

**From:** RISBEY, Danielle [<mailto:Danielle.RISBEY@dmp.wa.gov.au>]  
**Sent:** Thursday, 29 January 2015 3:27 PM  
**To:** Angela Johnson  
**Cc:** BOARDMAN, Matt  
**Subject:** RE: Proposed TSF - Pilbara Iron Ore Project

Hi Ange,

Thank you for sending this through. Matt and I have had a brief look at your documentation and agree that Flinders have adopted an appropriate approach to the issue of material characterisation.

A meeting during the development of the MP and MCP would be more useful, let us know when you are ready and we shall include the relevant Geotechnical Engineer from Resources Safety Division of DMP.

Regards,

**Danielle Risbey** | Team Leader | Operations, Environment

**Department of Mines and Petroleum**

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**From:** Angela Johnson [<mailto:AJohnson@rutila.com.au>]  
**Sent:** Friday, 23 January 2015 4:31 PM  
**To:** RISBEY, Danielle  
**Cc:** Gavin EDWARDS ([gedwards@prestonconsulting.com.au](mailto:gedwards@prestonconsulting.com.au)); M Rapaic  
**Subject:** Proposed TSF - Pilbara Iron Ore Project

Hi Danielle

I hope you are well and wanted to let you know that 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 Mines and Petroleum (DMP) should be consulted regarding this issue prior to submission of the EPA Referral for Stage 2 of the PIOP. Flinders understands that a Mining Proposal and associated Mine Closure Plan will be required for the TSF prior to construction, and these approvals will be sought after Part IV approval is granted. The mining proposal will (amongst other factors) assess the proposed design, operation and closure of the TSF, as well as potential impacts on the underlying groundwater and surrounding surface waters.

I would appreciate any comments you might have regarding the above. We are planning on submitting the EPA referral in the next few weeks so please let me know if I can assist in any way. We are available to meet to discuss the above during the first week of February if that suits your availability so please do not hesitate to let me know.

Kind regards  
Ange.

**Ange Johnson**  
Group Executive - WA



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