ANNUAL ENVIRONMENTAL REPORT
Mt Gibson Iron Ore Mine and Infrastructure Project
October 2014 – September 2015
**Document Title:** Annual Environmental Report – Mt Gibson Iron Ore Mine and Infrastructure Project
October 2014 – September 2015

**Revision Date:** 26th October 2015

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*Manager Environment & Community*  
Extension Hill Pty Ltd

<table>
<thead>
<tr>
<th>Rev</th>
<th>Date</th>
<th>Revision description</th>
<th>By</th>
<th>Distribution</th>
</tr>
</thead>
</table>
| A   | 01.10.2015 | Drafted                       | J. Sackmann | S. Churchill  
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1. INTRODUCTION

This Annual Environmental Report describes the activities and compliance status of the Mt Gibson Iron Ore Mine and Infrastructure Project (the Project) during the reporting period, 1st October 2014 to 30th September 2015. An overview of the Project is included in Section 2.2.

This report addresses the annual environmental reporting requirements of the Western Australian and Commonwealth environmental regulators for the specific project approvals identified in Table 1.

There are two key components to the Project; the Extension Hill Hematite Operation and the Extension Hill Magnetite Operation. The hematite transport component of the Extension Hill Hematite Operation is addressed in a separate report to the Office of the Environmental Protection Authority under Ministerial Statement 786. Mount Gibson Mining Limited (MGM) manages the Hematite Operation and Extension Hill Pty Ltd (EHPL) manages the Magnetite Project. The Department of Environment Regulation Licence is the sole responsibility of MGM. The remaining approvals are the joint responsibility of both proponents (Table 1).

Table 1 Approval Conditions

<table>
<thead>
<tr>
<th>Regulator</th>
<th>Approval</th>
<th>Condition Number</th>
<th>Responsible Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Environmental Protection Authority (O EPA)</td>
<td>Ministerial Statement 753</td>
<td>Conditions 4-1 to 4-3</td>
<td>MGM &amp; EHPL</td>
</tr>
<tr>
<td>Department of Environment Regulation (DER)</td>
<td>Licence L8495/2010/2</td>
<td>Conditions 5.1.3, 5.2.1 &amp; 5.2.2</td>
<td>MGM</td>
</tr>
<tr>
<td>Department of the Environment (DoE)</td>
<td>EPBC Act Ref 2005/2381</td>
<td>Condition 3</td>
<td>MGM &amp; EHPL</td>
</tr>
</tbody>
</table>

Some sections of this report are not relevant to some regulators due to minor differences in the reporting requirements for the various approvals. Table 2 identifies the sections of the report that are relevant to each regulator. Each company’s endorsement of this report applies only to the sections relevant to the approvals for which they are responsible, either jointly or individually.

Table 2 Report Sections Relevant to Regulators

<table>
<thead>
<tr>
<th>Report Section</th>
<th>Relevant Regulator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
<td>All</td>
</tr>
<tr>
<td>2. Project Summary</td>
<td>All</td>
</tr>
<tr>
<td>3. Compliance</td>
<td></td>
</tr>
<tr>
<td>3.1 Office of the Environmental Protection Authority (Ministerial Statement 753)</td>
<td>O EPA</td>
</tr>
<tr>
<td>3.2 Department of Environment Regulation (Licence L8495/2010/2)</td>
<td>DER</td>
</tr>
<tr>
<td>3.3 Department of the Environment</td>
<td>DoE</td>
</tr>
<tr>
<td>3.4 Incidents</td>
<td>All</td>
</tr>
<tr>
<td>4. Environmental Management and Monitoring</td>
<td>O EPA, DER</td>
</tr>
<tr>
<td>4.1 Weather Monitoring</td>
<td>O EPA, DER</td>
</tr>
<tr>
<td>4.2 Dust Monitoring</td>
<td>O EPA, DER</td>
</tr>
<tr>
<td>4.3 Groundwater Monitoring</td>
<td>All</td>
</tr>
<tr>
<td>4.4 Vegetation Monitoring</td>
<td>All</td>
</tr>
<tr>
<td>4.5 Malleefowl Management and Monitoring</td>
<td>O EPA</td>
</tr>
<tr>
<td>4.6 General Fauna Monitoring</td>
<td></td>
</tr>
<tr>
<td>5. Rehabilitation and Closure Planning</td>
<td>O EPA</td>
</tr>
<tr>
<td>6. Stakeholder Consultation</td>
<td>O EPA, DoE</td>
</tr>
<tr>
<td>7. Future Work Program</td>
<td>O EPA, DER</td>
</tr>
</tbody>
</table>
2. PROJECT SUMMARY

