



Mr Sean McGunnigle
Manager – Environmental Approvals
Fortescue Metals Group Limited
PO Box 6915
EAST PERTH WA 6892

Our Ref: OEPA2012/000096 A477623
Enquiries: Chris Stanley, 6467 5182
Email: chris.stanley@epa.wa.gov.au

Dear Mr McGunnigle

PUBLIC ADVICE UNDER SECTION 39A(7)
Environmental Protection Act 1986

PROPOSAL: IO DIRECT SHIPPING IRON ORE PROJECT
LOCATION: 100 KM NORTH WEST OF NEWMAN
LOCALITY: SHIRE OF EAST PILBARA
PROPONENT: FORTESCUE METALS GROUP LIMITED
DECISION: NOT ASSESSED – PUBLIC ADVICE GIVEN

Further to the Environmental Protection Authority (EPA) letter of 2 April 2012 with regard to the above proposal, the Office of the EPA (OEPA) advises that the Minister for Environment recently dismissed an appeal against the EPA's determination that your proposal should be treated as *Not Assessed-Public Advice Given*.

Accordingly, the OEPA provides the following advice:

ADVICE AND RECOMMENDATIONS

1. Environmental Issues

The proposal is described in the document *Io Direct Shipping Ore Project Referral and Supporting Information (FMG February 2012)*.

The environmental issues are:

- a. Clearing of native vegetation
- b. Works approval
- c. Mining below the water table
- d. Priority Ecological Community

2. Advice and Recommendations regarding Environmental Issues

a. Clearing of native vegetation

The EPA notes that the proposal involves the clearing of native vegetation.

Please visit the Department of Mines and Petroleum's (DMP) website at <http://www.dmp.wa.gov.au/830.aspx> for information on the provisions of the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004* and the procedures in relation to applying for a Clearing Permit. The DMP will make a decision (under delegated authority from DEC) to grant or refuse a permit. The decision of the EPA to not assess your proposal carries no presumption about the outcome of an application for a Clearing Permit.

It should be noted that clearing cannot be undertaken until the clearing permit application process is concluded.

b. Works Approval

Your project may require a Works Approval.

Please contact your local Department of Environment and Conservation office on 9143 1488 to determine your obligations under Part V of the EP Act, if you have not already done so. The decision of the EPA to not assess your proposal carries no presumption about the outcome of an application for a Works Approval.

It should be noted that construction cannot commence until the Works Approval process has been completed.

c. Mining below the water table

The EPA considers that one of the important matters for recommending that the Io Project not be assessed is that there is no mining below the water table.

The EPA is aware that the Io Project lies within the potential footprint of the larger Nyidinghu Project Area, however the proponent has yet to define a proposal or finalise its environmental investigations and has therefore not yet referred the Nyidinghu proposal to the EPA.

Based on the experience of other mines along Weeli Wolli Creek, any mining below the water table is anticipated to encounter large volumes of groundwater.

The EPA expects that the proponent will have carried out regional scale groundwater investigations and modeling work for the larger Nyidinghu Project. This will allow a proper assessment of the impacts of abstracting a large amount of groundwater and is also expected to inform how water will be managed to avoid significant detrimental impacts to the sensitive environments of Weeli Wolli Creek and the Fortescue Marsh.

d. Priority Ecological Communities

The EPA notes that two occurrences of the Fortescue Valley Sand Dunes Priority Ecological Community (PEC) lie approximately 1.5 kilometres downstream of the Io Project. Due to its scale, the Io Project is not expected to impact on this PEC.

However, it is not known if the larger Nyidinghu Project would lead to impacts on the PEC. The EPA considers that further investigation work, including on ground studies of these two occurrences of this PEC, will be necessary to allow an assessment of the impacts of the larger Nyidinghu Project.

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



Anthony Sutton
Director
Assessment and Compliance Division

29 August 2012

CC: Department of Environment and Conservation
Department of Mines and Petroleum
Department of Water
Ms Carol Jenkins