



SINOSTEEL MIDWEST CORPORATION

**KOOLANOOKA/BLUE HILLS DIRECT SHIPPING ORE MINING PROJECT
SHIRES OF MORAWA AND PERENJORI**

STATEMENT NO. 811

**COMPLIANCE ASSESSMENT REPORT
2017**

KOOLANOOKA/BLUE HILLS DIRECT SHIPPING ORE MINING PROJECT ANNUAL COMPLIANCE ASSESSMENT REPORT MINISTERIAL STATEMENT 811

Endorsement Statement

I have reviewed this document and accept that the information provided to my knowledge is an accurate account of the activities undertaken during the reporting period 4 November 2016 to 3 November 2017.

Signature:

A handwritten signature in black ink, appearing to read "Stuart Griffiths", written in a cursive style.

Stuart Griffiths
Executive General Manager
Sinosteel Midwest Corporation

Date: 4 November 2017

TABLE OF CONTENTS

ENDORSEMENT STATEMENT	2
1.0 INTRODUCTION	4
2.0 PURPOSE	4
3.0 PROPONENT	5
4.0 OPERATIONS	5
5.0 PROPOSAL IMPLEMENTATION STATUS	8
6.0 COMPLIANCE.....	8
7.0 ENVIRONMENTAL MONITORING AND RESEARCH	9
8.0 DOCUMENT MANAGEMENT	10
9.0 PUBLIC AVAILABILITY	11
10.0 APPENDIX	12

1.0 INTRODUCTION

This Compliance Assessment Report (CAR) has been prepared by Sinosteel Midwest Corporation (SMC) for the Koolanooka/Blue Hills Direct Shipping Ore Mining Project, Shires of Morawa and Perenjori (the Project). The Project was approved by the Minister for the Environment on 4 November 2009.

Activities associated with the Project have been undertaken in accordance with the following approvals under Part IV of the Environmental Protection Act WA 1986:

- Ministerial Statement 811 - Koolanooka/Blue Hills Direct Shipping Ore Mining Project, Shires of Morawa and Perenjori, published on 4 November 2009;
- Section 45C Approval - Koolanooka/Blue Hills Direct Shipping Ore Mining Project (Ministerial Statement 811), published 17 March 2010;
- Section 45C Approval - Koolanooka/Blue Hills Direct Shipping Ore Mining Project (Ministerial Statement 811), published 17 May 2011; and
- Section 45C Approval - Koolanooka/Blue Hills Direct Shipping Ore Mining Project (Ministerial Statement 811), published 3 May 2013.
- Section 45C Approval - Koolanooka/Blue Hills Direct Shipping Ore Mining Project (Ministerial Statement 811), published 10 December 2014.

SMC is committed to ensuring all its activities comply with statutory requirements as a minimum and are undertaken so that adverse environmental impacts are avoided or appropriately managed.

2.0 PURPOSE

This CAR has been prepared to comply with requirements of Ministerial Statement 811 Condition 4-6, which refers to the submission of annual compliance assessment reports as follows:

“The proponent shall submit a compliance assessment report annually from the date of issue of this Implementation Statement addressing the previous twelve month period or other period agreed by the CEO. The compliance assessment report shall:

- 1. be endorsed by the proponent’s Managing Director or a person, approved in writing by the Department of Environment and Conservation (DEC), delegated to sign on the Managing Director’s behalf;*
- 2. include a statement as to whether the proponent has complied with the conditions;*
- 3. identify all potential non-compliances and describe corrective and preventative actions taken;*
- 4. be made publically available in accordance with the approved compliance assessment plan; and*
- 5. Indicate any proposed changes to the compliance assessment plan required by condition 4-1.*

This CAR is for the reporting period 4 November 2016 to 3 November 2017.

3.0 PROPONENT

The Proponent for the Project is:

Sinosteel Midwest Corporation Limited
7 Rheola St
West Perth WA 6005
PO Box 529, West Perth WA 6872

4.0 OPERATIONS

The Koolanooka mine is the first stage of SMC's Koolanooka/Blue Hills Project and is located approximately 160kms south-east of Geraldton and 20kms east of the Morawa township (Figure 1). The Blue Hills component of the project, which encompasses the Mungada East and Mungada West pits, is located a further 60kms east of Koolanooka. The overall project will produce in excess of 7 million tonnes of hematite DSO iron ore over a period of six years, with ore transported to the Geraldton Port for export.

At Koolanooka, operations comprise mining the existing pit previously mined in the 1960s and 70s by Western Mining Corporation (WMC). Ore is crushed and screened on site and transported by road train to Geraldton Port for storage and shipment. A site layout plan for Koolanooka is shown in Figure 2.

The Blue Hills operation entails mining of the existing Mungada East and Mungada West pits. As with Koolanooka, these pits were previously mined in the early 1970's by WMC. Operations are similar to Koolanooka and a site layout plan for Blue Hills is shown in Figure 3.