2.1. Approvals Summary

The Western Australian Minister for the Environment approved the Project under Part IV of the Environmental Protection Act 1986 with the issuing of Ministerial Statement 753 (MS753) on the 24th October 2007. The Minister subsequently approved minor amendments to the Project on 20th February 2008, 26th August 2008, 2nd June 2009, 31st March 2010, 2nd February 2011 and 28th August 2012. Ministerial Statement 889 was issued on 28th February 2012 to amend condition 13 and remove condition 15 of MS753.

The Commonwealth Department of Environment, Water, Heritage and the Arts (now the Department of the Environment) approved the Project on the 18th December 2007 (EPBC ref 2005/2381). On 21st October 2011 the Department approved a variation to align the reporting dates of this approval with the other approvals included in this report.

Approval to operate a sewage facility, landfill and ore beneficiation facility under Part V of the Environmental Protection Act 1986 was granted by the Department of Environment and Conservation (now the Department of Environment Regulation) on 20th January 2011 with the issuing of Prescribed Premises Licence L8495/2010/1. This licence was reissued in the Department’s new REFiRE format on 16th January 2014 (L8495/2010/2). A minor amendment was subsequently approved; the current version of this licence is dated 2nd May 2014.

In December 2012 a waste water treatment plant (Category 85) registration (R2336/2012/1) was issued under Part V of the Environmental Protection Act 1986 in order to service the exploration village.

2.2. Project Overview

The Project is located approximately 350km north east of Perth in Western Australia (Figure 1). The site is immediately adjacent to the Great Northern Highway, approximately 80km north of Wubin.

The hematite component of the Project aims to mine approximately 14.9 million tonnes of direct shipping grade hematite over an expected mine life of approximately 5 years. The ore is crushed and screened on site, then transported by road and rail to Geraldton Port for shipping. Transport of the hematite ore was assessed and approved by the Western Australian Minister for the Environment in a separate proposal (Ministerial Statement 786) and is not covered in this report.

The magnetite component of the Project has an expected mine life of 40 years and involves the mining of approximately 1,000 million tonnes of magnetite ore. Magnetite will be processed by crushing, grinding and magnetic separation to produce a concentrate which will be transported through a pipeline to Geraldton Port for shipping. The concentrate pipeline will form part of a services corridor between the mine site and Geraldton Port which will also include water pipelines to transport recycled water back to the site (via Three Springs) and fresh groundwater from the Tathra borefield.

Mine infrastructure required for the Project includes administration areas, workshops, crushers, processing plant, and accommodation camps. The infrastructure for the Hematite Operation is shown in Figure 2. The final design of the Magnetite Operation infrastructure is yet to be confirmed.

The vegetation disturbance footprint for the Project is not to exceed 1,179 hectares at the mine site, 112 hectares for the services corridor, and 39 hectares for a power line corridor between the mine site and the South West Interconnection System grid near Three Springs.
Figure 1 Project Location
Figure 2 Hematite Site Layout
2.3. Hematite Operation

The hematite operation has been active for the entirety of this reporting period. Hematite ore is mined using open cut blasting and excavation techniques. Material is separated into three key categories; hematite ore (with sub categories based on ore grade), sub-grade ore and waste. Waste material is transferred to the mine waste dump. Sub-grade ore is stockpiled separately in a mineralised waste stockpile at the northern end of the waste dump for potential future processing and sale, pending favourable economic circumstances. Hematite ore is classified by grade and is generally stockpiled directly on the run of mine (ROM) pad where it is then transferred by a loader into the crushing and screening plant. Table 3 shows the total amount of each material mined during this reporting period.

Table 3 Quantities of Material Mined

<table>
<thead>
<tr>
<th>Material</th>
<th>Mined (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron Ore</td>
<td>3,364,974</td>
</tr>
<tr>
<td>Sub-grade</td>
<td>790,963</td>
</tr>
<tr>
<td>Waste</td>
<td>2,134,091</td>
</tr>
<tr>
<td>Total</td>
<td>6,290,028</td>
</tr>
</tbody>
</table>

Hematite ore is processed by crushing and screening to separate lump (6.3 - 32.0mm) and fines material (<6.3mm). The processed ore is then loaded onto road trains for transport to the Perenjori rail siding. Table 4 shows the total amount of lump and fines material processed during this reporting period.

