

Magellan Metals is seeking approval through the provisions of Sections 45 and 46 of the Environmental Protection Act 1986 to change the way it transports and exports lead carbonate concentrate from the company's mine site. The proposal differs to the project previously approved by the Minister for the Environment (reference Statement No. 559, published on 28 November 2000).

This document is a reproduction of the new draft conditions imposed on the changed proposal by the Minister for the Environment in January 2008, which Magellan must implement for the project to proceed.

The draft changes to the existing environmental conditions include:

#### **CONDITION 5**

Compliance Reporting

#### **CONDITION 6**

Dust control - Health, Hygiene and Environmental Management Program

#### **CONDITION 9**

Health, Hygiene and Environmental Monitoring Program

#### **CONDITION 10**

National Association of Testing Authorities accredited inspector/auditor

#### **CONDITION 11**

Public reporting of outcomes of auditing and monitoring

#### **CONDITION 12**

Emergency Response Plan

#### **CONDITION 13**

Performance Review

#### **CONDITION 14**

Performance Bond

# Magellan Lead Carbonate Project - Wiluna

## **ENVIRONMENTAL CONDITIONS**

### **PROPOSAL BY MAGELLAN METALS**

The proposal includes an open-cut lead carbonate mine and processing facilities 30 kilometres west of the Wiluna townsite. The lead concentrate produced at the mine is transported by road from the mine site to Leonora and then by rail to the Port of Fremantle where it is exported.

<b>Proponent:</b>	Magellan Metals Pty Ltd
<b>Proponent Address:</b>	96 Welshpool Road WELSHPOOL WA 6106
<b>Assessment Number:</b>	1690
<b>Previous Assessment Number:</b>	1262
<b>Previous Statement Number:</b>	Statement No. 559 (published 28 November 2000)
<b>EPA Report:</b>	Bulletin 1276
<b>Previous EPA Report:</b>	Bulletin 996

The implementation of this proposal to which the above reports of the Environmental Protection Authority relate is subject to the conditions and procedures contained in Ministerial Statement No. 559 (28 November 2000), as amended by the following:

Conditions 5-1, 5-2 and 5-3 (Compliance Auditing) and Condition 6-1 (Health, Hygiene and Environmental Management Program) of Statement No. 559 are deleted and replaced by the following conditions:

#### **CONDITION 5**

Compliance Reporting

- 5-1 The proponent shall submit to the CEO environmental compliance reports annually reporting on the previous twelve-month period, unless required by the CEO to report more frequently.
- 5-2 The environmental compliance reports shall address each element of an audit program approved by the CEO and shall be prepared and submitted in a format acceptable to the CEO.
- 5-3 The environmental compliance reports shall:
  - 5-3.1 be endorsed by signature of the proponent's chief executive officer or a person, approved in writing by the CEO, delegated to sign on behalf of the proponent's chief executive officer;
  - 5-3.2 state whether the proponent has complied with each condition and procedure contained in this statement;
  - 5-3.3 provide verifiable evidence of compliance with each condition and procedure contained in this statement;
  - 5-3.4 state whether the proponent has complied with each key action contained in any environmental management plan or program required by this statement;
  - 5-3.5 provide verifiable evidence of conformance with each key action contained in any environmental management plan or program required by this statement;
  - 5-3.6 identify all non-compliances and non-conformances and describe the corrective and preventative actions taken in relation to each non-compliance or non-conformance;
  - 5-3.7 review the effectiveness of all corrective and preventative actions taken; and
  - 5-3.8 describe the state of implementation of the proposal.
- 5-4 The proponent shall make the environmental compliance reports required by condition 5-1 publicly available in a manner approved by the CEO.