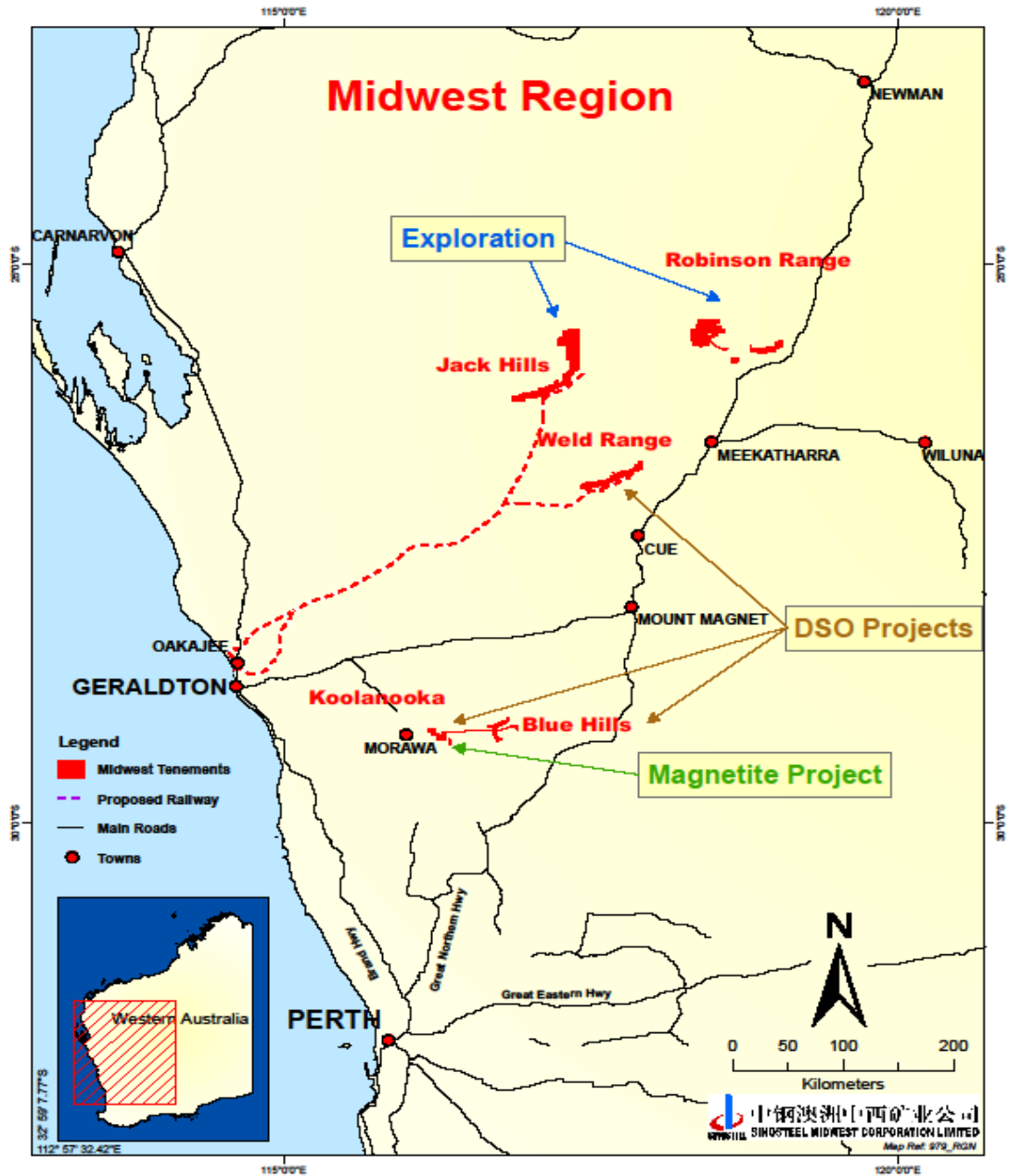


Figure 1: Sinosteel Midwest Corporation Projects

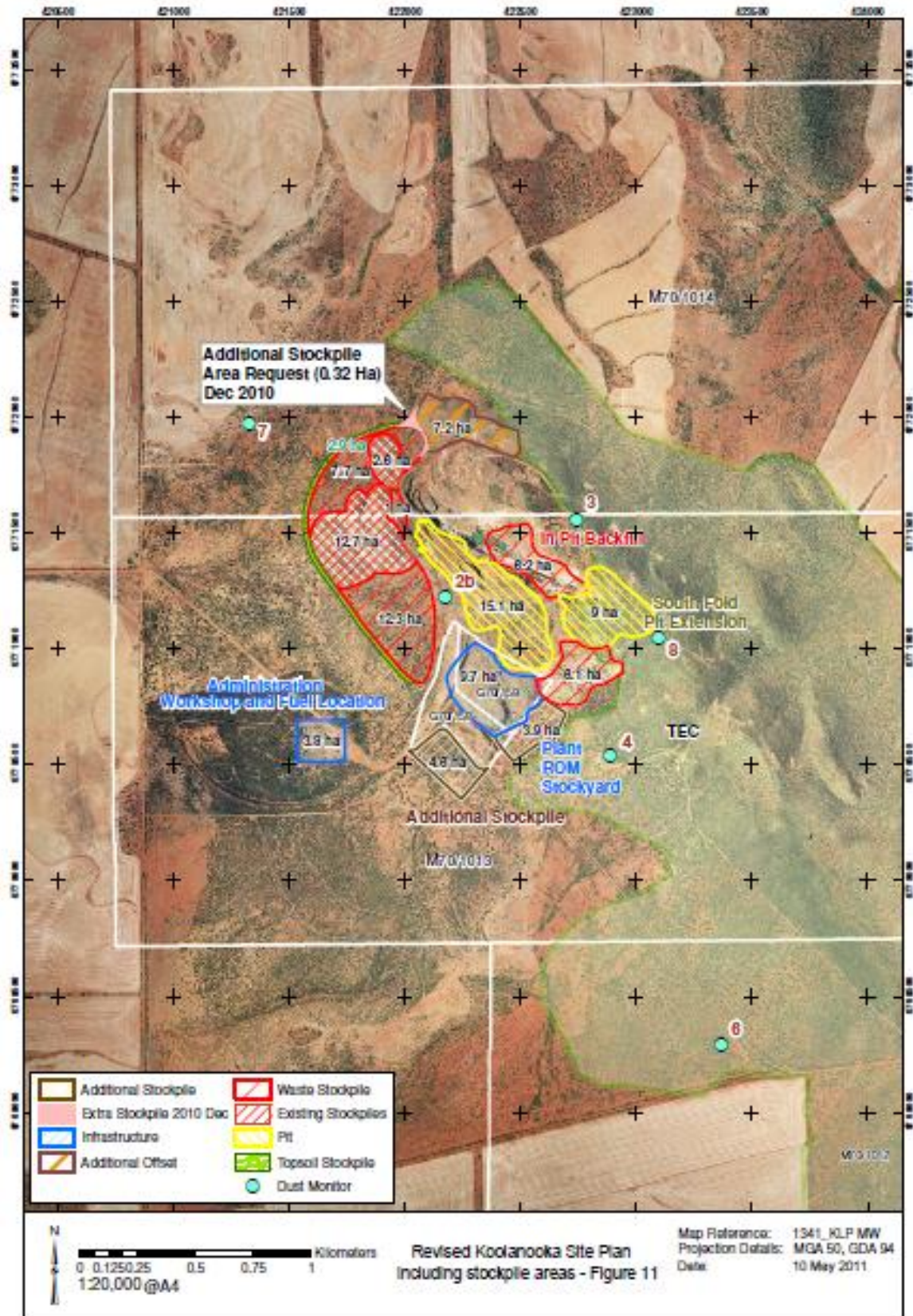


Figure 2: Koolanooka Mine Site Layout

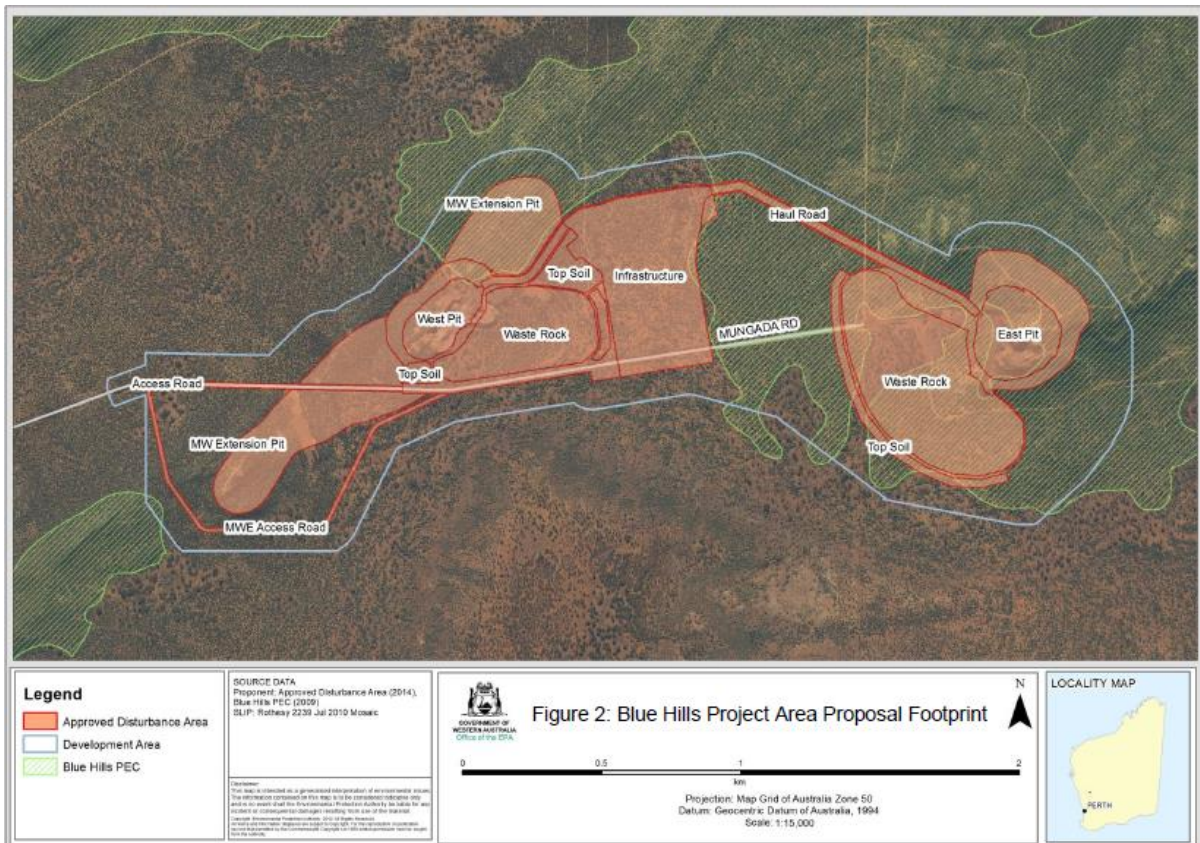


Figure 3: Blue Hills Mine Site Layout

5.0 PROPOSAL IMPLEMENTATION STATUS

The Koolanooka and Blue Hills Projects are in care and maintenance.

Mining activity continued at the Blue Hills Mine until operations ceased in May 2015. At this time, 15 hectares of waste dump area was rehabilitated. The Blue Hills site will remain in care and maintenance until approvals for mine expansions are obtained.

The Koolanooka site remained in care and maintenance during the 2016/17 period. Approximately 95% of the Koolanooka site has been rehabilitated. The explosives facility (operated by Orica) and key access roads remain operational.

6.0 COMPLIANCE

SMC has continued to comply with the conditions of Ministerial Statement 811 for the Project. As such, no corrective or preventative actions were necessary.

Internal compliance assessments occur regularly throughout the year as part of SMC's ongoing environmental management strategy. These include regular site inspections in accordance with

SMC's care and maintenance plan. Copies of the care and maintenance site inspection forms are attached in Appendix 2.

The approved audit table for the project has been updated with status of compliance with conditions and is included in Appendix 1.

7.0 ENVIRONMENTAL MONITORING AND RESEARCH

Monitoring

Vegetation Monitoring

Given the Blue Hills and Koolanooka Projects are in care and maintenance, monitoring of impacts from dust, saline water, fire and introduced fauna on vegetation (required by condition 6-4 of Statement 811) have been suspended since September 2016. Should operations reactivate, SMC will recommence vegetation monitoring.