Table 4 Quantities of Material Processed

<table>
<thead>
<tr>
<th>Material</th>
<th>Crushed (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lump</td>
<td>2,115,061</td>
</tr>
<tr>
<td>Fines</td>
<td>1,485,757</td>
</tr>
<tr>
<td>Total</td>
<td>3,600,818</td>
</tr>
</tbody>
</table>

The total vegetation clearing for the Project to date is approximately 181ha, including exploration activities. There was no additional vegetation clearing in the Project area during this reporting period. An additional 0.302ha of native vegetation was cleared for the purposes of exploration drilling at the site of the nearby Iron Hill Proposal.

A translocation trial of a small number of the declared rare flora species, *Darwinia masonii* was established during the reporting period. Further details are included in Section 5. General rehabilitation of the eastern slope of the waste dump was progressed during the period with the continuation of batter re-shaping and will continue and be included in the site rehabilitation records once completed in the next reporting period.

It is anticipated that hematite mining from the current mine pit will be completed in the second half of the 2016 calendar year.

2.4. Magnetite Operation

There have been no on ground drilling or exploration activities related to the magnetite project during the reporting period.

The exploration camp remains open and is occupied by caretakers and occasional site visitors.

There have been no environmental incidents during the reporting period.
3. COMPLIANCE

3.1. Office of the Environmental Protection Authority (Ministerial Statement 753)

**General Compliance with Conditions**

Appendix A presents the findings of an internal audit of compliance with the approval conditions of Ministerial Statement 753. The compliance status, as defined in OEPA (2012), of the each condition was assessed. All items were found to be ‘Compliant’, ‘Completed’ or ‘Not required at this stage’, with the following exceptions.

Conditions 6.3 and 7.3 requiring the submission of Recovery Plans for *Darwinia masonii* and *Lepidosperma gibsonii* are listed as ‘in process’ as these plans were written and submitted to the OEPA but are yet to be approved.

Condition 13 of MS753 (items 753:M13.1 – 753:M13.12) are all classified as ‘No longer relevant’. These conditions are all superseded by Condition 13 (items 889:M13.1 – 889:M13.10) of Ministerial Statement 889 (MS889). These conditions have been added to the audit table in Appendix A but are not required at this stage as the construction of the services corridor is yet to commence.

Condition 15 of MS753 (items 753:M15.1 – 753:M15.3) was removed in its entirety with the issuing of MS889 and is classified as ‘No longer relevant’.

**External Audit**

Following a desktop audit conducted in November 2014 which found the Proponents to be compliant with the Ministerial Statement, the OEPA attended site in March 2015. The site visit further verified that the Proponents are compliant with the Ministerial Statement.

3.2. Department of Environment Regulation (Licence L8495/2010/2)

**Compliance**

The Annual Audit Compliance Report required under condition 5.1.3 of Licence L8495/2010/2 is included in Appendix B. There was one non-compliance recorded during the reporting period. This related to a limit exceedance of the required 300mm sewage pond freeboard (Condition 1.3.14(a)). The water level exceeded this limit for a short period late in August to early September. The maximum recorded exceedance was approximately 17mm on 29th August 2015. The water level and weather conditions were closely monitored during this period and a response plan involving removal and off-site disposal of sewage was prepared to avoid any potential overflow events. There was no discharge to the environment and no environmental harm caused as a result of this non-compliance.

The total recoverable hydrocarbon concentrations recorded in the wash-down bay treated wastewater monitoring exceeded the 10mg/L limit set in Table 2.5.2. The use of treated wash-down bay water for dust suppression was ceased in the previous reporting period and has not re-commenced so this water was not discharged to the environment. As this limit applies to emissions to land and the water was not discharged, this does not constitute a non-compliance with the licence requirements.

There were no community complaints received during the reporting period. Other environmental incidents recorded during the period are discussed in Section 3.4.

**External Audit**

There were no external audits of this Licence undertaken during the reporting period.
3.3. Department of the Environment

Compliance

An assessment of compliance against the conditions of the federal Project approval (EPBC Act Ref 2005/2381) is included in Appendix C. There were no non-compliances identified during this reporting period.