## CONDITION 6

### Dust control: Health, Hygiene & Environmental Management Program

- 6-1 The proponent shall ensure that the following packaging, dust containing lead carbonate is not released from the sealed bags during loading at the mine-site, during transportation, and the unloading and then loading on to ships for export of the lead carbonate concentrate.
- 6-2 Prior to the re-commencement of ground-disturbing activities, the proponent shall prepare a Health, Hygiene and Environmental Management Program to the requirements of the Minister for the Environment on advice of the Department of Environment and Conservation, the Department of Health, the Department of Consumer and Employment Protection and the Department of Industry and Resources.  
This Health, Hygiene and Environmental Management Program shall:
- 6-2-1 document standards, guidelines and codes of practice relating to the management of lead carbonate;
- 6-2-2 detail the education and training of the workforce so as to minimise exposure of personnel and to identify areas of risk for lead carbonate exposure;
- 6-2-3 detail rules and procedures to be applied in mining, processing and storage areas at the Wiluna minesite to minimise disturbance of lead carbonate and to ensure that release to the environment is minimised;
- 6-2-4 detail the process which will be applied to ensure ongoing assessment of the risk of lead carbonate contamination, including monitoring, evaluation of health risks and determining control measures;
- 6-2-5 review the existing storage and ship loading facilities at the Port which is to be conducted by the proponent prior to the existing facilities being used for lead carbonate concentrate, including
- i. equipment to be used;
  - ii. procedures and monitoring programs to identify potential pathways for lead carbonate to enter the environment, and
  - iii. where equipment, management or revised procedures are found to pose a risk to the safe storage and ship loading of the lead carbonate, additional equipment, management or revised procedures are to be identified and acquired or implemented.
- 6-2-6 detail rules and procedures to be applied for the packaging and transport of the lead carbonate from the minesite through to export from the Port, including the use of top-loading machines for the transport of the shipping containers.
- 6-3 The proponent shall implement the Health, Hygiene and Environmental Management Program required by condition 6-2.
- 6-4 Revisions to the Health, Hygiene and Environmental Management Program may be approved by the Minister for Environment on advice of the Department of Environment and Conservation, the Department of Health, the Department of Consumer and Employment Protection and the Department of Industry and Resources.
- 6-5 The proponent shall implement revisions of the Health, Hygiene and Environmental Management Program required by condition 6-4.

## CONDITION 9

### Health, Hygiene and Environmental Monitoring Program

- 9-1 Prior to the re-commencement of ground-disturbing activities, the proponent shall prepare a Health, Hygiene and Environmental Monitoring Program (to the requirements of the Minister for the Environment on advice of the Department of Environment and Conservation, the Department of Health, and the Department of Consumer and Employment Protection. This Health, Hygiene and Environmental Monitoring Program shall
- 9-1-1 detail the baseline and periodic (maximum interval of 12 months) soil sampling program along the transport route, at the Leonora storage area and at the Port;
- 9-1-2 detail and address the monitoring of air-borne lead dust around the bagging machine and in the concentrate storage shed;
- 9-1-3 address monitoring of fixed soil sampling, dust deposition and air quality sampling sites and shall include, but not be limited to, having monitoring sites located within the port and adjacent to the transport route so as to provide an early warning of any fugitive dust; and
- 9-1-4 address monitoring lead in the port marine environment.
- The proponent shall implement the Health, Hygiene and Environmental Monitoring Program required by condition 9-1
- Revisions to the Health, Hygiene and Environmental Monitoring Program may be approved by the Minister on advice of the Department of Environment and Conservation, the Department of Health, and the Department of Consumer and Employment Protection.
- The proponent shall implement revisions of the Health, Hygiene and Environmental Monitoring Program required by condition 9-3

## CONDITION 10

### National Association of Testing Authorities accredited inspector/auditor

- 10-1 Prior to the re-commencement of ground-disturbing activities, the proponent is to engage the services of, and provided necessary funding for, an independent National Association of Testing Authorities accredited inspector/auditor, to be approved by the Minister. The roles of the inspector/auditor are to include, but not limited to the following:
- 10-1-1 Auditing the processes for the packaging and transport of the lead carbonate from the minesite through to export from the Port, including the use of top-loading machines for the transport of the shipping containers;
- 10-1-2 Inspecting all bags and containers after packing for the presence of lead carbonate dust;
- 10-1-3 Carry out random dust monitoring inside containers, by select containers at random, without the knowledge of the company, and place dust monitors inside those containers, removing the monitors at the port after loading to test for the presence of dust;
- 10-1-4 Reporting the findings of the inspections, auditing and monitoring to the reference group referred to in Condition 11-1.
- 10-2 Prior to the re-commencement of ground-disturbing activities, the proponent shall, in consultation with Department of Environment and Conservation, the Department of Health, and the Department of Consumer and Employment Protection, establish and document the detailed roles and responsibilities of the National Association of Testing Authorities accredited inspector/auditor, which shall include the involvement of relevant State Agencies.

## CONDITION 11

### Public reporting of outcomes of auditing and monitoring

- 11-1 The proponent is to ensure that an accredited inspector/auditor referred to in Condition 11 reports the findings of the inspections, auditing and monitoring to an appropriate reference group with relevant community representation, as determined by the Minister (see note 4).
- 11-2 The proponent shall report the findings of the lead monitoring program including the baseline sampling programs (air quality, soil and benthic), periodic sampling programs (air quality, soil and benthic) and sampling post clean-up of incidents, along the entire transport route, including the storage areas at Leonora and the Port to reference group referred to in Condition 11-1.

