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Published on: 4 June 2014

Statement No:968

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

HINGE IRON ORE PROJECT

Proposal: To develop and operate an iron ore mine, supporting infrastructure and a haul road, 76 km north-east of Perenjori in the Midwest region, as documented in Schedule 1 of this Statement.

Proponent: KARARA MINING LIMITED
Australian Company Number 070 871 831

Proponent Address: Level 8
London House, 216 St Georges Tce
PERTH WA 6000

Assessment Number: 1992

Report of the Environmental Protection Authority Number: 1505

This Statement authorises the implementation of the proposal described and documented in Columns 1 and 2 of Table 2 of Schedule 1. The implementation of the proposal is subject to the following implementation conditions and procedures and Schedule 2 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 twenty eight (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 five (5) years from the date of this Statement, and any commencement, within this five (5) year period, must be substantial.
- 3-2 Any commencement of implementation of the proposal, within five (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 five (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 (6) 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 potential 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 twelve (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 Executive Officer or a person delegated to sign on the Chief Executive 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 publicly available. In making such a request the proponent shall provide the CEO with an explanation and reasons why the data should not be made publicly available.

6 Subterranean fauna

- 6-1 Prior to the commencement of ground disturbing activities, the proponent shall implement the Gindalbie Metals Limited Subterranean Fauna Sampling Proposal for the Hinge Deposit provided to the Office of the EPA (19 February 2014) and report its findings to the CEO.

- 6-2 If the CEO determines that the sampling required under condition 6-1 has identified subterranean fauna that is regionally significant within the proposal envelope as defined in Schedule 1 of this Statement, the proponent is to prepare a Subterranean Fauna Management Plan, prior to ground disturbing activities, to the requirements of the CEO. If the CEO determines that sampling undertaken in accordance with condition 6-1 does not identify subterranean fauna that is regionally significant within the proposal envelope as defined in Schedule 1 of this statement, then the conditions 6-2 to 6-9 and 7 are not required to be implemented.
- 6-3 The objective of the Subterranean Fauna Management Plan is to ensure that mine construction and operational activities are carried out in a manner that minimise the impacts to the subterranean fauna.
- 6-4 The Subterranean Fauna Management Plan required by condition 6-2 shall set out procedures and measures to:
- (1) when implemented, substantiate whether condition 6-3 is being met;
 - (2) include a description of procedures for recording the distribution of species of subterranean fauna and relevant aspects of subterranean fauna habitat to ensure that the long-term viability of subterranean fauna species is not at risk as a result of implementation of the proposal; and
 - (3) identify management and/or contingency measures to be implemented in the event that the impacts to the long-term viability of subterranean fauna species and their habitats may be unknown or at risk as a result of implementing the proposal.
- 6-5 The proponent shall implement the approved Subterranean Fauna Management Plan required by condition 6-2 until the CEO advises implementation may cease.
- 6-6 In the event that monitoring required by condition 6-4(2) indicates that implementation of the proposal may pose a risk to the long-term viability of subterranean fauna species the proponent shall:
- (1) provide a report to the CEO within twenty eight (28) days of identification that implementation of the proposal may pose a risk to the long-term viability of subterranean species, proposing measures to avoid, mitigate or offset these risks.
- 6-7 The proponent may review and revise the Subterranean Fauna Management Plan to the requirements of the CEO.
- 6-8 The proponent shall review and revise the Subterranean Fauna Management Plan as and when directed by the CEO.
- 6-9 The proponent shall implement the approved revisions of the Subterranean Fauna Management Plan required by conditions 6-7 and 6-8.

7 Offsets

- 7-1 If pursuant to condition 6-6(1), the CEO determines that risks to the long-term viability of subterranean fauna species may be offset, the proponent shall prepare a Subterranean Fauna Research Project and submit it to the CEO for approval.
- 7-2 The Subterranean Fauna Research Project pursuant to condition 7-1 shall:
- (1) detail the funding arrangement that has been agreed to by the CEO;
 - (2) when implemented, meet the objective of increasing knowledge and understanding of subterranean fauna in the Midwest region; and
 - (3) be prepared in consultation with the Department of Parks and Wildlife and the Western Australian Museum.
- 7-3 The proponent shall implement the approved Subterranean Fauna Research Project within twelve (12) months of results from surveys pursuant to condition 6-2.
- 7-4 The proponent shall implement the approved Subterranean Fauna Research Project until the CEO advises implementation may cease.
- 7-5 A report shall be submitted to the CEO documenting the results of the Subterranean Fauna Research Project, identifying the findings of the research required by condition 7-2.

[Signed 3 June 2014]

Albert Jacob MLA
MINISTER FOR ENVIRONMENT; HERITAGE

Table 1: Summary of the Proposal

Proposal Title	Hinge Iron Ore Project
Short Description	The proposal is to develop and operate an iron ore mine, supporting infrastructure and a haul road, 76 km north-east of Perenjori in the Midwest region.