External Audit

There were no external audits undertaken against the EPBC Act approval, Ref 2005/2381 during the reporting period.

3.4. Incidents

There were 10 environmental incidents recorded during the period (Table 5). All of these were associated with hydrocarbon spills ranging from 1.5L to 80L, predominantly hydraulic oil.

Eight of these spills were the result of failures or damage to parts of the hydraulic systems of mobile and fixed plant equipment, such as blown hydraulic hoses. These failures cannot be completely eliminated but they are reduced through the implementation of a structured inspection and maintenance program. Daily pre-start inspections are undertaken on all mobile machinery on site. A routine maintenance regime is scheduled around manufacturer’s specifications and adjusted, as appropriate, in response to on-site inspections. All temporary contract equipment is inspected by the site workshop prior to use on site.

Note that fauna mortalities are not included in this section as they are reported in Section 4.6. Legislative non-compliances which have had no environmental impact are discussed in the relevant compliance section above and are not repeated in Table 5.

Table 5 Table of environmental incidents recorded

<table>
<thead>
<tr>
<th>Incident Date</th>
<th>Incident Description</th>
<th>Corrective Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/11/2014</td>
<td>Approximately 4L coolant spill at Iron Hill due to a return pipe bursting on a drill rig.</td>
<td>The rig was shut down and repaired. The spill was cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>11/01/2015</td>
<td>Approximately 50L hydraulic oil spill onto the concrete pad at the crusher due to a split hydraulic line.</td>
<td>The spill was contained on the concrete pad and was cleaned up.</td>
</tr>
<tr>
<td>23/01/2015</td>
<td>Approximately 60L hydraulic oil spill on the loadout area due to a blown radiator cooling fan line on a contractor’s loader.</td>
<td>The loader was repaired and washed down at the site wash-down bay. The spill was contained and cleaned up, with contaminated material being taken to the bioremediation pad.</td>
</tr>
<tr>
<td>25/01/2015</td>
<td>Approximately 1.5L hydraulic oil spill in contractor’s yard due to failure of a valve on a RAM cylinder.</td>
<td>The spill was cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>21/02/2015</td>
<td>Approximately 10L hydraulic oil spill in a storage area occurred when cylinder was removed from a loader.</td>
<td>The spill was contained, cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>26/03/2015</td>
<td>Approximately 40L hydraulic oil spill in the mine pit due to a blown hose on a drill rig.</td>
<td>The spill was contained, cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>Incident Date</td>
<td>Incident Description</td>
<td>Corrective Actions</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>21/06/2015</td>
<td>Approximately 80L hydraulic oil spill in the mine pit due to a blown tramming hose on a drill rig.</td>
<td>The spill was contained, cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>30/06/2015</td>
<td>Approximately 10L petrol spill in the car park at camp due to a leak in the fuel tank of a privately owned Landcruiser.</td>
<td>The vehicle was moved to the concrete pad at the workshop and spill tray placed underneath it. The spill was cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>09/09/2015</td>
<td>Approximately 80L hydraulic oil spill in the mine pit due to failure of an O-ring on an excavator.</td>
<td>The spill was contained, cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
<tr>
<td>28/09/2015</td>
<td>Approximately 20L hydraulic oil spill on the crusher ROM due to damage to a grader’s hydraulic hose caused by impact with a rock.</td>
<td>The spill was cleaned up and contaminated material was taken to the bioremediation pad.</td>
</tr>
</tbody>
</table>
4. ENVIRONMENTAL MANAGEMENT AND MONITORING

4.1 Weather Monitoring

An Envirostation™ weather station is located in an open area near the administration building to record weather data.

**Rainfall**

The total rainfall recorded over the reporting period was 325.6mm. This is 70mm higher than the previous period but is within the range expected, based on earlier monitoring data (Figure 3). The long term annual average rainfall at Ninghan Station, located approximately 20km north of the Project, is 295.1mm. The average annual rainfall recorded at the Project area is 312.5mm for the period 1st October 2012 – 30th September 2015 (BOM 2015).

![Rainfall (mm)](image)

**Figure 3 Annual Rainfall Data Summary**

* The 2011 reporting period commences on 1st February 2011 – 30th September 2011. All other reporting periods cover the period from 1st October – 30th September.

