, gravel pits, construction water pipeline, access road etc).

The location of the various project components is shown in Figures 1, 2 and 3.

The main characteristics of the proposal are summarised in Table 1 below. A detailed description of the proposal is provided in section 2 of the project Response to Submissions document: KML (2008), Mungada Iron Ore Project – Response to Submissions, *Volume 1 Main Report and Appendix A*, July 2008.

Table 1: Summary of key proposal characteristics

Element	Description	
	Stage 1	Stage 2
General		
Project life	Approx. 3 years	Approx. 7 years
Area of disturbance (approximate)	Estimated 1,056 ha comprising: <ul style="list-style-type: none">• pits and waste dumps – 290 ha;• infrastructure – 224 ha;• haul road – 254 ha;• gravel pits – 110 ha;• powerline corridor – 67 ha; and• rail siding – 111 ha.	
Mining		
Type	Mining of DSO above the water table.	Mining of DSO, and magnetite mining below the water table.
Pits	Two open cut pits with final dimensions of: <ul style="list-style-type: none">• Blue Hills North - 1,390 m long, 360 m wide, 133 m deep; and• Terapod – 1,440 m long, 360 m wide, 140 m deep.	
Total mining rate	Approx. 14.5 Mtpa	
Ore production rate	Approx. 3 Mtpa	
Waste dumps and ROM pads	One waste dump and ROM pad per pit: <ul style="list-style-type: none">• Blue Hills North pit – 135 ha; and• Terapod – 58 ha.	
Potentially Acid Forming (PAF) Material	Approx. 15% across both Terapod and Blue Hills North	Blue Hills North - Approx. 67.5%; and Terapod – approx.

		13% (PAF would be contained inside isolation cells in the waste dumps for both Stages)
Tailings	Not produced during Stage 1.	Managed as part of the KIOP proposal.
Dewatering	Not required for Stage 1.	Total – 0.72 GLpa – Blue Hills North 0.40 GLpa; and Terapod – 0.32 GLpa
Infrastructure		
Water supply	Borefields at: <ul style="list-style-type: none"> • Karara; • Blue Hills North; and • Terapod pits. • Mungada South Bore*. Supplementary water to be sourced from the Silverstone pit.	As per Stage 1, plus dewater from Blue Hills North and Terapod pits.
Power supply	<ul style="list-style-type: none"> • Construction – onsite diesel generators; and • Operation – proposed from the SWIS via a 330/132 kV connecting line from the Koola Metering Station on the Golden Grove high voltage transmission line to the minesite, plus back-up generators. 	
Product transportation	Road trains from minesite via upgraded road to the Morawa rail siding, and then the existing rail network to the Port of Geraldton. If KIOP rail spur established, then by rail directly to port.	
Site access	Upgrading a number of existing roads, part of which would run alongside the KIOP Linear Infrastructure Corridor. Borrow material for road base (approx. 200,000m ³) would be sourced from five pits located within 1.5 km.	

* the continued use of the Mundaga South Bore is permitted, but subject to review following a resolution to the reservation of the Mungada Ridge.

Abbreviations

Approx.	approximately	kL/d	kilolitres per day
DSO	direct shipping ore	kV	kilovolt
d/wk	days per week	m	metre
GL	gigalitre	m ³	cubic metres
GLpa	gigalitres per annum	Max.	maximum
ha	hectare	Mt	million tonnes
hrs/d	hours per day	Mtpa	million tonnes per annum



