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Published on: 24 October 2013 Statement No: 951

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

ULARRING HEMATITE PROJECT

Proposal: The proposal is to develop an iron ore mine and associated

infrastructure in the Goldfields region, 450 kilometres (km) east-north-east of Perth. The proposal includes a borefield and adjoining water pipeline 60km west of the mine site and a rail siding 130km east of the mine site and 8km south of

Menzies.

Proponent: Macarthur Minerals Limited

Australian Company Number 103 011 436

Proponent Address: Level 2

220 St George's Terrace

PERTH WA 6000

Assessment Number: 1939

Report of the Environmental Protection Authority Number: 1480

This Statement authorises the implementation of the Proposal described and documented in Columns 1 and 2 of Table 2 of Schedule 1 and Schedule 2. 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 5 years from the date of this statement, and any commencement, within this 5 year period, must be substantial.
- 3-2 Any commencement of implementation of the proposal, within 5 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 5 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 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 Chief Operating Officer or a person delegated to sign on the Chief Operating 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 publically available. In making such a request the proponent shall provide the CEO with an explanation and reasons why the data should not be made publically available.

6 Vegetation

- 6-1 To ensure adequate representation of vegetation assemblies S2, S5 and W2, the proponent shall ensure that clearing of these vegetation assemblies does not exceed the following extents within the project development envelope defined in Figure 3 of Schedule 1 and geographic coordinates in Schedule 2:
 - (1) 31 ha of vegetation assemblage S2;
 - (2) 10 ha of vegetation assemblage S5; and
 - (3) 7 ha of vegetation assemblage W2.
- 6-2 Prior to ground disturbing activities the proponent shall prepare and submit a Vegetation Monitoring Plan to the requirements of the CEO.
 - This Vegetation Monitoring Plan shall include the provision of spatial data to substantiate how condition 6-1 will be met.
- 6-3 Prior to ground disturbing activities the proponent shall implement the Vegetation Monitoring Plan required by condition 6-2;
- 6-4 Revisions to the Vegetation Monitoring Plan may be approved by the CEO.

6-5 The proponent shall implement revisions of the Vegetation Monitoring Plan approved under condition 6-4.

7 Weeds

- 7-1 The proponent shall prevent the establishment of any new species of weeds within the project area as defined in Figure 3, 4 and 5 of Schedule 1.
- 7-2 The proponent shall ensure there is no increase in weed cover, extent or diversity of weeds in the project area as defined in Figure 3, 4 and 5 of Schedule 1.
- 7-3 Prior to ground-disturbing activities in the project area, the proponent shall undertake a baseline weed survey to identify the presence, extent, species diversity and invasive characteristics of weeds and weed cover, to the satisfaction of the CEO.
- 7-4 The proponent shall repeat the surveys undertaken pursuant to condition 7-3 following the commencement of ground disturbance activities in the project footprint annually or at a frequency agreed by the CEO.
- 7-5 Where the results of monitoring undertaken pursuant to condition 7-4 indicate an increase in the presence, extent, species diversity and invasive characteristics of weeds and weed cover, the proponent shall:
 - (1) immediately implement, and/or propose appropriately timed weed control measures in affected areas to the satisfaction of the CEO;
 - (2) submit details of weed control measures that have or will be implemented pursuant to condition 7-5 (1) and any proposed rehabilitation measures to be implemented to the CEO, within 21 days of becoming aware of an increase in the presence, extent, species diversity and invasive characteristics of weeds and weed cover; and
 - (3) implement weed control and rehabilitation measures detailed pursuant to condition 7-5 (2) until such time as the CEO agrees implementation may cease.

8 Pipeline and Borefield Flora and Fauna

- 8-1 The proponent shall ensure that the pipeline and borefield are constructed within the borefield and pipeline development envelope defined in Figure 5 of Schedule 1 and geographic coordinates in Schedule 2, to avoid impacts to Declared Rare Flora and Malleefowl mounds and minimise impacts to Priority Flora.
- 8-2 Prior to any ground disturbing activities for pipeline and borefield construction the proponent shall prepare and submit a Flora and Fauna Survey to the requirements of the CEO on the advice of the DPaW.