The monthly rainfall recorded over the period is shown in Figure 4. The greatest intensity of rainfall during the period was 25.2mm in an hour recorded at 9pm on 1st February 2015. A one hour event at this intensity has an average recurrence interval of greater than 10 years (BOM 2012). The greatest rainfall event over the period occurred in March, with 71mm recorded in an event lasting 13 hours from 4pm on the 30th March to 5am on the 31st March.
**Temperature**

The temperature over the period ranged from a maximum of 46.0°C at 5pm on the 21st January 2015 to a minimum of 0.0°C at 6am on the 10th July 2015, with an average of 19.9°C. These values were all within 2°C of the values recorded in the previous period, when the maximum also occurred in January but the minimum occurred in June.

**Wind Data**

The average wind speed over the reporting period was 2.36m/s, with the dominant direction being north west (322°) (Figure 5). Calm winds (less than 1 knot or 0.514m/s) constituted 5.84% of the total recorded measurements. This summary is based on 6550 hours of monitoring data. The wind speed sensor failed on the 6th of March and was replaced with a new sensor on the 5th of May.

The monthly wind data is summarised in Table 6. Monthly wind roses are included as Appendix D to this document. As a result of the wind speed sensor failure, a wind rose could not be generated for April 2015.

**Table 6 Monthly Wind Data Summary**

<table>
<thead>
<tr>
<th>Month</th>
<th>Average Wind Speed (m/s)</th>
<th>Calm Winds (%)</th>
<th>Dominant Wind Direction (blowing to)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2014</td>
<td>2.30</td>
<td>7.39</td>
<td>North (7°)</td>
</tr>
<tr>
<td>November 2014</td>
<td>2.69</td>
<td>4.31</td>
<td>North (359°)</td>
</tr>
<tr>
<td>December 2014</td>
<td>3.05</td>
<td>1.75</td>
<td>North (338°)</td>
</tr>
<tr>
<td>January 2015</td>
<td>3.17</td>
<td>3.49</td>
<td>North West (323°)</td>
</tr>
<tr>
<td>February 2015</td>
<td>2.52</td>
<td>0.15</td>
<td>West (240°)</td>
</tr>
<tr>
<td>March 2015</td>
<td>4.33</td>
<td>0.40</td>
<td>North West (304°)</td>
</tr>
<tr>
<td>Month</td>
<td>Wind Speed (m/s)</td>
<td>Wind Speed (km/h)</td>
<td>Direction</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
<td>-------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>April 2015</td>
<td></td>
<td>No wind speed data</td>
<td></td>
</tr>
<tr>
<td>May 2015</td>
<td>2.02</td>
<td>12.10</td>
<td>North West (302°)</td>
</tr>
<tr>
<td>June 2015</td>
<td>1.90</td>
<td>9.44</td>
<td>South West (237°)</td>
</tr>
<tr>
<td>July 2015</td>
<td>1.78</td>
<td>15.86</td>
<td>West (240°)</td>
</tr>
<tr>
<td>August 2015</td>
<td>2.10</td>
<td>8.33</td>
<td>North West (323°)</td>
</tr>
<tr>
<td>September 2015</td>
<td>2.14</td>
<td>6.25</td>
<td>North West (328°)</td>
</tr>
</tbody>
</table>
Figure 5 Annual Wind Rose
4.2 Dust Monitoring

Monthly dust deposition monitoring is undertaken to monitor the deposition of dust on native vegetation, particularly the declared rare flora species, *Lepidosperma gibsonii* and *Darwinia masonii*, and to record dust emissions from the premises. The location of the deposition gauges is shown in Figure 6.

![Dust Monitor Locations](image)

**Figure 6 Dust Monitor Locations**

The dust deposition limit as per the Prescribed Premises Licence L8495/2010/2 is 4g/m²/month, referenced to the New South Wales Department of Environment and Conservation *Approved Methods for the Modelling and Assessment of Air Pollutants in New South Wales* (2005), which defines ‘Deposited dust’ as ‘insoluble solids as defined by AS 3580.10.1-1991’ (since superseded by AS 3580.10.1-2003). This limit was not exceeded during the reporting period (Figure 7).
Figure 7 Dust Deposition Data
4.3 Groundwater Monitoring

All water requirements on site are addressed through the use of groundwater. There are four production bores (EH1P, EH2P, EH3P and EH4P) and three monitoring bores (WB1, IHMB1 and MB1) located on the mining tenements. Groundwater abstracted from bores EH1P and EH2P is treated and used to supply the potable water for the Project, whilst bores EH3P and EH4P provide the raw water required for dust suppression and other industrial site uses. Groundwater is occasionally abstracted from the WB1 monitoring bore to support exploration drilling programs. The location of these bores is shown in Figure 8.