Figure 1 – Site location map

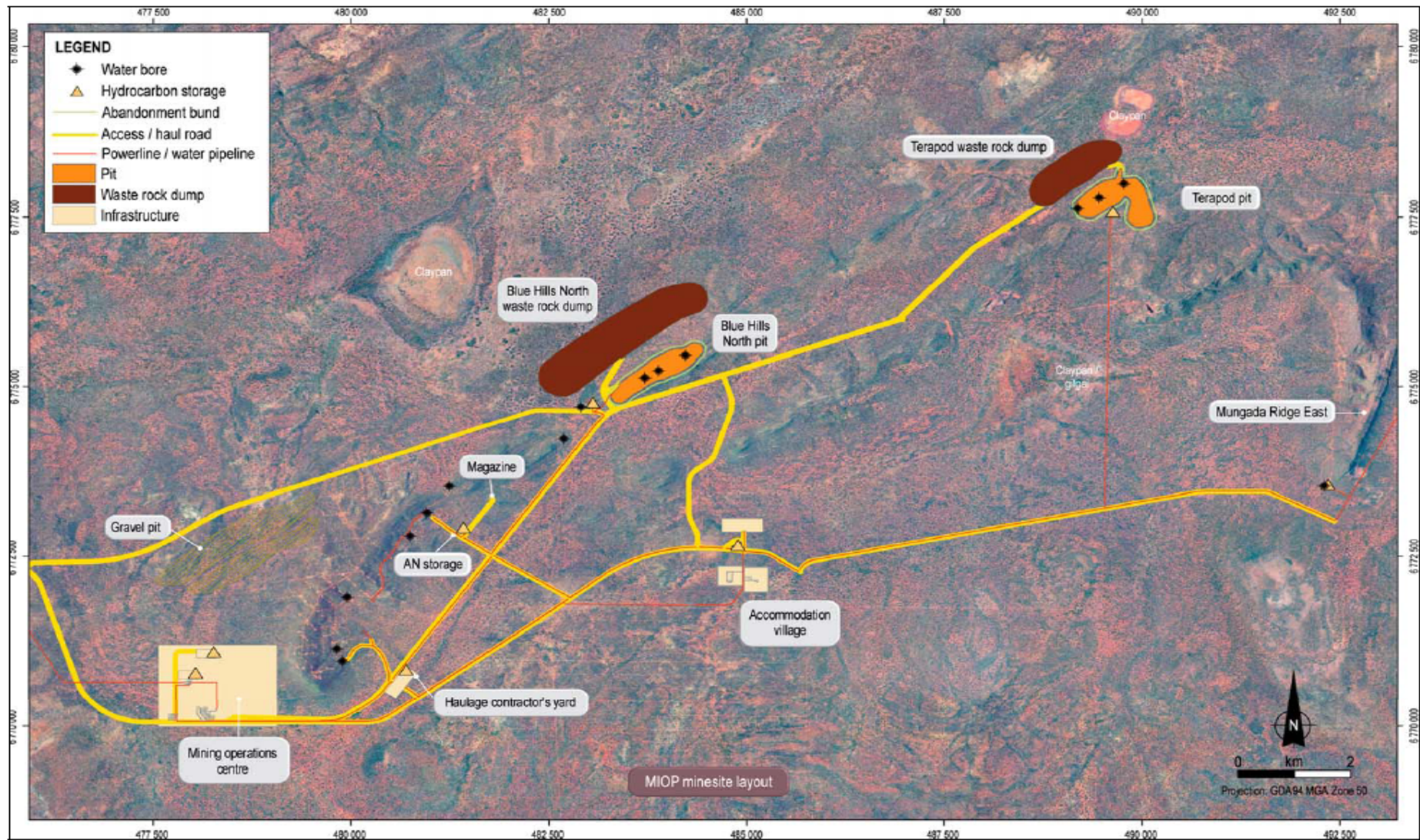


Figure 2 – Site mine plan

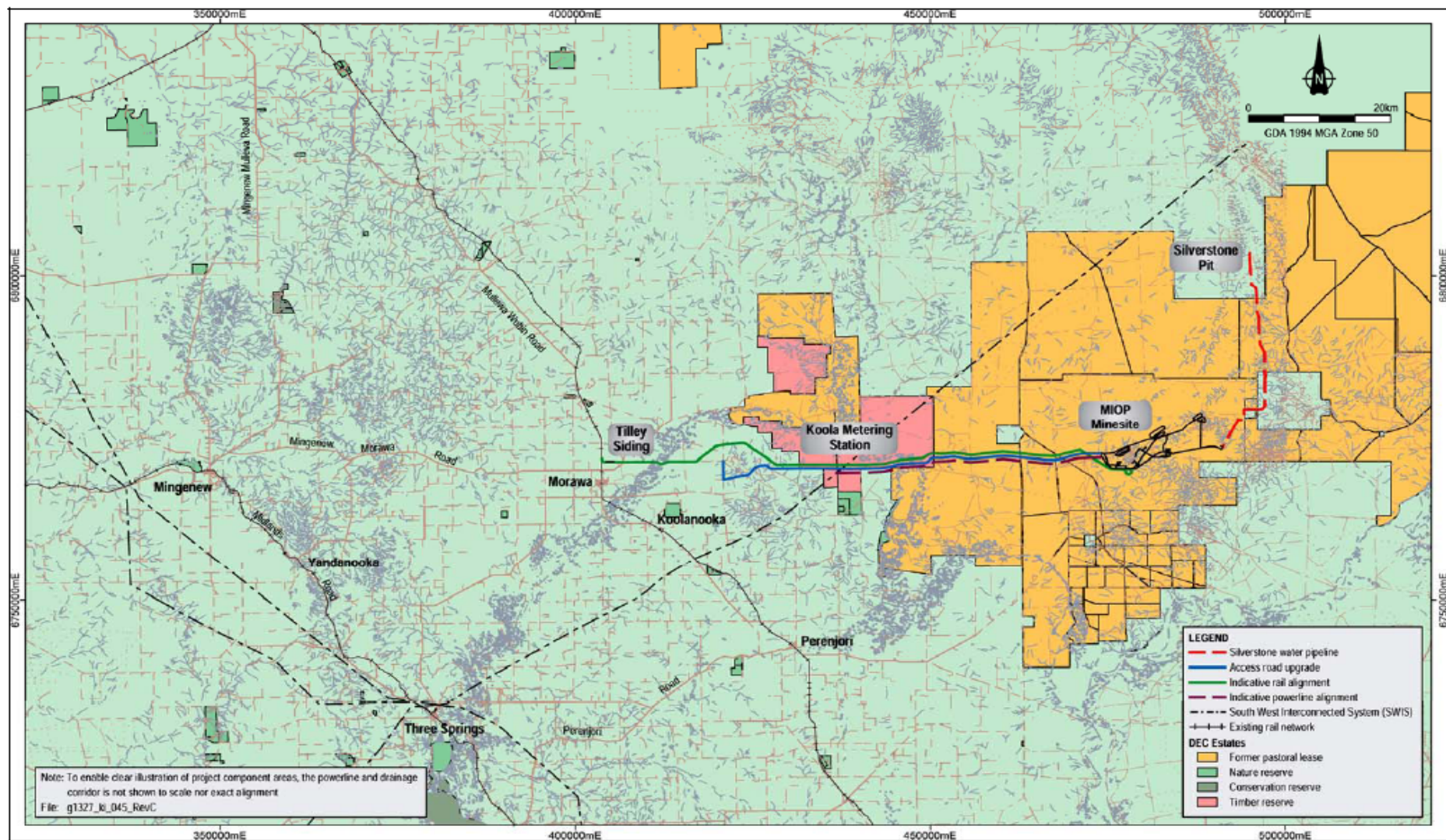


Figure 3 – Location of minesite and associated and indicative infrastructure

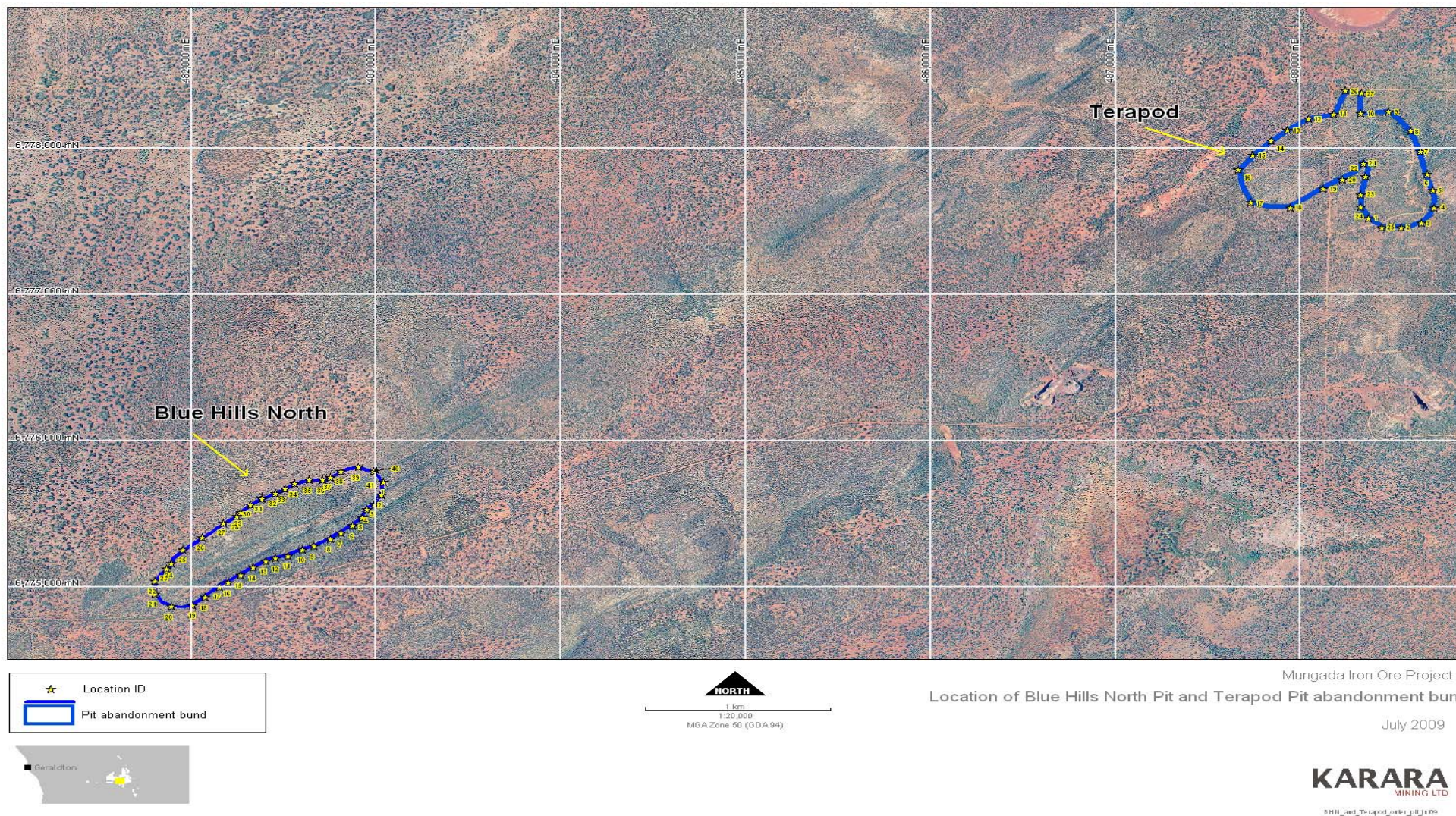


Figure 4 - Mine Pit Footprint MGA Coordinates

MGA coordinates for the mine pit footprint

Blue Hills North Pit Abandonment Bund Coordinates - April 2008 PER footprint		
ID	Easting MGA (GDA94) UTM Zone 50	Northing MGA (GDA94) UTM Zone 50
1	483038.31	6775719.8
2	483029.8	6775631.01
3	482992.61	6775568.42
4	482949.88	6775528.27
5	482924.53	6775473.5
6	482873.01	6775420.11
7	482809.39	6775369.05
8	482750.82	6775327.25
9	482663.47	6775277.39
10	482603.3	6775254.3
11	482522.77	6775213.37
12	482458.26	6775195.46
13	482405.13	6775174.3
14	482335.95	6775131.38
15	482270.26	6775083.41
16	482197.92	6775030.22
17	482151.58	6774999.61
18	482072.82	6774928.9
19	482008.97	6774874.52
20	481892.27	6774864.84
21	481802.34	6774950.98
22	481805	6775041.32
23	481864.11	6775124.07
24	481894.7	6775157.35
25	481957.54	6775252.03
26	482058.65	6775336.22
27	482176.23	6775436.26
28	482246.82	6775485.02
