

From: Scheib, Cathy [<mailto:Cathy.Scheib@DER.wa.gov.au>]
Sent: Wednesday, 25 February 2015 9:43 AM
To: Angela Johnson
Cc: Gavin Edwards; Kidd, Alana
Subject: RE: Proposed TSF - Pilbara Iron Ore Project

Dear Ange,

I understand that detailed design of the TSF is not yet complete and you are simply looking for input on the geochemical characterisation. Having had a look over the results there is not a high-level of concern over the material or any other specific work that would need to be undertaken at this stage. The environmental setting, including the PDWSA, will be fully considered in the context of the TSF design and environmental management measures once the application has been received by DER. I expect the level of containment and TSF design will receive some scrutiny due to the sensitive nature of the location. DER uses the Department of Water's Water Quality Protection Notes (WQPNs) as a reference when considering the level of containment required for specific materials (attached for your reference). I'm sure you are also aware of the other WQPNs that relate to PDWSAs (e.g. WQPN 25, 36, 76 & 77).

We note however the recommendations in the reports you provided that state "*A single tailings sample has been geochemically characterised to date, and therefore a higher level of confidence regarding the predicted geochemical nature of the tailings materials could be gained by additional sampling and testing of tailings samples as the Project develops.*" Therefore as the project develops and there is more representative material available to be tested, more testing would be appropriate to ensure the homogeneity that has been inferred and to further inform the risk assessment.

I will also respond to the OEPA if they request comment on the project.

Any further queries, please don't hesitate to get in touch.
Kind Regards,
Cathy

From: Angela Johnson [<mailto:AJohnson@rutila.com.au>]
Sent: Tuesday, 24 February 2015 2:05 PM
To: Scheib, Cathy
Cc: Gavin EDWARDS (gedwards@prestonconsulting.com.au)
Subject: FW: Proposed TSF - Pilbara Iron Ore Project

Hi Cathy

Thanks for your email. At this early stage we are only looking at tailings disposal at a high level, to determine if there are any major issues from a geochemical characterisation perspective. I understand that there are numerous other items to consider during the detailed design phase, and we appreciate the offer to discuss in detail at that stage (expected to be towards the end of 2015).

Given the location of the TSF within the Millstream Public Drinking Water Source Area, it is important to confirm that the leachate is not going to contaminate the aquifer, which is why the studies were commissioned. The studies demonstrate that the risk of contamination is low. If you could have a look through the studies and let me know if you have any comments that would be much appreciated, as it is expected that the OEPA may request comment once the Referral and API document is submitted (expected to be late this week or early next week). The

earlier we have comments during the API assessment process the better, as it allows us to amend the document as required.

If you have any questions please feel free to let me know.

Regards
Ange.

From: Scheib, Cathy [<mailto:Cathy.Scheib@DER.wa.gov.au>]
Sent: Thursday, 19 February 2015 10:46 AM
To: Angela Johnson
Cc: Gavin Edwards; Kidd, Alana
Subject: RE: Proposed TSF - Pilbara Iron Ore Project

Ange,

Thanks for your email.

As you say below, it is likely that the proposed TSF will trigger approval under Part V of the *Environmental Protection Act 1986* as a prescribed activity (Category 5, Schedule 1, *Environmental protection Regulations 1987*). This will be formalised once an Application Enquiry Form has been submitted. This can be found on our website at: <http://www.der.wa.gov.au/our-work/licences-and-works-approvals/industry-licensing-applications>

I have had a look over the reports you sent, but without proposed design information regarding the TSF and the proposed management of waste streams, the waste rock characterisation is only half the story. I can have a closer look and provide specific advice either to the EPA if they consult with DER once you have referred the project or at the scoping stage with DER. However if you feel that it would be beneficial to have a more detailed discussion at this stage, you are very welcome to come for a meeting here and we can conference call with Alana in Karratha.

What's the project timeline for referral/application to DER? I can then just flag it into my workload planning.

Kind Regards,
Cathy

From: Angela Johnson [<mailto:AJohnson@rutila.com.au>]
Sent: Wednesday, 18 February 2015 9:24 PM
To: Scheib, Cathy
Cc: Gavin EDWARDS (gedwards@prestonconsulting.com.au); Kidd, Alana
Subject: RE: Proposed TSF - Pilbara Iron Ore Project

Good afternoon Cathy

I am wondering if you have had an opportunity to review the PIOP tailings information I sent through earlier this month and if you would like to catch up to discuss or have comments ready to send?

Kind regards
Ange.

From: Angela Johnson [<mailto:AJohnson@rutila.com.au>]
Sent: Friday, 30 January 2015 4:00 PM
To: Scheib, Cathy; Kidd, Alana
Cc: Gavin EDWARDS (gedwards@prestonconsulting.com.au)
Subject: RE: Proposed TSF - Pilbara Iron Ore Project

Hi Alana & Cathy

Please see attachments as mentioned below, apologies for leaving them off my original email.