This Flora and Fauna Survey shall:

- (1) identify and spatially define the locations of Declared Rare Flora and Priority flora within the pipeline and borefield development envelope; and
- (2) identify and spatially define the locations of Malleefowl mounds within the pipeline and borefield development envelope.

- 8-3 Prior to any ground disturbing activities for pipeline and borefield construction the proponent shall undertake the Flora and Fauna Survey referred to in condition 8-2 and submit the results of that survey as part of the Pipeline Alignment Plan pursuant to condition 8-4 to the CEO and the DPaW.
- 8-4 Prior to any ground disturbing activities for pipeline and borefield construction the proponent shall prepare a Pipeline Alignment Plan to the requirements of the CEO on the advice of the DPaW.

The Pipeline Alignment Plan shall:

- (1) detail and provide the spatial alignment of the pipeline and borefield within the borefield and pipeline development envelope defined in Figure 5 of Schedule 1 and geographic coordinates in Schedule 2 demonstrating the avoidance of Declared Rare Flora and Malleefowl mounds and minimising the impacts to Priority flora; and
- (2) when implemented, manage the construction of the pipeline and borefield to meet the requirements of condition 8-1.
- 8-5 Prior to ground disturbing activities for pipeline and borefield construction the proponent shall implement the Pipeline Alignment Plan required by condition 8-4.
- 8-6 Revisions to the Pipeline Alignment Plan may be approved by the CEO on the advice of the DPaW.
- 8-7 The proponent shall implement revisions of the Pipeline Alignment Plan approved under condition 8-6.

9 Trapped Fauna

9-1 The proponent shall ensure that open trenches associated with construction of the water supply pipeline are cleared of trapped fauna by fauna-rescue personnel at least twice daily. Details of all fauna recovered shall be recorded, consistent with condition 9-5. The first daily clearing shall be completed prior to any construction or backfilling or no later than three hours after sunrise, whichever event occurs first, and shall be repeated between the hours of 3:00pm and 6:00pm of that same day.

The open trenches shall also be cleared, and fauna details recorded, by fauna-rescue personnel no more than one hour prior to backfilling of trenches.

Note: "fauna-rescue personnel" means employees of the proponent who meet the requirements of condition 9-2 and whose responsibility it is to walk the open trench to recover and record fauna found within the trench.

- 9-2 The fauna-rescue personnel shall obtain the appropriate licences required for fauna rescue under the *Wildlife Conservation Act 1950* and be trained in the following:
 - (1) fauna identification, capture and handling (including specially protected fauna and venomous snakes likely to occur in the area);
 - (2) identification of tracks, scats, burrows and nests of conservation-significant species;
 - (3) fauna vouchering (of deceased animals);

- (4) assessing injured fauna for suitability for release, rehabilitation or euthanasia;
- (5) familiarity with the ecology of the species which may be encountered in order to be able to appropriately translocate fauna encountered; and
- (6) performing euthanasia.
- 9-3 Open trench lengths shall not exceed a length capable of being inspected and cleared by the fauna-rescue personnel within the required times as set out in condition 9-1.
- 9-4 Ramps providing egress points and/or fauna refuges providing suitable shelter from the sun and predators for trapped fauna are to be placed in the trench at intervals not exceeding 50 metres.
- 9-5 The proponent shall produce a report on fauna management within the open trenches associated with construction of the water supply pipeline at the completion of pipeline construction. The report shall include the following:
 - (1) details of all fauna inspections;
 - (2) the number and type of fauna cleared from trenches;
 - (3) fauna mortalities; and
 - (4) all actions taken.

The report shall be provided to the CEO and the DPaW 21 days after the completion of pipeline construction or at a timeframe agreed by the CEO, and shall be made publicly available in a manner approved by the CEO.

10 Stygofauna

- 10-1 The proponent shall locate the borefield to avoid and minimise impacts to stygofauna.
- 10-2 Prior to abstraction of groundwater from the borefield the proponent shall undertake a Stygofauna Survey to the requirements of the CEO.