Rehabilitation Monitoring

SMC has developed a Rehabilitation Monitoring Plan to address the requirement of condition 13 of Statement 811. Rehabilitation (vegetation) monitoring was undertaken in September 2017 in accordance with the Rehabilitation Monitoring Plan. A copy of the monitoring report will be submitted when completed (expected in November).

Rehabilitation Research

Botanic Garden and Parks Authority – Kings Park Science Division

The established restoration research program with the Botanic Garden and Parks Authority (BGPA) continued until the program finished in April 2017 at Koolanooka and Blue Hills. A summary of the outcomes of the five year research plan is provided below:

Restoration – replacing 70% of species diversity

- Seedling (emergence and survival) and tubestock (survival and growth) monitoring has been completed in the remaining area of the TEC offset where topsoil has been replaced. 44 native species (64% richness) in the TEC offset has been confirmed with an additional 42 species awaiting identification. A further 16 of non-TEC species have also been recorded (natives only)
- Irrigation was set up, implemented and completed on the TEC offset area. Irrigation increased seedling emergence when rainfall was low.
- Primed and pelleted seeds were developed and tested ex situ (laboratory and glasshouse) and assessed in situ under field conditions. Seed enhancement demonstrated potential for increases in seed emergence but further refinement is necessary to optimise method under field conditions.