29	482267.34	6775509.15
30	482317.92	6775561.36
31	482382.59	6775603.09
32	482453.76	6775641.18
33	482507.5	6775672.2
34	482561.66	6775706.14
35	482639.41	6775731.49
36	482712.71	6775732.71
37	482750.48	6775749.46
38	482812.06	6775791.37
39	482904.51	6775819.84
40	482989.72	6775792.58
41	483038.31	6775719.8

Terapod Pit Abandonment Bund Coordinates - April 2008 PER footprint		
ID	Easting MGA (GDA94) UTM Zone 50	Northing MGA (GDA94) UTM Zone 50
1	488370.75	6777521.59
2	488544.00	6777457.57
3	488654.09	6777491.11
4	488723.34	6777596.52
5	488719.12	6777712.54
6	488686.86	6777821.48
7	488647.63	6777981.69
8	488597.47	6778119.71
9	488477.61	6778252.36
10	488328.30	6778243.29
11	488182.70	6778237.04
12	488044.31	6778204.10
13	487928.29	6778124.39
14	487843.68	6778052.47
15	487742.70	6777951.68
16	487666.26	6777856.02
17	487732.90	6777629.87
18	487943.79	6777595.88
19	488124.95	6777726.91
20	488226.12	6777789.38
21	488342.06	6777896.59
22	488352.78	6777808.57
23	488328.30	6777685.29
24	488325.14	6777598.71
25	488443.78	6777458.30
26	488241.75	6778395.13
27	488332.58	6778382.44

Attachment 1 to Ministerial Statement 806

Change to Proposal