The Stygofauna Survey shall:

- (1) identify and map the predicted drawdown zone as a result of groundwater abstraction from implementation of the borefield;
- (2) survey for stygofauna in accordance with the EPA Draft Guidance Statement No. 54a Technical Appendix to Guidance Statement No.54: Sampling Methods and Survey Considerations for Subterranean Fauna in Western Australia or its revisions;
- (3) record the presence of Stygofauna inside and outside of the drawdown zone; and
- (4) identify the species and number of individuals recorded both within and outside the drawdown zone.
- 10-3 Prior to any groundwater abstraction the proponent shall undertake the Stygofauna Survey referred to in condition 10-2 and submit the results of that survey as part of the Stygofauna Management Plan pursuant to condition 10-4.

10-4 Prior to groundwater abstraction the proponent shall prepare and submit a Stygofauna Management Plan.

The Stygofauna Management Plan shall:

- (1) when implemented, manage the drawdown of groundwater as a result of implementation of the proposal to meet the requirements of condition 10-1;
- (2) demonstrate that the stygofauna habitat extends outside the drawdown zone where stygofauna species are only recorded inside the drawdown zone;
- (3) provide mitigation and management measures to be implemented should it be demonstrated that condition 10-1 is not being met; and
- (4) identify criteria to trigger implementation of contingency measures to prevent the drawdown zone being greater than predicted to ensure the protection of stygofauna species outside the drawdown zone.
- 10-5 Prior to groundwater abstraction the proponent shall implement the approved Stygofauna Management Plan required by condition 10-4.
- 10-6 Revisions to the Stygofauna Management Plan may be approved by the CEO.
- 10-7 The proponent shall implement revisions of the Stygofauna Management Plan approved under condition 10-6.

[Signed 24 October 2013]

Albert Jacob MLA MINISTER FOR ENVIRONMENT; HERITAGE

Table 1: Summary of the Proposal

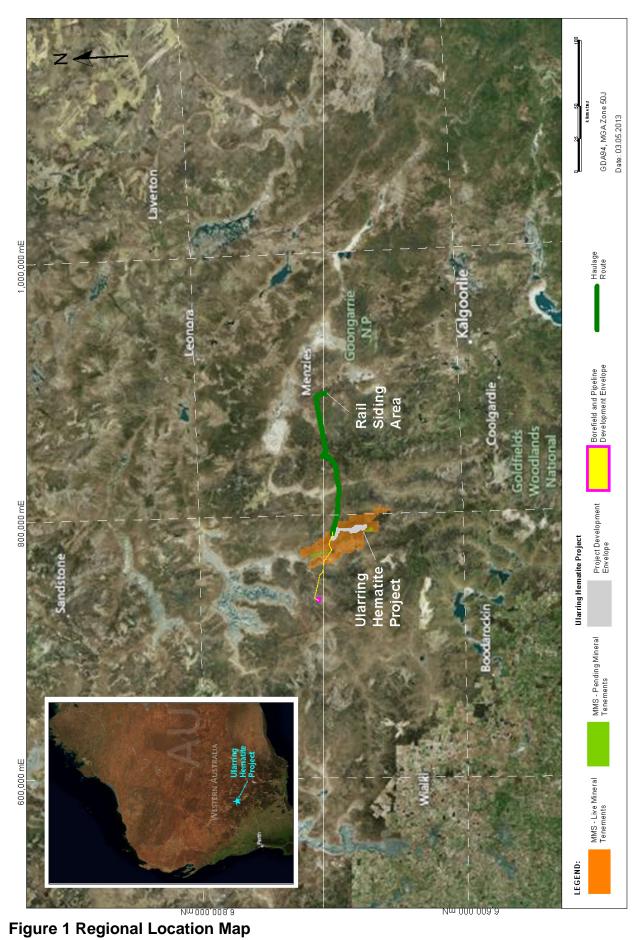
Proposal Title	Ularring Hematite Project
Short Description	The proposal is to develop an iron ore mine and associated infrastructure in the Goldfields region, 450 km east-north-east of Perth. The proposal includes a borefield and adjoining water pipeline 60 km west of the mine-site and a rail siding 130 km east of the mine site and 8 km south of Menzies. Ore will be transported to the rail siding using the existing Evanston-Menzies Road and Goldfields Highway.

