



Environmental Protection Authority

The Atrium,
Level 8, 168 St Georges Terrace,
Perth, Western Australia 6000
Telephone: (08) 6364 6500
Facsimile: (08) 6467 5557

Postal Address: Locked Bag 33,
Cloisters Square Perth, Western Australia 6850.
Website: www.epa.wa.gov.au

Mr T Schoer
Managing Director
Pluton Resources Limited
Ground Floor, 470 St Kilda Road
MELBOURNE VIC 3004

Our Ref. CRN 221262
Enquiries: Danielle Griffiths, tel: 6467 5440

Dear Mr Schoer

PUBLIC ADVICE

PROPOSAL: Irvine Island Iron Ore Exploration Programme Tenement No. E04/1172
LOCATION: Buccaneer Archipelago, West Kimberley
PROPOSER: Pluton Resources Ltd

Further to the Environmental Protection Authority (EPA) letter of 24 December 2007 with regard to the above proposal, the EPA Service Unit advises that one appeal was received. The Minister for the Environment recently dismissed the appeal against the EPA's determination that your proposal should be treated as Not Assessed-Public Advice Given.

ADVICE AND RECOMMENDATIONS

1. Environmental Issues

- a. Discharge of desalinisation plant brine to the sea
- b. Spill Management
- c. Quarantine Risks

2. Advice and Recommendations regarding Environmental Issues

a. Discharge of desalinisation plant brine

Fresh water will be required for the drilling. There are two locations, namely the Isthmus Region and Hardstaff Peninsula, where the desalination plants will be set up and discharge hypersaline wastewater to the sea.

The EPA recommends that the discharge lines at both these locations be located off the deeper, more open, eastern coast so that the saline discharge water (at approximately double the salinity of seawater) will dilute and dissipate with greatest assistance from the large tides. The intended locations for these outlets are shown on Figures 9 and 10 of the proponent's referral.

b. Spill Management

This aspect, especially with regard to diesel fuel for the drill rigs, is addressed in the spill management strategies and in subsequent communications with the proponent's consultant which are reflected in the updated referral document. The information provided details that in all sites where fuel is to be used or stored, a portable and removable bund will be erected to contain all hydrocarbons.

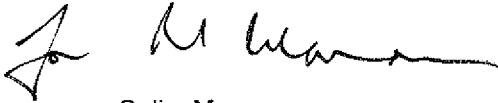
It is recommended that the proponent liaise with the Department of Industry and Resources regarding spill management measures and contingencies.

c. Quarantine Risks

The potential risks associated with quarantine have been appropriately addressed in the quarantine management plan provided to the EPA. The Plan includes the training of selected staff as Certified Pluton Quarantine Inspectors by WAQUIS. It requires that everything bound for Irvine Island is prepared and scrutinised before it arrives there.

The EPA expects the relevant decision-making authorities to consider and implement this advice through the approvals process. If you have any enquiries, please contact the person cited above.

Yours sincerely



Colin Murray
A/Director
Environmental Impact Assessment

23 May 2008

CC: Conservation Council of WA - Att: Chris Tallentire
Strategen - Att: Lisa Crossing
Dept of Industry & Resources - Att: G Cobby
Shire of Derby-West Kimberley
Dept of Indigenous Affairs – Att: Heritage Advice Unit
Dept of Environment & Conservation – Att: Norm Caporn
Dept of Environment & Conservation, Kununurra