- Seedling (emergence and survival) and tubestock (survival and growth) monitoring has been completed in drill pads at Blue Hills. Overall, 70% of species diversity in the drill pads has been achieved with a further 14 non-TEC species recorded on site (natives only)

Plant health in restoration

- Comparative assessment of plant performance (ecophysiology of tubestock) between reference sites and restoration areas was completed. Plant performance was higher (i.e. better health) in tubestock planted in restoration areas than those planted in reference areas.

Australian Research Council – Centre for Mine Site Restoration

Following the SMC has entered into a five year research project with the Australian Research Council (ARC), Centre for Mine Site Restoration. The ARC CMSR is a research venture between Curtin University, Botanic Gardens and Parks Authority and the University of Western Australia. The Centre is partnered by the Society for Ecological Restoration Australasia as well as six major mining industry partners including Sinosteel Midwest Corporation. The CMSR commenced in mid-2016. The total funding of this project is 11.4 million over 5 years (including in-kind contributions) and will support four post-doc fellows and 18 PhD students.

The main deliverables for the project will focus on SMC being able to:

- achieve the best possible ecosystem function and stability to maximise potential for ongoing survival of re-established flora in SMC's restoration sites;
- demonstrate an ecosystem is 'self-sustaining'.
- meet best practice standards in biodiversity;
- re-establish 'keystone' flora species for vegetation communities disturbed by SMC operations ;
- demonstrate 'keystone' flora species can be 'self-sustaining'; and
- Propagate and/or successfully re-establish flora species affected by SMC's mining and exploration operations, particularly *Acacia woodmaniorum* and other threatened and priority species as agreed between SMC and CMSR. These methods and procedures will include those able to be applied to undisturbed areas for purpose of increasing numbers of these species.

8.0 DOCUMENT MANAGEMENT

As per the approved Compliance Assessment Plan (CAP) for Statement 811, electronic copies of this CAR will be stored on SMC's electronic information system.

9.0 PUBLIC AVAILABILITY

A copy of this compliance assessment report is made publicly available as per the OEPA's *Post Assessment Guideline for Making Information Publically Available*, Post Assessment Guideline No. 4, Office of the Environmental Protection Authority, August 2012.

10.0 APPENDIX

1. Audit Table
2. Care and maintenance site inspection forms

AUDIT TABLE

PROJECT: KOOLANOOKA/BLUE HILLS DIRECT SHIPPING ORE MINING PROJECT

Note:

- Phases that apply in this table = **Pre-Construction, Construction, Operation, Decommissioning, Overall (several phases)**
- This audit table is a summary and timetable of conditions and commitments applying to this project. Refer to the Minister's Statement for full detail/precise wording of individual elements.
- Code prefixes: M = Minister's condition; P = Proponent's commitment; A = Audit specification; N = Procedure.
- Any elements with status = "Audited by proponent only" are legally binding but are not required to be addressed specifically in compliance reports, if complied with.
- Acronyms list: Min for Env = Minister for Environment; CEO = Chief Executive Officer as delegated under the *Environmental Protection Act 1986*; DEC = Department of Environment and Conservation; DMP = Department of Mining and Petroleum; EPA = Environmental Protection Authority; DoH = Department of Health; DoW = Department of Water.

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
811:M1.1	Proposal Implementation	The proponent shall implement the proposal as documented and described in schedule 1 of this statement subject to the conditions and procedures of this statement. In implementing the proposal, the proponent shall not increase the mine pit footprints beyond that delineated by Map Grid of Australia (MGA) coordinates listed in schedule 2 (attached)	Project implemented in accordance with stated criteria.	Compliance Report (CR)	Min for Env	N/A	Overall	Ongoing	Compliant
811:M2.1	Proponent Nomination and Contact Details	The proponent for the time being nominated by the Minister for Environment under sections 38(6) or 38(7) of the <i>Environmental Protection Act 1986</i> is responsible for the implementation of the proposal.	N/A	N/A	Min for Env	N/A	Overall	Ongoing	Compliant
811:M2.2	Proponent Nomination and Contact Details	The proponent shall notify the Chief Executive Officer of the Department of Environment and Conservation (CEO) of any change of the name and address of the proponent for the serving of notices or other correspondence within 30 days of such change.	Letter notifying the CEO of any change of name or address of proponent	Letter notifying the CEO of any change of name or address of proponent	CEO	N/A	Overall	Ongoing	Not required
811:M3.1	Time Limit of Authorisation	The authorisation to implement the proposal provided for in this statement shall lapse and be void five years after the date of this statement if the proposal to which this statement relates is not substantially commenced	Proposal has been substantially commenced within five years of the date of Statement 811.	CR	Min for Env	N/A	Overall	On or before 4 November 2014	Completed
811:M3.2	Time Limit of Authorisation	The proponent shall provide the CEO with written evidence which demonstrates that the proposal has substantially commenced on or before the expiration of five years from the date of this statement	CR submitted annually to include written and photographic evidence that the proposal has substantially commenced.	CR	CEO	N/A	Overall	On or before 4 November 2014	Completed
811:M4.1	Compliance Reporting	The proponent shall prepare and maintain a compliance assessment plan to the satisfaction of the CEO	Prepare and maintain a Compliance Assessment Plan (CAP) to the satisfaction of the CEO using the current draft <i>Guidelines for Proponents Preparing a Compliance Assessment Plan</i> .	Approved CAP	CEO	N/A	Overall	Ongoing	Compliant
811:M4.2	Compliance Reporting	The proponent shall submit to the CEO, the compliance assessment plan required by condition 4-1 at least 6 months prior to the first compliance report required by condition 4-6.	The compliance assessment plan shall indicate: 1.the frequency of compliance reporting; 2. the approach and timing of compliance assessments; 3. the retention of compliance assessments; 4. reporting of potential non-compliances and corrective actions taken; 5. the table of contents of compliance reports; and 6. public availability of compliance reports.	CAP	CEO	N/A	Overall	On or before 4 May 2010	Completed
811:M4.3	Compliance Reporting	The proponent shall assess compliance with conditions in accordance with the compliance assessment plan required by condition 4-1.	Assess compliance with conditions in accordance with the CAP	CAP and compliance assessment reports	Min for Env	N/A	Overall	Ongoing	Compliant
811:M4.4	Compliance Reporting	The proponent shall retain reports of all compliance assessments described in the compliance assessment plan required by condition 4-1 and shall make those reports available when requested by the CEO.	Retain all compliance assessment reports and make available when requested by the CEO.	Retained reports	CEO	N/A	Overall	Ongoing	Compliant