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

Column 1	Column 2	Column 3
Element	Location	Authorised Extent
Mine pits and infrastructure area	Figure 2 and geographic coordinates of the Project Development Envelope in Schedule 2.	Clearing no more than 300 ha of vegetation within the 680 ha mine Development Envelope. Clearing of up to a combined total of 188 ha of the areas identified in Woodman's (2012) report as 'FCTs 1,2,3,4,5,6,10 and 12' within the Development Envelope.
Haul road	Figure 2 and geographic coordinates of the Project Haul Road in Schedule 2.	Clearing no more than 30 ha vegetation within a 120 ha haul road Development Envelope.

Table 3: Abbreviations

Abbreviation	Term
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.
EPA	Environmental Protection Authority
EP Act	<i>Environmental Protection Act 1986</i>
ha	hectare
km	kilometre
FCT	Floristic Community Type

Figures (attached)

Figure 1: Regional locality map

Figure 2: Hinge development envelope and haul road layout

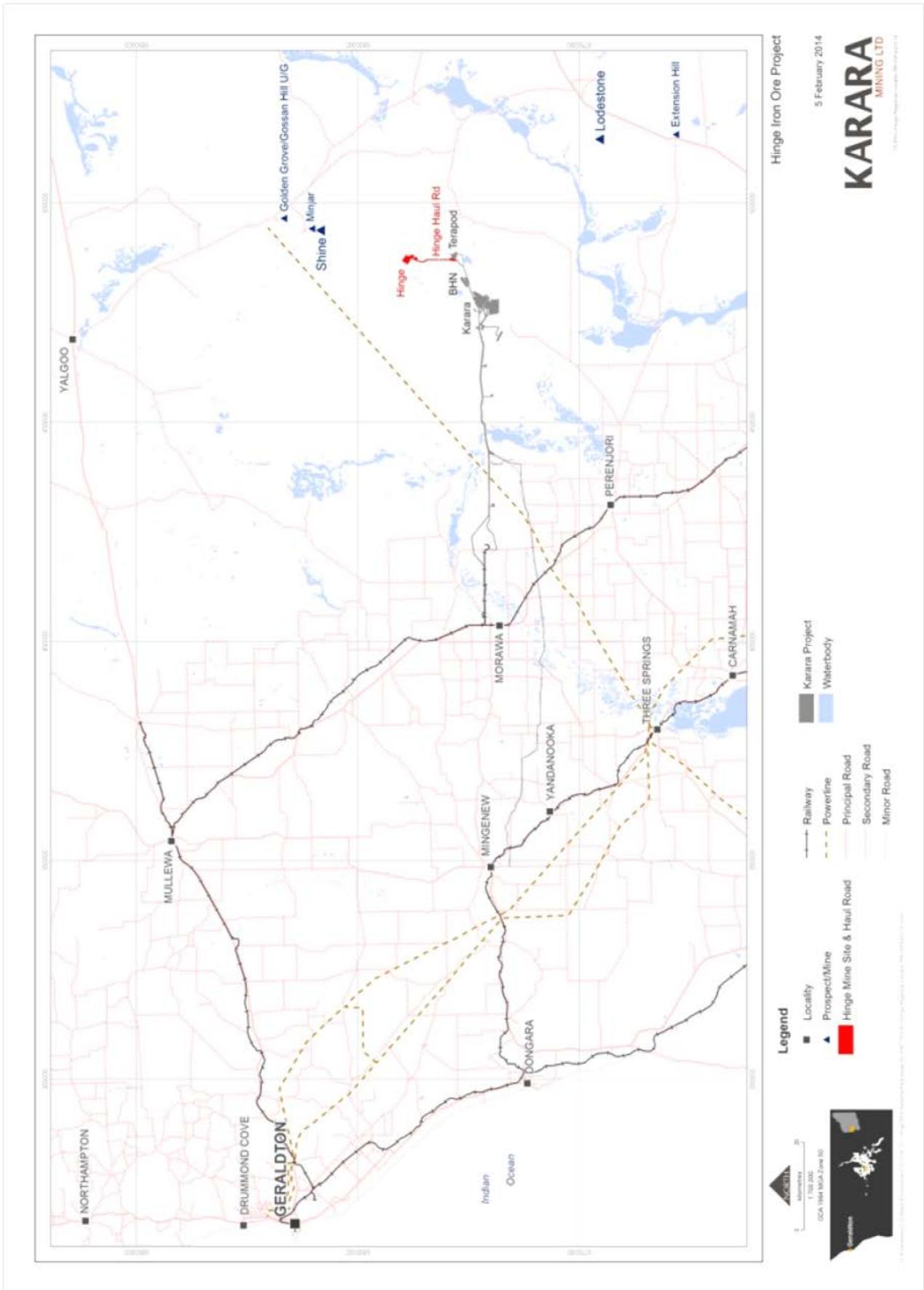
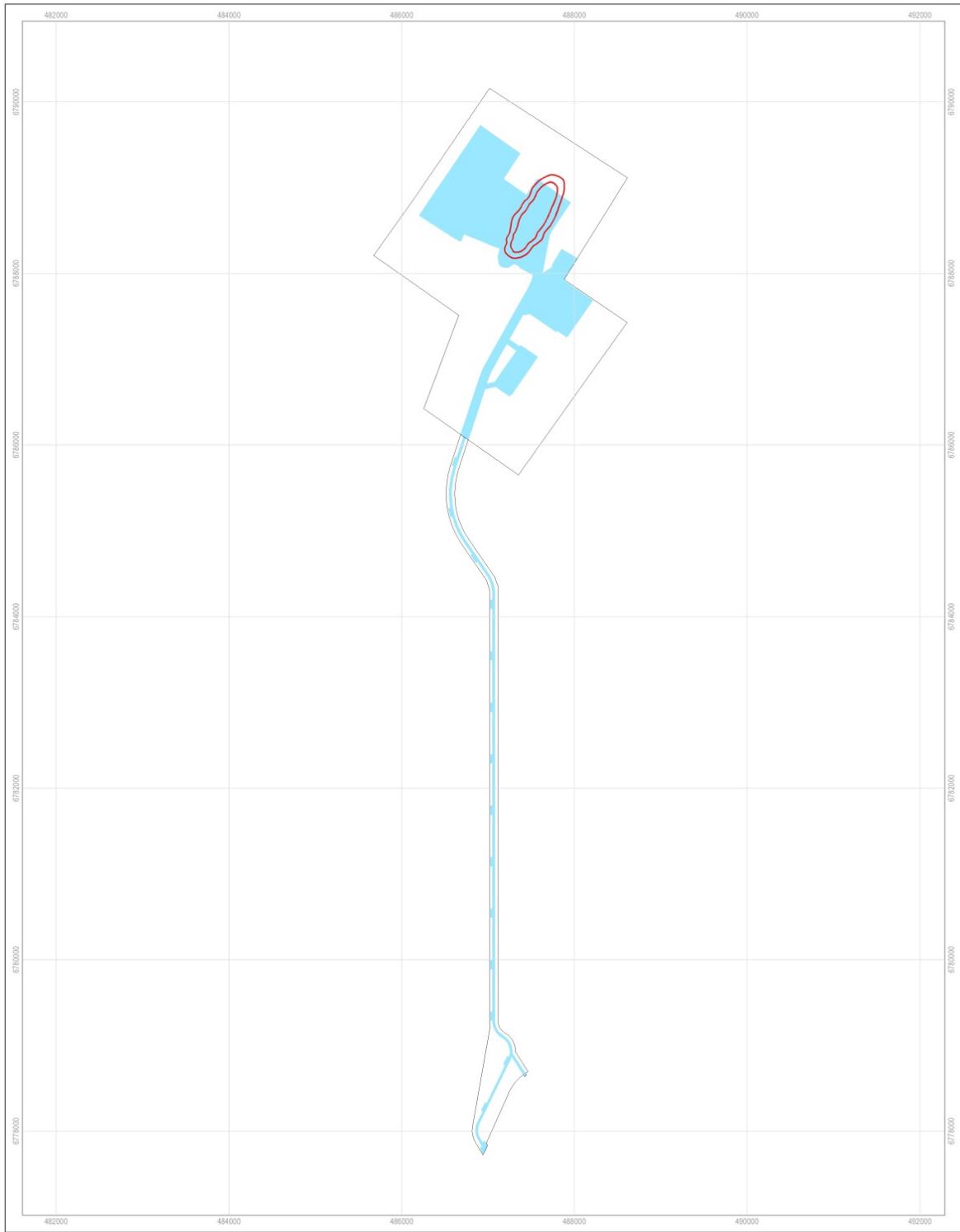


Figure 1 Regional locality map



Hinge Iron Ore Project



- Legend**
- Hinge Pit
 - Development Envelope
 - Conceptual Disturbance Footprint

7 February 2014

KARARA
MINING LTD

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TS-ENV-Hinge Fauna with Imagery\FB-05Feb2014

Figure 2: Hinge development envelope and haul road layout

HINGE IRON ORE PROJECT

Coordinates that define the Development Envelope and Haul Road end points

Hinge Mine Site Development Envelope
Easting (MGA94 z50) Northing (MGA94 z50)

487015.42	6790160.53
488611.30	6789118.58
487881.01	6787933.25
488607.75	6787430.52
487349.93	6785654.21
486253.80	6786428.14
486659.58	6787515.62
485672.75	6788213.59

Hinge Haul Rd End Points
Easting (MGA94 z50) Northing (MGA94 z50)

486939.58	6777728.88
486683.92	6786124.36
486769.41	6786063.98
487461.56	6778698.11

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 EP Act 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 EP Act 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 EP Act at the time the Statement was signed by the Minister for Environment.