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

Column 1	Column 2	Column 3
Element	Location	Authorised Extent
Mine	Figure 3 and geographic coordinates of the Project Development Envelope as detailed in Schedule 2.	Not more than 232 ha within the 2,818 ha Project Development Envelope.
Infrastructure	Figure 3 and geographic coordinates of the Project Development Envelope as detailed in Schedule 2.	Not more than 154 ha within the 2,818 ha Project Development Envelope. Note: The option 2 haul road alignment may replace the option 1 internal haul road.
Waste Dumps	Figure 3 and geographic coordinates of the Project Development Envelope as detailed in Schedule 2.	Not more than 225 ha within the 2,818 ha Project Development Envelope.
Rail Siding	Figure 4 and geographic coordinates of the Rail Siding Development Envelope as detailed in Schedule 2.	Not more than 32 ha within the Rail Siding Development Envelope.
Pipeline Controlled by a remote telemetry system with a leak detection system in place	Figure 5 and geographic coordinates of the Borefield and Pipeline Development Envelope as detailed in Schedule 2.	Not more than 28.5 ha within the 530 ha Borefield and Pipeline Development Envelope.
Borefield	Figure 5 and geographic coordinates of the Borefield and Pipeline Development Envelope as detailed in Schedule 2.	Not more than 2.1 ha within the 530 ha Borefield and Pipeline Development Envelope.
Road Haulage to Rail Siding	Figure 1	Use of existing roads only

Figures

Figure 1	Regional Location Map
Figure 2	Local Project Sitting
Figure 3	Project Layout Development Envelope
Figure 4	Rail Siding Development Envelope
Figure 5	Borefield and Pipeline Development Envelope