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
811:M4.5	Compliance Reporting	The proponent shall advise the CEO of any potential non-compliance as soon as practicable	Verbally, then written.	Letter advising CEO	CEO	N/A	Overall	As soon as practicable after a potential non-compliance	NR
811:M4.6	Compliance Reporting	The proponent shall submit a compliance assessment report annually from the date of issue of this Implementation Statement addressing the previous twelve month period or other period as agreed by the CEO.	The compliance assessment report shall: 1. be endorsed by the proponent's Managing Director or a person, approved in writing by the CEO, delegated to sign on the Managing Director's behalf; 2. Include a statement as to whether the proponent has complied with the conditions; 3. Identify all potential non-compliances and describe corrective and preventative actions taken; 4. Be made publicly available in accordance with the approved compliance assessment plan; and 5. indicate any proposed changes to the compliance assessment plan required by condition 4-1.	CR	CEO	N/A	Overall	Annually, by 4 November each year	Compliant
811:M5.1	Performance Review and Reporting	The proponent shall submit to the CEO a Performance Review Report at the conclusion of the first year after the commencement of ground disturbing activity, and then triennially.	The Performance Review Report shall address: 1. the environmental risks and impacts; the performance objectives, standards and criteria related to these; the success of risk reduction/impact mitigation measures and results of monitoring related to management of the major risks and impacts; 2. the level of progress in the achievement of best practice environmental performance, including industry benchmarking, and the use of best available technology; and 3. improvements gained in environmental management which could be applied to this and other similar projects.	PRR	CEO	N/A	Overall	At the conclusion of the first year after the commencement of ground disturbing activity, and then triennially (next report due 2 April 2020)	Compliant
811:M5.2	Performance Review and Reporting	The proponent shall make the Performance Review Reports required by condition 5-1 publicly available in a manner approved by the CEO.	1. Proponents will make documents available on their website for the life of the project, unless otherwise instructed by the CEO; 2. Adherence to a condition in a Statement requiring public availability of documents must occur within 2 weeks from submission of the documents to CEO; and 3. 14 days from the date of making documents publicly available, proponents shall provide evidence to the Proposal Implementation Monitoring Section to confirm that advertising or lodgement on website has been completed.	PRR made publicly available.	CEO	N/A	Overall	Within 2 weeks of submission of the documents to OEPA.	Compliant
811:M6.1	Threatened and Priority Ecological Communities	During construction the proponent shall ensure the area of works is delineated in order to minimise the disturbance to, or loss of, the Threatened Ecological Community "Plant assemblages of the Koolanooka System" and the Blue Hills vegetation complex Priority Ecological Community shown in Figures 4 and 5	Fencing and signage will delineate no entry areas (refer to EMP-03 Flora and Vegetation).	CR, PRR	Min for Env	N/A	Construction	During construction	Completed
811:M6.2	Threatened and Priority Ecological Communities	The proponent shall ensure that access to areas that support the Threatened Ecological Community "Plant assemblages of the Koolanooka System" and the Blue Hills vegetation complex Priority Ecological Community shown in Figures 4 and 5 is restricted to authorised personnel only	Fencing and signage stipulating no entry unless authorized erected at TEC and PEC boundaries.	CR, PRR	Min for Env	N/A	Overall	Ongoing	Compliant
811:M6.3	Threatened and Priority Ecological Communities	The proponent shall ensure that mining and mining related activities of this proposal shall not cause the loss of or adverse impacts on any native flora, including the Threatened Ecological Community "Plant assemblages of the Koolanooka System" and the Blue Hills vegetation complex Priority Ecological Community shown in Figures 4 and 5, outside areas approved to be cleared of vegetation, or to act as a dust buffer zone, as specified in Schedule 1.	Mining and related activities carried out in accordance with the project PER and response to submissions. Environmental management in accordance with the project EMP.	CR, PRR	Min for Env	N/A	Overall	Ongoing	Compliant
811:M6.4	Threatened and Priority Ecological Communities	The proponent shall monitor impacts from activities undertaken in implementing the proposal, including: 1. dust; 2. saline water application for dust control; 3. fire; and 4. attraction of and increase in introduced fauna, on the health and condition of the Threatened Ecological Community "Plant assemblages of the Koolanooka System" and the Blue Hills vegetation complex Priority	Annual vegetation monitoring including: monitoring sites established within the dust buffer zone and control sites outside the buffer zone; assessment of species present, number of species alive or dead, foliage cover, height of plants, diameter at breast height (DBH) within each monitoring site; photographic monitoring. 1. Dust – As per EMP-13 and Dust Management Plan dated September 2009. 2. Saline water	CR, PRR	CEO	N/A	Overall	On-Hold	Compliant