## CONDITION 12

### Emergency Response Plan

- 12-1 Prior to the re-commencement of ground-disturbing activities, the proponent shall develop a detailed Emergency Response Plan, in consultation with the Fire and Emergency Service Authority, the Port Authority and relevant Local Governments. This should include, but not limited to:
- 12-1-1 emergency response procedures to respond to spillage of lead carbonate concentrate along the route, including the Leonora Storage Area;
- 12-1-2 emergency response procedures to respond to spillage of lead carbonate concentrate at the Port;
- 12-1-3 post-incident clean-up sampling to determine the effectiveness of the clean-up; and
- 12-1-4 procedures for reporting to the Department of Environment and Conservation, the relevant Local Government Authority and the requirements of Condition 11.
- 12-2 The proponent shall ensure that in the event that an emergency does occur leading to the spillage of lead carbonate concentrate along the route or at the Port, the proponent shall ensure that the effected area is cleaned-up and remediated consistent with the Emergency Response Plan.

## CONDITION 13

### Performance review

- 13-1 Within 21 months of re-commencement of ground-disturbing activities, the proponent shall report to the Minister for the Environment and the reference group referred to in Condition 11 on the performance of the procedures applied for the packaging and transport of the lead carbonate from the minesite through to export from the Port, including the use of top-loading machines for the transport of the shipping containers for the first 18 months of the re-commencement of operations. This review shall:
- 13-1-1 Report the non-compliance with agreed procedures in the packing and loading at the mine-site, transporting, and unloading and then loading on to ships for export of the lead carbonate concentrate as identified by the auditor/inspector;

- 13-1-2 Describe the causes of any non-compliance with agreed procedures reported in 1;
- 13-1-3 Describe the additional measures to be put in place to ensure those non-compliance with agreed procedures do not occur again;
- 13-1-4 Report the results of dust monitoring;
- 13-1-5 Report the number of incidents of the presence dust containing lead carbonate and those that can be attributed to the proponent's activities; and
- 13-1-6 Review the monitoring programme and suggestions for changes.
- 13-2 Within 12 months of completing five years of exports of the lead carbonate concentrate from the Port, the proponent shall report to the Minister and the reference group referred to in Condition 11 on the efficacy of the monitoring programme.

## CONDITION 14

### Performance Bond

- 14-2 As security for the due and punctual observance and performance by the Proponent of the requirements of conditions 6-1 to be observed, performed and complied with, the Proponent shall lodge with the Chief Executive Officer of the Department of Environment and Conservation prior to re-commencement of ground-disturbing activities and on demand, an irrevocable, full cost-recovery Performance Bond as nominated and approved by the Chief Executive Officer in his sole unfettered discretion to a cash value and in a form acceptable to the Chief Executive Officer ("the Security") which Security at the date hereof being a maximum of \$5 million.
- 14-3 The Chief Executive Officer may review the Security required by condition 14-1 at any time or times and if, on such a review, the Chief Executive Officer considers that a Security has ceased to be acceptable to the Chief Executive Officer, then the Chief Executive Officer may, with the approval of the Minister for the Environment, require the Proponent to furnish replacement or additional security for performance by the Proponent of its obligations under the conditions of this statement.
- 14-4 The Proponent shall within 30 days after the additional Security being finally determined and upon the written consent of the Chief Executive Officer furnish replacement or additional Security in such sum as the Chief Executive Officer shall nominate, in a form and upon terms and conditions approved by the Chief Executive Officer, which approval shall not be unreasonably withheld. On receipt of approved replacement Security the Chief Executive Officer shall release and discharge the original Security.
- 14-5 If the Proponent has paid all moneys and has observed performed and complied with all and singular the agreements covenants terms conditions stipulation and obligations herein on the part of the Proponent, the Chief Executive Officer shall:
- 14-6 Give written notice that the Proponent's liability is release to the Security provider;
- 14-7 Return all agreements, certificates, documents and things relating to the Security to the Proponent or Security provider.

Thank you for taking the time to read through these conditions in detail. This document accompanies the Consultation Discussion Sheet published in June 2008 by Magellan to assist discussions with key stakeholders throughout our consultation. Any feedback or further questions can be directed to [info@magmetals.com](mailto:info@magmetals.com) or freecall 1 800 428 622. Alternatively, please refer to [www.magellanmine.com](http://www.magellanmine.com) for regular updates and information about this issue.