Proposal: Mungada Iron Ore Project, 220 Kilometres East-Southeast of Geraldton and 320 Kilometres North-Northeast of Perth, Shire of Perenjori

Proponent: Karara Mining Limited

Change: Amendments to project disturbance footprint for additional haul roads and the realignment and widening of existing haul roads.

Key Characteristics Table:

Element	Description of proposal		Description of approved change to proposal	
	Stage 1	Stage 2	Stage 1	Stage 2
General				
Project life	Approx. 3 years	Approx. 7 years	Approx. 3 years	Approx. 7 years
Area of disturbance (approximate)	Estimated 1,056 ha comprising: <ul style="list-style-type: none">pits and waste dumps – 290 ha;infrastructure – 224 ha;haul road – 254 ha;gravel pits – 110 ha;powerline corridor – 67 ha; andrail siding – 111 ha.		Estimated 1,059.35 ha comprising: <ul style="list-style-type: none">pits and waste dumps – 290 ha;infrastructure – 224 ha;haul road – 257.35 ha;gravel pits – 110 ha;powerline corridor – 67 ha; andrail siding – 111 ha.	
Mining				
Type	Mining of DSO above the water table.	Mining of DSO, and magnetite mining below the water table.	Mining of DSO above the water table.	Mining of DSO, and magnetite mining below the water table.