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
		Ecological Community shown in Figures 4 and 5. This monitoring is to be carried out to the requirements of the CEO	application – monthly visual inspections and annual photographic monitoring. 3. As per EMP-16 Fire Management. Additionally, Record fire information (should it occur) including: date, time, location, intensity, area affected. Establish photographic monitoring of recovery sequence. Assess recovery of TEC/PEC annually. 4. As per EMP-04 Terrestrial fauna and the Koolanooka offsets tripartite cooperative agreement between landholder, OEPA and SMC. Annual vegetation monitoring including: monitoring sites established within the dust buffer zone and control sites outside the buffer zone; assessment of species present, number of species alive or dead, foliage cover, height of plants, diameter at breast height (DBH) within each monitoring site; photographic monitoring.						
811:M6.5	Threatened and Priority Ecological Communities	In the event that the monitoring required by condition 6-4 indicates a decline in the health or condition of the Threatened Ecological Community "Plant assemblages of the Koolanooka System" and the Blue Hills vegetation complex Priority Ecological Community shown in Figures 4 and 5, outside areas approved to be cleared of vegetation, or to act as a dust buffer zone, as specified in Schedule 1, the proponent shall: 1.report such findings to the CEO within 21 days of the decline being identified; 2.provide evidence which allows determination of the cause of the decline; and 3.if determined by the CEO to be a result of activities undertaken in implementing the proposal, state the actions to be taken to remediate the decline.	1. Provide written report as required. 2. Include monitoring results in report as evidence. 3. State actions as required.	Monitoring results, CR, PRR, written report as per 1.	CEO	N/A	Overall	In the event that the monitoring required by condition 6-4 indicates a decline in the health or condition of the Threatened Ecological Community "Plant assemblages of the Koolanooka System" and the Blue Hills vegetation complex Priority Ecological Community shown in Figures 4 and 5, outside areas approved to be cleared of vegetation, or to act as a dust buffer zone, as specified in Schedule 1	NR
811:M7.1	Declared Rare Flora	In order to protect the Declared Rare Flora <i>Tecticornia bulbosa</i> from dust impact the proponent shall cover all truck loads of ore product transported along Munckton Road.	Cover all truck loads of ore product transported along Munckton Road. Included in haulage contractor's contract to cover all loads.	Haulage contractor contract. CR, Photographs.	Min for Env	N/A	Overall	Ongoing	Compliant
811:M8.1	Mungada Haul Road	Prior to ground disturbing activities for the Mungada Haul Road the proponent shall undertake a flora survey of the vegetation to be cleared to identify flora of conservation significance* in accordance with the Environmental Protection Authority Guidance Statement Terrestrial Flora and Vegetation Surveys for Environmental Impact Assessment in Western Australia, No. 51, dated June 2004 and provide a report to the CEO. *Conservation significant native vegetation is defined as declared rare flora under the <i>Wildlife Conservation Act 1950 (WA)</i> ; listed threatened species and ecological communities under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> ; priority flora, threatened ecological communities and priority ecological communities listed by the DEC; and species which are new species or potentially new species that require further study in order to determine their taxonomic or conservation status.	In accordance with the Environmental Protection Authority Guidance Statement Terrestrial Flora and Vegetation Surveys for Environmental Impact Assessment in Western Australia, No. 51, dated June 2004	Flora survey report.	CEO	N/A	Pre-construction	Prior to ground disturbing activities for the Mungada Haul Road	Completed
811:M8.2	Mungada Haul Road	In the event that flora surveys required by Condition 8-1 identify flora of conservation significance*, the proponent shall relocate, collect seed from or take other action in relation to those conservation significant plants to the satisfaction of the CEO.	Liaise with OEPA and consultants as required.	Reports on any work done in this regard, CR, PRR	CEO	N/A	Pre-construction	Prior to ground disturbing activities for the Mungada Haul Road	Completed
811:M8.3	Mungada Haul Road	The proponent shall design and build the Mungada Haul Road to minimise disruption to surface water drainage, particularly in the area of Wheelhamby Lake, to the requirements of the CEO and the Director Environment, Department of Mines and Petroleum (DMP).	Incorporate minimization of disruption to surface drainage in road design by qualified consultant/contractor.	Design and construction plans.	CEO, DMP	N/A	Construction	N/A	Completed

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
811:M8.4	Mungada Haul Road	Prior to ground disturbing activities for the Mungada Haul Road the proponent shall provide a report to the CEO and DMP demonstrating that the design, siting and footprint of borrow pits have been optimised to avoid impact to native flora, fauna and visual amenity.	Prepare specified report with relevant consultant/contractor.	Borrow pit design report	CEO, DMP	N/A	Pre-construction	Prior to ground disturbing activities for the Mungada Haul Road	Completed
811:M9.1	Optimising Design, Siting and Footprints	Prior to ground disturbing activities within Mining Leases 70/1013 and 70/1014, Koolanooka Hills, the proponent shall optimise the design, siting and footprint of the waste dumps referred to in Schedule 1 to protect native vegetation of conservation significance* to the satisfaction of the CEO and DMP. *Conservation significant native vegetation is defined as declared rare flora under the <i>Wildlife Conservation Act 1950 (WA)</i> ; listed threatened species and ecological communities under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> ; priority flora, threatened ecological communities and priority ecological communities listed by the DEC; and species which are new species or potentially new species that require further study in order to determine their taxonomic or conservation status.	Optimise the design, siting and footprint of the waste dumps at Koolanooka referred to in Schedule 1 using qualified consultant.	Optimised waste dump plans.	CEO, DMP	N/A	Pre-construction	Prior to ground disturbing activities within Mining Leases 70/1013 and 70/1014, Koolanooka Hills	Completed
811:M9.2	Optimising Design, Siting and Footprints	Prior to ground disturbing activities at Mungada West the proponent shall provide a report to the CEO and DMP demonstrating that the design, siting and footprint of the Mungada West waste dump has been optimised with regard to: 1. protecting the Blue Hills vegetation complex Priority Ecological Community as shown in Figure 5; 2. protecting conservation significant flora*; 3. protecting conservation significant fauna (including the Trapdoor Spider <i>Idiosoma nigrum</i>); 4. Dump stability; 5. Hydrology (including surface and sub-surface drainage to the Gilgai formation); and 6. landscape and visual amenity.	Optimise the design, siting and footprint of the waste dump at Mungada West using qualified consultant.	Report demonstrating optimization of waste dump.	CEO, DMP	N/A	Pre-construction	Prior to ground disturbing activities at Mungada West	Completed
811:M9.3	Optimising Design, Siting and Footprints	Prior to ground disturbing activities at Mungada East the proponent shall provide a report to the CEO and DMP demonstrating that the design, siting and footprint of the Mungada East waste dump, pit and access road has been optimised with regard to: 1. protecting the Blue Hills vegetation complex Priority Ecological Community as shown in Figure 5; 2. protecting conservation significant flora*; 3. protecting conservation significant fauna (including the Trapdoor Spider <i>Idiosoma nigrum</i>); 4. dump stability; 5. hydrology (including surface and sub-surface drainage to the Gilgai formation); and 6. landscape and visual amenity	Optimise the design, siting and footprint of the waste dump at Mungada East using qualified consultant.	Report demonstrating optimization of waste dump.	CEO, DMP	N/A	Pre-construction	Prior to ground disturbing activities at Mungada East	Completed
811:M10.1	Conservation Significant Reptiles	The proponent shall carry out field surveys for conservation significant reptile species, especially the Western Spiny-tailed Skink, <i>Egernia stokesii badia</i> , and the Gilled Slender Blue-tongue, <i>Cyclodomorphus branchialis</i> in accordance with the Environmental Protection Authority Guidance for the Assessment of Environmental Factors Terrestrial Fauna Surveys for Environmental Impact Assessment in Western Australia, No. 56, dated June 2004 at each of the following sites: Koolanooka; Mungada West; and Mungada East, prior to ground disturbing activities commencing at each respective site and provide a report to the CEO	Undertake specified surveys using qualified consultant.	Survey report	CEO	N/A	Pre-construction	Prior to ground disturbing activities commencing at each respective site (Koolanooka; Mungada West; and Mungada East)	Completed
811:M10.2	Conservation Significant Reptiles	Subject to condition 10-3, should any conservation significant reptile species*, including the Western Spiny-tailed Skink, <i>Egernia stokesii badia</i> , and the Gilled Slender Blue-tongue, <i>Cyclodomorphus branchialis</i> be located in field surveys required by condition 10-1, the proponent	Review locations of any conservation significant reptile species found in surveys against mine plans and revise plans to avoid impacts where practicable.	Survey report, Revised plans, CR, PRR	Min for Env	N/A	Overall	Ongoing	NR