Since we last met with you (Alana), Rutila have been further assessing the power requirements of the Balla Balla Infrastructure – Rail and Conveyor Project and have determined that a stand-alone power station located close to the Dampier Bunbury Pipeline (Fortescue River Gas Pipeline) will be the most suitable power source for operations. This location was deemed to be suitable as it is remote and a significant distance from any sensitive receptors.

Rutila has also been in discussions with Flinders Mines Ltd, who are developing the Pilbara Iron Ore Project (PIOP) nearby, and have determined that Rutila's proposed power station could be designed to also provide an efficient power source for the PIOP. To allow this to occur, the power station will need to be designed with a capacity of at approximately 22 MW, which exceeds the threshold for Category 52 in Schedule 1 of the Environmental Protection Regulations 1987. Rutila therefore expects that the power station will require a works approval and licence under Part V of the *Environmental Protection Act 1986* (EP Act). Rutila requests confirmation from DER that the proposed power station will require a works approval prior to construction and a licence prior to operation. This information will be supplied to the OEPA to provide confirmation that the power station does not need to be assessed in detail under Part IV of the EP Act.

If you have any questions please let me know & I look forward to receiving your response.

Kind regards
Ange.

From: Scheib, Cathy [<mailto:Cathy.Scheib@DER.wa.gov.au>]
Sent: Thursday, 29 January 2015 2:27 PM
To: Angela Johnson
Subject: FW: Proposed TSF - Pilbara Iron Ore Project

Dear Ange,
Alana has passed your email to me. The attached reports were not included in your mail to Alana.
Please could you re-send with reports attached?
When are you planning to submit the EPA Referral for Stage 2 of the PIOP?
Kind Regards,
Cathy

From: Angela Johnson [<mailto:AJohnson@rutila.com.au>]
Sent: Wednesday, 21 January 2015 4:19 PM
To: Kidd, Alana
Cc: Gavin EDWARDS
Subject: Fwd: Proposed TSF - Pilbara Iron Ore Project

Hi Alana

As discussed in our previous meeting, Flinders Mines Ltd is in the process of preparing the required documentation for an assessment of Stage 2 of the Pilbara Iron Ore Project (PIOP) under Part IV of the EP Act. Stage 1 was approved in January 2013, however it did not include an option for the processing of ore or the subsequent disposal of tailings.

The proposed scope of Stage 2 of the PIOP includes a Tailings Storage Facility (TSF), within the boundaries of a mined-out mine pit (Paragon deposit). The EPA stated the following in EPA Report 1456 regarding the future development of a TSF at the PIOP, considering its location within the Millstream Water Reserve Priority 2 Area:

Although a TSF is not precluded from being developed within the Water Reserve based on the outcomes of the geochemical characterisation of process tailings samples and the proponent's intention not to mine bedrock material containing sulphur levels greater than 0.3%, the proponent will need to undertake more detailed characterisation of the materials that will be disposed into the TSF and locate and design the facility to demonstrate that it does not present an unacceptable risk to the Water Reserve....The EPA recommends that the proponent consults with the DoW, the DMP and the DEC in regard to waste characterisation and the design and location of the TSF prior to referring the Flinders PIOP – Stage 2 to the EPA.

Flinders have recently completed additional work to verify that the original assumptions made (that the tailings does not pose a contamination risk to the Millstream Water Reserve) were correct and based on suitable science. A third party review of the original tailings testwork was conducted by RGS and determined that the original findings were correct. RGS however did comment that the assumptions made about the sample – that it was representative of all deposits to be mined at the PIOP, could be strengthened with additional information about homogeneity of the local and regional geology. Flinders then commissioned Graeme McDonald, the geologist engaged at the PIOP to develop a report comparing the geology characteristics between the deposits, which found that there was a high degree of homogeneity between all deposits at the PIOP.

The reports described above are attached:

- The original GCA Tailings Report provided to the EPA in 2012;
- The RGS third party review; and
- The Homogeneity report completed by Graeme McDonald.

As discussed above, the EPA stated that the Department of Environment Regulation (DER) should be consulted regarding this issue prior to submission of the EPA Referral for Stage 2 of the PIOP. Flinders understands that a works approval and licence will be required for the TSF prior to construction and operation respectively, and these approvals will be sought after Part IV approval is granted. The works approval will (amongst other factors) assess the potential impacts of the TSF on the underlying groundwater and surrounding surface waters.

I would appreciate any comments you might have regarding the above. I am available tomorrow afternoon for a meeting in the Karratha office to discuss the above if you think it would be beneficial.

I look forward to hearing from you.

Kind regards

Ange Johnson