![Figure 8 Groundwater Bore Locations](image-url)
Groundwater abstraction is licenced by the Department of Water under groundwater licence GWL 166067. A separate groundwater report covering the period 1st September to 31st August is provided to the Department of Water annually.

Total abstraction during the period was 206,794kL, consisting of 11,460kL from EH1P, 1,629kL from EH2P, 126,756kL from EH3P and 66,949kL from EH4P. This is 32,124kL less than the previous period and within the quantity permitted by the licence.

The standing water level of each bore, recorded in metres below the top of the bore casing, is shown in Figure 9. The standing water level (SWL) in bores EH1P, WB1 and IHMB1 varied by less than 1m over the period (Figure 9). EH2P bore production bore and MB1 monitoring bore had small variations of 2.09m and 3.54m respectively over the period. The minimum SWL recorded in EH2P bore was 45.49 on 24th August 2015 and the maximum was 43.4m on 21st November 2015. The minimum SWL recorded in MB1 was 61.67m on 4th March 2015 and the maximum was 58.13m on 1st November 2014. The greatest variation in water levels was in EH3P and EH4P bores, for which MB1 is the designated monitoring bore. EH3P recorded a 12m variation with a minimum SWL of 63m recorded on 1st January and 4th March 2015. The variation recorded in EH4P was 10m over the period, with a minimum SWL of 69m on 1st January and 1st February 2015, and a maximum of 59m on 28th August 2015.

![Standing Water Levels](image)

**Figure 9 Standing Water Levels**

The temperature, pH, electrical conductivity and total dissolved solids (TDS) measurements recorded during the period for both production bores and monitoring bores are shown in Figure 10. These measurements were taken in the field, using an Aquaread Aquaprobe and Aquaread Aquameter and a YSI Professional Plus water quality meter.

The TDS in EH1P increased during the period to a maximum of 6114mg/L on 1st January 2015. As a result, reliance on this bore has been reduced, with an increase in usage of EH2P over the second half of the period. The TDS in EH1P at the end of the period is within the expected range. TDS in EH2P and monitoring bore IHMB1 remained reasonably steady throughout the period.
There were variations in TDS in bores EH3P, EH4P and MB1 of 791mg/L, 1620mg/L and 1215mg/L, respectively over the period. All values were within the range expected based on previous monitoring results, with the maximums in this period being lower than those of previous periods.

The TDS in WB1 monitoring bore varied by 1066mg/L over the period. This bore does not appear to be hydraulically connected to the production bores and it was not used for abstraction during the reporting period.

Independent laboratory analysis of samples from the mine site bores was conducted on 17th November 2014. The laboratory reports are included in Appendix E.
Figure 10 Field analysis – physical parameters
4.4 Vegetation Monitoring

2013 Declared Rare Flora Annual Monitoring Summary

MBS Environmental were commissioned to conduct the annual Declared Rare Flora (DRF) monitoring survey in November 2014. The location of the monitoring sites are shown in Figure 11. The following data is summarised directly from the survey report by MBS Environmental (2015a).

**Figure 11 Darwinia masonii and Lepidosperma gibsonii monitoring sites (MBS Environmental 2015a)**

*Darwinia masonii (EPBC Act Ref 2005/2381 condition 1c)i)*

During this survey a total of 920 plants were scored (increased from 881 in the previous survey) of which 816 were alive. The increase is partly attributable to the inclusion of plot D20 which had been excluded from previous surveys as the original coordinates had been lost but it was opportunistically rediscovered during this survey (MBS Environmental 2015a).

Forty-nine plants were recorded as seedlings during this program, with seven of these being newly emerged or previously overlooked. No plant or seedling mortalities were confirmed in this monitoring period (plants must be recorded as dead in two consecutive periods to be confirmed dead).

Health scores of the individual plants were similar to the previous monitoring programs conducted by MBS Environmental, except for a noted improvement in the health of the Mount Gibson South population. There were no health effects noted as a result of dust, except for one plant growing in the drill castings on a historical drill pad which had dust noted on the stem and foliage.

