

MAGELLAN LEAD CARBONATE PROJECT

Consultation discussion sheet on response to draft

Ministerial conditions - Fremantle Export Proposal - June 2008

In January this year, the WA Minister for the Environment conditionally accepted the Environmental Protection Authority's (EPA) recommendation to allow the shipment of lead carbonate concentrate in sealed bags, locked within steel containers, through the Port of Fremantle. A number of strict draft conditions were imposed on this process, with which Magellan Metals must comply.

Magellan is now well advanced in its plans to meet these conditions. This document has been produced to assist discussion and consultation with key stakeholders on Magellan's response to the draft conditions, and honour the company's commitment to open communications, accountability and transparency.

Tell me exactly what conditions were imposed by the Minister and EPA before Magellan can ship sealed lead through Fremantle?

In a press release issued on 17 January 2008, the Minister outlined draft conditions which had to be implemented to his satisfaction prior to the sealed shipment process receiving final approval. These were:

- lodgement of a \$5 million bond
- the appointment of an independent auditor approved by the Minister and funded by Magellan to inspect each bag and container at the mine and the port
- the completion of a comprehensive health, hygiene and environmental management plan to be prepared to the requirement of the Minister, on advice from the Department of Health, the Department of Consumer and Employment Protection, the Department of Industry and Resources and the Department of Environment and Conservation, and;
- baseline testing to be conducted along the route prior to the first movement of lead and then regularly after that.

A full copy of the Minister's press release can be found at www.mediastatements.wa.gov.au

How is Magellan responding to these specific conditions?

A detailed explanation of all the conditions determined by the EPA has been reproduced in a separate document accompanying this consultation discussion sheet. To view or download a copy, go to www.magellanmine.com. Alternatively, you can request a copy via email at info@magmetals.com or by phoning freecall 1800 428 622.

Essentially, Magellan has responded through the following proposed plans to collectively address the draft conditions imposed by the Minister and EPA:

- An Emergency Response Plan
- A Health, Hygiene and Environmental (HHE) Management Program
- A Health Hygiene and Environmental (HHE) Monitoring Program, and
- Plans for the appointment of an independent accredited Inspector/Auditor to assess initial handling and transport process prior to commencement of shipping, followed by ongoing compliance management and monitoring.

Tell me more about the three key plans drafted by Magellan so far?

The draft **Emergency Response Plan** specifically addresses the preparedness, response capability and recovery plans in the event of an accident along the transport route from the mine site to the Port of Fremantle. It details the roles and responsibilities of Magellan and its contractors, and clearly describes the emergency response procedures to ensure a quick, effective and coordinated response at all areas along the transport route (see maps over). The Plan has been developed in consultation with Magellan's transport and logistics contractors under the provisions of the Transport of Dangerous Goods (Non-Explosives) on Road and Rail Regulations 2007, as well as the Fire and Emergency Services Authority (FESA).

In accordance with the Dangerous Goods Safety Act 2004, a DOCEP-approved emergency responder will be responsible for emergency response along the transport route, whilst a licensed clean-up contractor will be appointed to coordinate the clean-up of any release of lead carbonate concentrate as a result of an accident within the Port.

The draft **HHE Management Program** sets out specific handling and transport procedures to safeguard against any lead carbonate concentrate release from bags and/or containers. The procedures include the bagging of concentrate and subsequent storage in dangerous goods areas licensed by DOCEP. The Plan details that all bags will be vacuumed, all containers placed in designated laydown areas, and all containers and trucks will be washed. All personnel involved in the handling, storage and transport of lead carbonate concentrate will undergo comprehensive lead awareness training.

The draft **HHE Monitoring Program** oversees the management program to provide evidence that no lead is escaping during transport to the Port of Fremantle. It expands on and strengthens Magellan's existing onsite monitoring program. A comprehensive baseline survey will be done before the commencement of transport. All sampling will be analysed by a National Association of Testing Authorities (NATA) accredited laboratory, and include:

- periodical soil sampling along the transport route and at the Port
- intensive sampling, including rainwater tanks and dust gauges, at major regions and transfer points along the route
- periodic testing of selected rainwater tanks at non-major regions
- dust sampling at the Port
- drainage sumps at the Port; and
- marine sediment sampling.

In the event of high lead levels being found in any samples after recommencement of Magellan's operations, isotopic testing of the sample(s) will be conducted to confirm the source of the lead.

What other safeguards have been put in place?

Before operations begin, an independent audit will be done on handling and transport processes to ensure they fully satisfy all regulatory and company standards. Ongoing management and monitoring will then be overseen by an inspector, using a process of accountability to document effective custody and stewardship of each and every bag and container leaving the mine site. Inspections will include ensuring every bag is sealed after filling, vacuumed on the outside to remove any dust, and loaded into steel

containers that will be washed down prior to leaving the mine site. The integrity of all containers, including bolt locks, will be checked at the Port. Any damaged containers will be resealed and returned to the mine site if necessary.

The independent auditor and inspector will regularly report to the Minister and an appointed community reference group, with all results made public on Magellan's website. As a further precaution, a performance review will be conducted within 21 months of operations recommencing. NATA accredited companies will carry out all auditing and inspection and, although this role will be funded by Magellan, it will be report independently of Magellan as previously described.

When will the Minister and EPA finally make a decision?

The Minister has made it clear he won't allow the proposal to proceed until all conditions are met to his satisfaction. Magellan Metals has worked closely with government and relevant authorities over the past five months to prepare a range of draft plans for the Minister's consideration. Having now reached an advanced stage in the preparation of these plans, Magellan is embarking on consultation with key stakeholders and interested parties on the company's response to the Minister's draft conditions. Very importantly, this process offers a way for stakeholders to provide direct feedback for further consideration or response.

What can I do if I have any more questions?

Magellan has established a dedicated email address at info@magmetals.com to receive inquiries and/or feedback at anytime. Depending on the nature of your email, we will endeavour to send you a response as quickly as possible. If appropriate, we may contact you by phone to clarify any suggestions, issues or concerns more effectively.

How can I find out more about this issue?

You may like to bookmark Magellan's website at www.magellanmine.com which is regularly updated with relevant information and progress reports.

Thank you for taking the time to read this consultation discussion sheet. You are encouraged to participate in discussions about this important issue by contacting us on the details below or taking part in stakeholder group consultations.