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
		shall to the extent practicable conduct mining and mining related activities in a manner which avoids impacts on those areas where conservation significant reptile species have been found. *Conservation Significant Reptiles are defined as those reptiles listed under the <i>Wildlife Conservation Act 1950 (WA)</i> , <i>Environment Protection and Biodiversity Conservation Act 1999</i> , or listed as Priority Fauna by the DEC							
811:M10.3	Conservation Significant Reptiles	In the event that condition 10-2 cannot be achieved, conservation significant reptile species shall be re-located into areas of suitable habitat in an area safe from disturbance from mining and associated operations	Re-locate species using qualified consultant as required.	Relocation report, CR, PRR	Min for Env	N/A	Overall	In the event that condition 10-2 cannot be achieved	NR
811:M10.4	Conservation Significant Reptiles	Relocation of conservation significant reptile species as required by condition 10-3 shall be carried out to the requirements of the CEO.	Liaise with OEPA as required.	Relocation report, CR, PRR	CEO	N/A	Overall	In the event that condition 10-2 cannot be achieved	NR
811:M11.1	Short Range Endemic Invertebrate Fauna	The proponent shall carry out field surveys for short range endemic invertebrate fauna species in accordance with the Environmental Protection Authority Guidance for the Assessment of Environmental Factors – Sampling of Short Range Endemic Invertebrate Fauna for Environmental Impact Assessment in Western Australia, No. 20, dated May 2009 in the proposed pit area and adjacent areas of each of the following sites: Mundaga West; and Mungada East, prior to ground disturbing activities commencing at each respective site and provide a report to the CEO	Undertake surveys to stated criteria using qualified consultant.	Survey report, CR, PRR	CEO	N/A	Pre-construction	Prior to ground disturbing activities commencing at each respective site (Mundaga West; and Mungada East)	Completed
811:M11.2	Short Range Endemic Invertebrate Fauna	Should the survey required by condition 11-1 identify short range endemic invertebrate fauna species whose categorisation under International Union for Conservation of Nature (IUCN) criteria would be increased (i.e. the species is not initially assigned a threat category but then becomes threatened, or it is re-categorised to a higher threat category) by implementing the proposal, the proponent shall carry out further surveys for the species in the local area and undertake management action to the satisfaction of the CEO	Undertake further surveys using qualified consultant as required and undertake management action to the satisfaction of the CEO.	Survey reports, Management Actions, CR, PRR	CEO	N/A	Pre-construction	Prior to ground disturbing activities commencing at each respective site (Mundaga West; and Mungada East)	NR
811:M12.1	Fauna Mortality	The proponent shall prepare and implement strategies to avoid fauna deaths in areas as a result of implementation of the proposal	Refer to EMP-04 Terrestrial Fauna	EMP-04	Min for Env	N/A	Overall	Ongoing	Compliant
811:M12.2	Fauna Mortality	The proponent shall submit the strategies required by condition 12-1 to the CEO	Email	Email records	CEO	N/A	Pre-construction	Prior to ground disturbing activities	Completed
811:M12.3	Fauna Mortality	The proponent shall record the death of any fauna listed as specially protected under the <i>Wildlife Conservation Act 1950 (WA)</i> or listed as threatened under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> or listed as Priority Fauna by the DEC including the location of death and species of fauna	Record fauna deaths in a register	Fauna Mortality Register	Min for Env	N/A	Overall	Ongoing	Compliant
811:M13.1	Rehabilitation and Mine Closure	Within six months after the start of implementation of the proposal at Koolanooka the proponent shall provide a detailed rehabilitation planning strategy to ensure that the characteristics of the constructed waste dumps optimise rehabilitation outcomes. Consistent with Environmental Protection Authority Guidance 6 "Rehabilitation of Terrestrial Ecosystems" the strategy should consider: 1. soil chemistry and physical properties; 2. landform; 3. hydrology; and 4. appropriate plant species, specific to the	Develop rehabilitation planning strategy, engaging qualified consultants and research expertise (e.g. Kings Park and Botanic Gardens), incorporating stated criteria.	Rehabilitation Planning Strategy	CEO, DMP	N/A	Operation	Within six months after the start of implementation of the proposal at Koolanooka	Completed