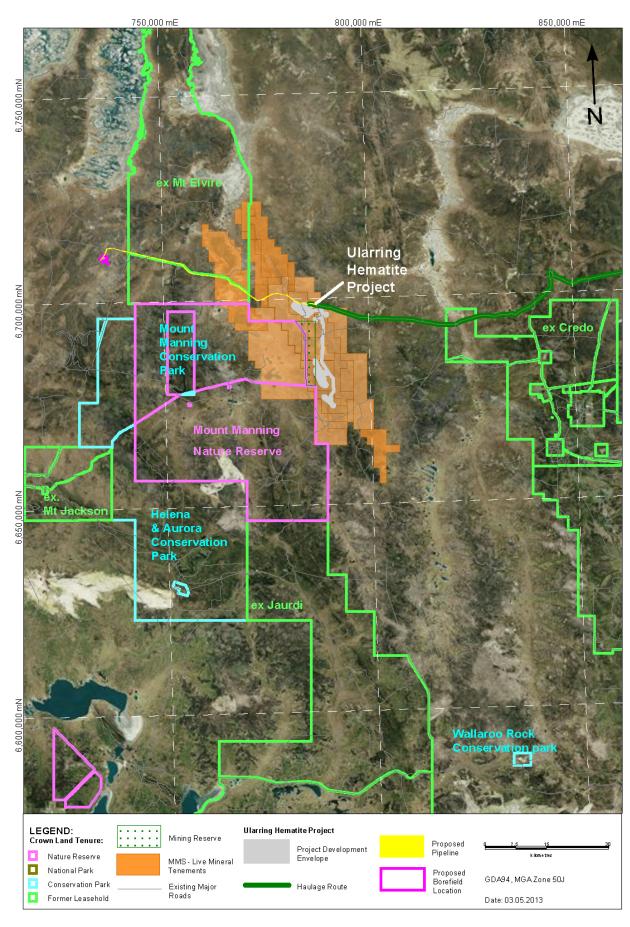


Figure 2 Local Project Setting

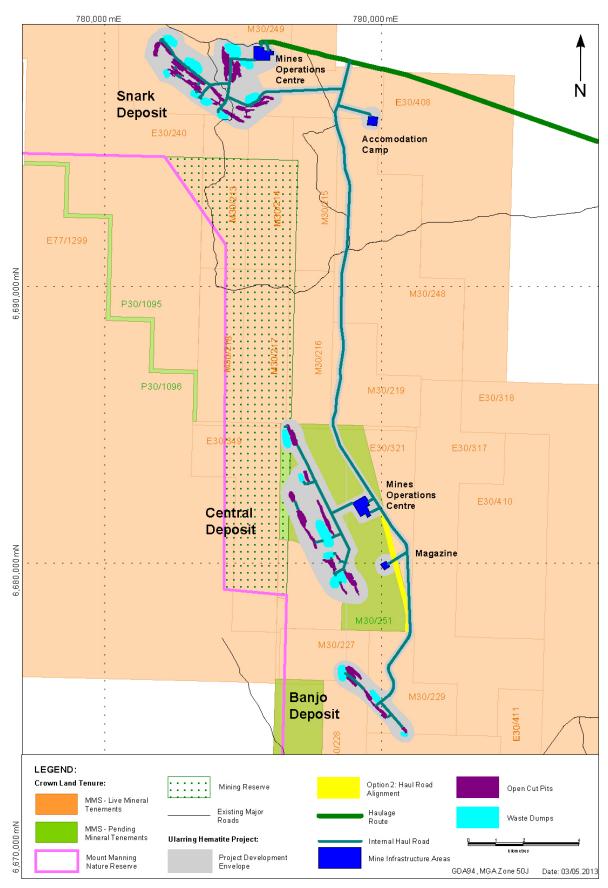


Figure 3 Project Development Envelope



Figure 4 Rail Siding Development Envelope

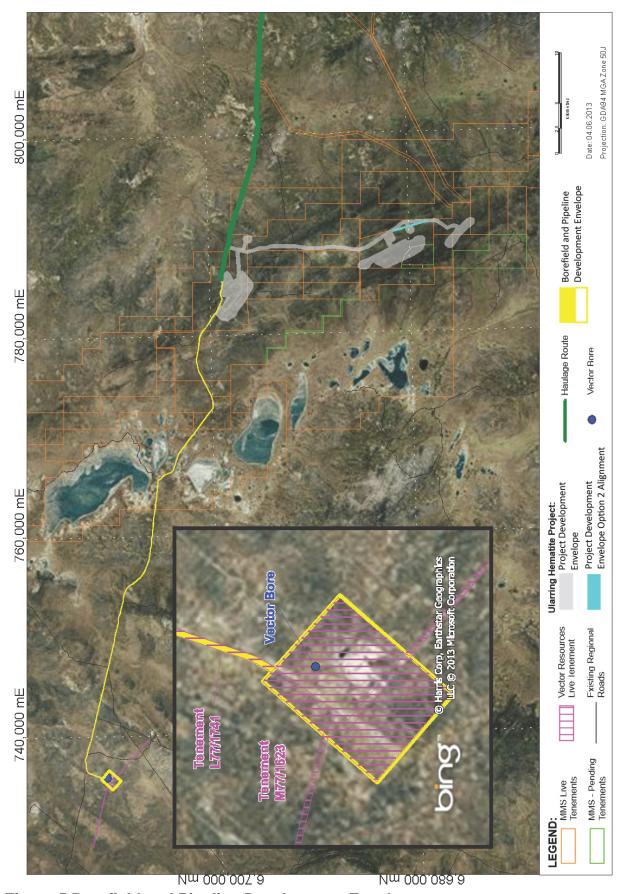


Figure 5 Borefield and Pipeline Development Envelope

ULARRING HEMATITE PROJECT, SHIRE OF MENZIES

Coordinates that define the Project Development Envelope

Coordinates that define the Borefield and Pipeline Development Envelope

Coordinates that define the Rail Siding Development Envelope

Coordinates defining the Project Development Envelope, Borefield and Pipeline Development Envelope and Rail Siding Development Envelope are held by the Office of the EPA, dated 4 June 2013.

Schedule 3

Term or Phrase	Abbreviations and definitions
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.
DPaW	Department of Parks and Wildlife
EPA	Environmental Protection Authority
EP Act	Environmental Protection Act 1986
ha	hectare
km	kilometre

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.