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RUTILA
RESOURCES

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Dear Mr Sutton,

BALLA BALLA INFRASTRUCTURE - RAIL AND CONVEYOR PROJECT - ADDENDUM TO ASSESSMENT ON PROPONENT INFORMATION (API) DOCUMENT

Forge Resources Swan Pty Ltd (Forge) submitted an EPA Referral and supporting API Environmental Review Document (API Document) for the Balla Balla Infrastructure - Rail and Conveyor Project (the Proposal) on the 10th December 2014. Forge have recently been assessing the power requirements of the Proposal and have determined that a stand-alone power station located close to the Dampier to Bunbury Natural Gas Pipeline (Fortescue River Gas Pipeline) will be the most suitable power source for operations. Forge have identified that if the Power Station was sized at approximately 25 MW it could also supply power to the nearby Pilbara Iron Ore Project.

The current Proposal defined in the API Document does not include a stand-alone power station, and as such Forge is requesting a change to the Proposal under Section 43A of the *Environmental Protection Act 1986*. Attached to this letter is an addendum document, which details the proposed changes to the Proposal, how the changes can be managed by alternative legislation, and demonstrates that the changes do not significantly increase the potential environmental impacts of the Proposal.

If you have any questions regarding the above, please feel free to contact me on 0417 910 294 or at ajohnson@rutila.com.au.

Kind regards,

Angela Johnson
Group Executive - WA

Enclosed:

Attachment 1: Addendum to API Document

ADDENDUM TO ASSESSMENT ON PROPONENT INFORMATION ENVIRONMENTAL REVIEW DOCUMENT

BACKGROUND

Forge Resources Swan Pty Ltd (Forge) submitted an EPA Referral and supporting Assessment on Proponent Information Environmental Review Document (API Document) for the Balla Balla Infrastructure – Rail and Conveyor Project (the Proposal) on the 10th December 2014.

Forge have recently been assessing the power requirements of the Proposal and have determined that a stand-alone power station located close to the Dampier to Bunbury Natural Gas Pipeline (Fortescue River Gas Pipeline) will be the most suitable power source for their operations. Attachment 1 shows the approximate location of the power station.

The power station location was deemed to be suitable as it is remote, a significant distance from any sensitive receptors and within the existing proposed disturbance footprint for the Proposal. The power station is expected to have dual-fuel (gas and diesel) capabilities, and will be accompanied by a fuel storage area.

Forge has also been in discussions with Flinders Mines Ltd (Flinders), who are developing the Pilbara Iron Ore Project nearby, and have determined that the proposed power station could be designed to also provide an efficient power source for the Pilbara Iron Ore Project. To allow this to occur, the power station will need to be designed with a minimum capacity of approximately 25 MW.

The current Proposal defined in the API Document does not include a stand-alone power station, and as such Forge is requesting a change to the Proposal under Section 43A of the *Environmental Protection Act 1986* (EP Act). This addendum document has been developed to detail the proposed changes to the Proposal, describe how the changes can be managed by alternative legislation, and demonstrate that the changes do not significantly increase the potential environmental impacts of the Proposal.

KEY APPLICABLE ALTERNATIVE LEGISLATION

The proposed power station would be sized at a minimum capacity of 25 MW, which exceeds the threshold for Category 52 in Schedule 1 of the Environmental Protection Regulations 1987. The power station will therefore require a works approval and licence under Part V of the EP Act. The Department of Environment Regulation (DER) have confirmed that the proposed power station will require a works approval prior to construction and a licence prior to operation. The DER's response is attached to this addendum.

The approval process under Part V of the EP Act will assess the potential impacts of the power station, including air emissions, contamination risks from fuel storage and handling, and noise emissions.

Fuel storage may also be managed under the *Dangerous Goods Safety Act 2004*.

POTENTIAL CHANGES TO ENVIRONMENTAL IMPACTS

The power station does not require additional ground disturbance and as such direct impacts to the current two key environmental factors; flora and vegetation, and terrestrial fauna, will not change from what was presented in the API Document. Indirect impacts to these factors are expected to be minor.

Table 1 below describes the potential impacts of the power station on the current 'other environmental factors', and assesses the relevance of the impacts in context to the original Proposal.

Table 1: Impact assessment – other environmental factors

Environmental Factor	Assessment of Impact	Regulation
Terrestrial Environmental Quality	<p>The power station will require the storage and handling of fuels, coolants and other chemicals. Associated impacts to these factors are easily managed using industry standard containment design and clean-up methods, which will be enforced as part of the Works Approval and Licence conditions.</p> <p>The power station does not introduce any new risks not already presented in the original Proposal and as such the power station would not result in these factors becoming 'key environmental factors'.</p>	<ul style="list-style-type: none"> • Works Approval and Licence under Part V of the EP Act • General provisions of the EP Act • Environmental Protection (Unauthorised Discharges) Regulations 2004 • <i>Dangerous Goods Safety Act 2004</i> (storage of hazardous materials) • Dangerous Goods Safety (Storage and Handling for Non-explosives) Regulations 2007
Inland Waters Environmental Quality		
Air Quality	<p>The power station will result in the emission of pollutants to the air. The surrounding airshed however is relatively free of other pollutant sources and given the remote location of the power station, the emissions from the power station would not result in pollutant concentrations in excess of guideline levels at any receptor.</p> <p>Impacts will be assessed against best-practice design and operation as part of the Works Approval and Licence conditions.</p> <p>Given the above, the power station is not expected to cause the factor to become a 'key environmental factor'.</p>	<ul style="list-style-type: none"> • Works Approval and Licence under Part V of the EP Act • General provisions of the EP Act
Amenity	<p>The power station will result in increases to noise levels. The power station is remote and noise impacts would not be experienced at any receptor.</p> <p>Impacts will be assessed against best-practice design and operation as part of the Works Approval and Licence conditions.</p> <p>Given the above, the power station is not expected to cause the factor to become a 'key environmental factor'.</p>	<ul style="list-style-type: none"> • Works Approval and Licence under Part V of the EP Act • General provisions of the EP Act • Environmental Protection (Noise) Regulations 1997

CONCLUSION

The power station will not result in a significant increase in the potential environmental impacts of the original Proposal. Any potential impacts from the power station are easily managed using alternative legislation (primarily a works approval and licence under Part V of the EP Act) and are not expected to require further detailed assessment under Part IV of the EP Act.

ATTACHMENTS

- Attachment 1: Figure showing the approximate location of the power station
- Attachment 2: DER's response to Application Enquiry Form