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
		site, to the satisfaction of the CEO and DMP.							
811:M13.2	Rehabilitation and Mine Closure	Within six months after the start of implementation of the proposal at Mungada West and Mungada East, the proponent shall provide a detailed rehabilitation planning strategy to ensure that the characteristics of the constructed waste dump optimise rehabilitation outcomes. Consistent with Environmental Protection Authority Guidance 6 "Rehabilitation of Terrestrial Ecosystems" the strategy should consider: 1. soil chemistry and physical properties; 2. landform; 3. hydrology; and 4. appropriate plant species, specific to the site, to the satisfaction of the CEO and DMP	Develop rehabilitation planning strategy, engaging qualified consultants and research expertise (e.g. Kings Park and Botanic Gardens) incorporated stated criteria.	Rehabilitation Planning Strategy	CEO, DMP	N/A	Operation	Within six months after the start of implementation of the proposal at Mungada West and Mungada East	Completed
811:M13.3	Rehabilitation and Mine Closure	The proponent shall progressively rehabilitate all areas disturbed in the implementation of the proposal, with the exception of the mine pits as described in Schedule 1 in accordance with the following: 1. Re-establishment of vegetation such that the following criteria are met within five years following the cessation of productive mining: a) flora and vegetation are re-established with not less than 70 percent composition (not including weed species) of the known original species diversity*; and b) weed coverage no more than that in undisturbed bushland in the area or less than 10%, whichever is the lesser. 2. A schedule of the rate of rehabilitation acceptable to the CEO and DMP	Progressively rehabilitate according to stated criteria.	CR, PRR	CEO, DMP	N/A	Overall	Ongoing	Compliant
811:M13.4	Rehabilitation and Mine Closure	The proponent shall ensure that after mine closure: 1. take measures as agreed with the CEO and DMP to ensure that the final pit voids do not cause significant environmental impacts through attracting native fauna which may be harmed by contact with the water or by attracting fauna or stock which may harm surrounding vegetation, or predators which may prey on native fauna; 2. monitor and record feral animal populations and significant flora in the vicinity of the project area to establish the effectiveness of the measures undertaken; and 3. report the results of the monitoring to the CEO and DMP, as part of the annual compliance reporting under condition 4	1 and 2 will be addressed in the agreed final closure plan required by 811:13.8. 3 will be included in the annual compliance report as required by 811:M4.6.	Final Closure Plan, CR	CEO, DMP	N/A	Decommissioning	After mine closure	Compliant
811:M13.5	Rehabilitation and Mine Closure	In liaison with the DEC and DMP, the proponent shall monitor progressively the performance of rehabilitation required by conditions 13-1 and 13-2 based on annual reporting.	Develop rehabilitation monitoring programs, engaging qualified consultants and research expertise (e.g. Kings Park and Botanic Gardens) in liaison with OEPA and DMP.	CR, PRR	CEO, DMP	N/A	Overall	Ongoing	Compliant
811:M13.6	Rehabilitation and Mine Closure	The proponent shall submit annually a report of the rehabilitation performance monitoring required by condition 13-5 to the CEO and DMP	Submit specified report annually until rehabilitation requirement (s) is completed.	CR, PRR	CEO, DMP	N/A	Overall	Annually after the start of rehabilitation	Compliant
811:M13.7	Rehabilitation and Mine Closure	The proponent shall make the report of rehabilitation performance required by condition 13-6 publicly available in a manner approved by the CEO	1. Proponents will make documents available on their website for the life of the project, unless otherwise instructed by the OEPA; 2. Adherence to a condition in a Statement requiring public availability of documents must occur within 2 weeks from submission of the documents to OEPA; and 3. 14 days from the date of making documents publicly available, proponents shall provide evidence to the Proposal Implementation Monitoring Section to confirm that advertising or lodgement on website has been completed.	Report on website within stated timeframe and letter to DEC.	CEO	N/A	Overall	Within 2 weeks of submission of the documents to DEC.	Compliant
811:M13.8	Rehabilitation and Mine Closure	At least six months prior to the anticipated date of closure, the proponent shall provide a final closure plan	The final closure plan shall address: 1. removal or, if agreed in writing by the appropriate regulatory authority, retention of plant and infrastructure agreed in consultation with relevant stakeholders; 2. identification of contaminated areas, including provision of evidence of notification and proposed management	Final Closure Plan	CEO, DMP	N/A	Decommissioning	At least six months prior to the anticipated date of closure	NR

Audit Code	Subject	Action	How	Evidence	Satisfy	Advice	Phase	When	Status
			measures to relevant statutory authorities; and 3. long-term management of areas impacted by mining activities, to the satisfaction of the CEO and DMP.						
811:M14.1	Implementation Strategy	Prior to ground disturbing activities, the proponent shall prepare a staged implementation strategy setting out management and monitoring strategies and objectives for meeting the requirements of conditions within this Statement for each mine site location (Koolanooka, Mungada West, Mungada East) to the satisfaction of the CEO	Prepare implementation strategy to the satisfaction of the CEO.	Approved Implementation Strategy	CEO	N/A	Pre-construction	Prior to ground disturbing activities	Completed

Blue Hills Iron Ore Project

Care and Maintenance Audit

Date: 6 September 2017

Name of Auditor: Wayne Ennor

AREA	ASPECT	ASSESSMENT	COMPLIANT (Y/N)	COMMENTS
Pit	Pit wall	Pit wall shows no signs of slippage	Y	No slippage in either the Mungada East or West pit walls
	Pit bund	Bund is intact and in good condition	Y	The Mungada East and West pit bunds were intact and in good condition.
Waste Dumps	Landform	Landform is stable	Y	The Mungada East and West Waste dumps are stable.
	General	Erosion is present (and/or sediment run-off)	Y	No erosion observed.
Whole of site	Waste dumps, roads and infrastructure areas.	Significant dust is not present	Y	No visible dust observed from anywhere on site.
	Roads and infrastructure areas.	Sediment run-off is not present	Y	No sediment runoff from roads or infrastructure areas observed.
	Site access points	Points are secure and no unauthorised access	Y	All gates were locked and secure.
	Signage	Signs are in place and in good condition	Y	No change from last audit.
	Turkey's nest	Secure and water level	Y	No change from last audit.

Koolanooka Iron Ore Project

Care and Maintenance Audit

Date: 5 September 2017

Name of Auditor: Wayne Ennor

AREA	ASPECT	ASSESSMENT	COMPLIANT (Y/N)	COMMENTS
Pit	Pit wall	Pit wall shows no signs of slippage	Y	No slippage in pit wall
	Pit bund	Bund is intact and in good condition	Y	No change since last audit
Waste Dumps	Landform	Landform is stable	Y	No
	General	Erosion is present (and/or sediment run-off)	Y	Last audit found small erosion on main road above pit. Road has been graded since last inspection. Two areas (West Waste Dump and South Fold Waste Dump) show erosion in Domain 2 with an increased number of rills. Recommend remedial action to prevent further erosion.
Whole of site	Waste dumps, roads and infrastructure areas.	Significant dust is not present	Y	No visible dust observed.
	Roads and infrastructure areas.	Sediment run-off is not present	Y	No sediment runoff from roads or infrastructure areas observed.
	Site access points	Points are secure and no unauthorised access	Y	Gate was locked and secure.
	Signage	Signs are in place and in good condition	Y	No change from last audit.
	Turkey's nest	Secure and water level	Y	No change from last audit.

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