Pits	Two open cut pits with final dimensions of: <ul style="list-style-type: none">Blue Hills North - 1,390 m long, 360 m wide, 133 m deep; andTerapod – 1,440 m long, 360 m wide, 140 m deep.		Two open cut pits with final dimensions of: <ul style="list-style-type: none">Blue Hills North - 1,390 m long, 360 m wide, 133 m deep; andTerapod – 1,440 m long, 360 m wide, 140 m deep.	
Total mining rate	Approx. 14.5 Mtpa		Approx. 14.5 Mtpa	
Ore production rate	Approx. 3 Mtpa		Approx. 3 Mtpa	
Waste dumps and ROM pads	One waste dump and ROM pad per pit: <ul style="list-style-type: none">Blue Hills North pit – 135 ha; andTerapod – 58 ha.		One waste dump and ROM pad per pit: <ul style="list-style-type: none">Blue Hills North pit – 135 ha; andTerapod – 58 ha.	
Potentially Acid Forming (PAF) Material	Approx. 15% across both Terapod and Blue Hills North	Blue Hills North - approx. 67.5%; and Terapod – approx. 13% (PAF would be contained inside isolation cells in	Approx. 15% across both Terapod and Blue Hills North	Blue Hills North - approx. 67.5%; and Terapod – approx. 13% (PAF would be contained inside isolation cells in

