



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

Our Ref: A520691, OEPA2012/000405
Enquiries: Chris Stanley, 6467 5182
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Dear Mr McGunnigle

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

PROPOSAL: NORTHSTAR HEMATITE PROJECT
LOCATION: 110 KM SOUTH OF PORT HEDLAND
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 6 August 2012 with regard to the above proposal, the Office of the EPA (OEPA) advises that no appeals were received 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 Referral Supporting Information Northstar Hematite Project (FMG, 29 June 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.

The Department of Mines and Petroleum has delegated responsibility from the Department of Environment and Conservation for administration, assessment and approval of clearing permits under the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004* for mineral and petroleum projects in Western Australia. Please visit the Department of Mines and Petroleum's website at the following web address <http://www.dmp.wa.gov.au/830.aspx> for information on the procedures in relation to applying for a Clearing Permit. The Department of Mines and Petroleum will make a decision 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 Northstar Hematite Project not be assessed is that there is no mining below the water table. The EPA is aware that the Northstar Hematite Project lies within the larger Northstar Magnetite Project area, however, the proponent has yet to define the larger proposal. Should it be developed, the Northstar Magnetite Project is anticipated to include mining below the water table.

The EPA expects that the proponent will have carried out regional scale groundwater investigations and modeling work for the larger Northstar Magnetite Project. This will allow a proper assessment of the impacts of abstracting groundwater. The EPA also notes that there may be the need to develop additional water sources, such as the West Canning Basin, to meet the expected water requirements of the Northstar Magnetite Project. The EPA expects that investigations will also be completed on any proposed water sources, including the potential for impacts on other potential users of these sources.

d. Referral of Northstar Magnetite Project

The EPA notes that the Northstar Magnetite Project has yet to be fully defined. However, the EPA is aware that potential components of the Northstar Magnetite Project include the development of an outer harbour area at Port Hedland, a slurry pipeline and a water source at the West Canning Basin. It is the EPA's preference that all the components of the project be referred as one to allow the whole project to be considered at the same time. If it is the proponent's intention to refer the components separately, then the proponent will need to justify this approach.

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