		the waste dumps for both Stages)		the waste dumps for both Stages)
Tailings	Not produced during Stage 1.	Managed as part of the KIOP proposal.	Not produced during Stage 1.	Managed as part of the KIOP proposal.
Dewatering	Not required for Stage 1.	Total – 0.72 GLpa – Blue Hills North 0.40 GLpa; and Terapod – 0.32 GLpa	Not required for Stage 1.	Total – 0.72 GLpa – Blue Hills North 0.40 GLpa; and Terapod – 0.32 GLpa
Infrastructure				
Water supply	Borefields at: <ul style="list-style-type: none"> • Karara; • Blue Hills North; and • Terapod pits. • Mungada South Bore* Supplementary water to be sourced from the Silverstone pit.	As per Stage 1, plus dewater from Blue Hills North pit.	Borefields at: <ul style="list-style-type: none"> • Karara; • Blue Hills North; and • Terapod pits. • Mungada South Bore* Supplementary water to be sourced from the Silverstone pit.	As per Stage 1, plus dewater from Blue Hills North pit.
Power supply	<ul style="list-style-type: none"> • Construction – onsite diesel generators; and • Operation – proposed from the SWIS via a 330/132 kV connecting line from the Koola Metering Station on the Golden Grove high voltage transmission line to the minesite, plus back-up generators. 		<ul style="list-style-type: none"> • Construction – onsite diesel generators; and • Operation – proposed from the SWIS via a 330/132 kV connecting line from the Koola Metering Station on the Golden Grove high voltage transmission line to the minesite, plus back-up generators. 	
Product transportation	Road trains from minesite via upgraded road to the Morawa rail siding, and then the existing rail network to the Port of Geraldton. If KIOP rail spur established, then by rail directly to port.		Road trains from minesite via upgraded road to the Morawa rail siding, and then the existing rail network to the Port of Geraldton. If KIOP rail spur established, then by rail directly to port.	
Site access	Upgrading a number of existing roads, part of which would run alongside the KIOP Linear Infrastructure Corridor. Borrow material for road base (approx. 200,000m ³) would be sourced from five pits located within 1.5 km.		Upgrading a number of existing roads, part of which would run alongside the KIOP Linear Infrastructure Corridor. Borrow material for road base (approx. 200,000m ³) would be sourced from five pits located within 1.5 km.	

* the continued use of the Mungada South Bore is permitted, but subject to review following a resolution to the reservation of the Mungada Ridge.

Abbreviations

Approx.	approximately	kL/day	kilolitres per day
DSO	direct shipping ore	kV	kilovolt
d/wk	days per week	m	metre
GL	gigalitre	m ³	cubic metre
GLpa	gigalitre per annum	Max.	maximum
ha	hectare	Mt	million tonnes
hrs/d	hours per day	Mtpa	million tonnes per annum

List of Figures:

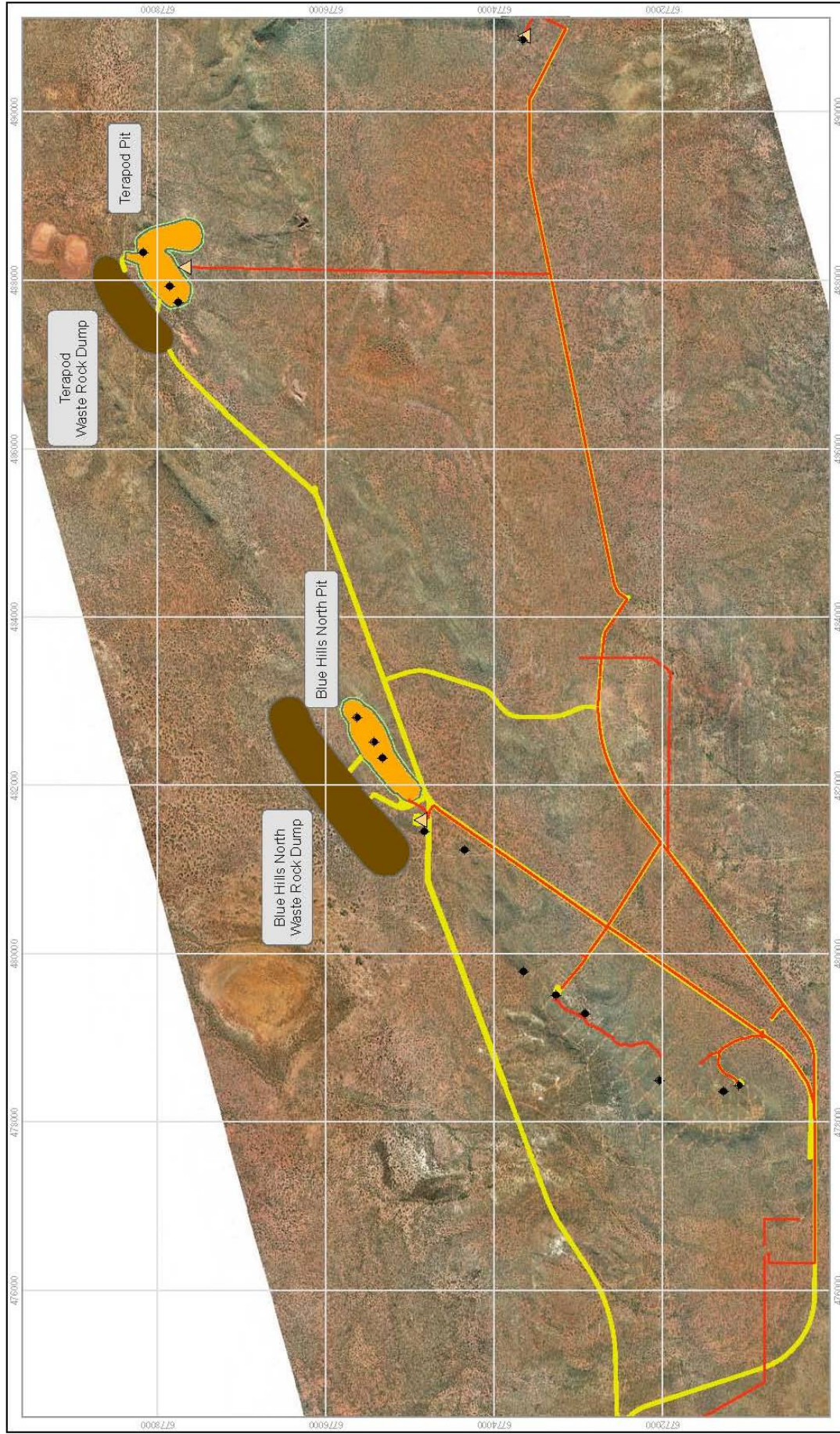
Figure 5: Mungada Iron Ore Project (MIOP) Mine Site Layout

Dr Paul Vogel

CHAIRMAN

Environmental Protection Authority
under delegated authority

11 March 2011



Mungada Iron Ore Project
Figure 5. MIOP Minesite Layout
 17th February 2011