*Lepidosperma gibsonii*

A total of 948 plants were scored (increased from 920 in the previous survey) of which 853 were alive. Five new *Lepidosperma gibsonii* monitoring plots were established to increase the number of plants monitored to 920 (MBS Environmental 2015a). Sixty-one plants were classified as seedlings, fourteen of which were not previously recorded.
There were no additional confirmed mortalities recorded during this monitoring period, noting that a plant must be recorded as dead for two consecutive periods to be confirmed dead. Five plants classified as dead in November 2013 and one plant classified as dead in April 2013 showed new growth during this survey.

Grazing pressure varied significantly across the plots, with a range from 0 – 84.6% and an average of 9.7% across all plots (less than the 23% recorded in November 2013). Grazing was highest in the plot near the State Barrier Fence (Emu Fence). MBS Environmental (2015a) found that grazing does not appear to result in increased mortality.

The plant health scores were lowest at the plots south of Mt Gibson South, Extension Hill South, Emu Fence and Iron Hill South. These sites exhibited similar health scores to the previous survey. The remaining sites had higher health scores than the previous period.

**Monthly DRF and Significant Flora Monitoring**

Nine permanent quadrats (est. 2008) were inspected monthly during the period (Figure 12). At each quadrat the DRF and the surrounding vegetation are visually assessed and scored against a pre-determined qualitative health score matrix as detailed in Table 7, Table 8, Table 9. A photograph is taken of the DRF from a set photo point and a photograph of the surrounding vegetation is also taken. The quadrats are all located within significant flora communities, as identified in the Extension Hill and Extension Hill North Environmental Management Plan (ATA Environmental et al 2008) so the surrounding vegetation component provides additional monitoring of the significant communities for which the DRF are treated as proxies.

*Acacia cerastes* is a priority one species which is also observed at quadrats L20, L23 and L24. Observations of the health of this species are recorded during the monthly monitoring.
Table 7 *Darwinia masonii* and surrounding vegetation health and condition scoring matrix

<table>
<thead>
<tr>
<th>Score</th>
<th>Plant vigour</th>
<th>Canopy</th>
<th>Leaf colour</th>
<th>New growth</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Near death</td>
<td>Absent or nearly</td>
<td>Yellow/brown</td>
<td>Absent</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Poor</td>
<td>Very low</td>
<td>Thin</td>
<td>Yellow/brown</td>
<td>Absent</td>
</tr>
<tr>
<td>2</td>
<td>Poor</td>
<td>Moderate</td>
<td>Moderate-full</td>
<td>Grey-green some yellow-brown</td>
<td>Absent</td>
</tr>
<tr>
<td>3</td>
<td>Fine</td>
<td>Good</td>
<td>Full</td>
<td>Blue-green</td>
<td>Present</td>
</tr>
</tbody>
</table>

Table 8 *Lepidosperma gibsonii* plant health and condition scoring matrix

<table>
<thead>
<tr>
<th>Score</th>
<th>Plant vigour</th>
<th>Leaf colour</th>
<th>New growth</th>
<th>Reproduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Near death</td>
<td>Dead or nearly</td>
<td>Absent</td>
<td>Little or none</td>
</tr>
<tr>
<td>1</td>
<td>Poor</td>
<td>Very low</td>
<td>Yellow/brown</td>
<td>Absent</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>Moderate</td>
<td>Grey-green some yellow-brown</td>
<td>Absent</td>
</tr>
</tbody>
</table>

Table 9 Surround vegetation health and condition scoring matrix

<table>
<thead>
<tr>
<th>Score</th>
<th>Plant vigour</th>
<th>Canopy</th>
<th>Leaf colour</th>
<th>Reproduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Near death</td>
<td>Dead or nearly</td>
<td>Absent or nearly</td>
<td>Absent</td>
</tr>
<tr>
<td>1</td>
<td>Very Poor</td>
<td>Very low</td>
<td>Thin</td>
<td>Yellow/brown</td>
</tr>
<tr>
<td>2</td>
<td>Poor</td>
<td>Moderate</td>
<td>Moderate-full</td>
<td>Grey-green some yellow-brown</td>
</tr>
<tr>
<td>3</td>
<td>Good</td>
<td>Good</td>
<td>Full</td>
<td>Green</td>
</tr>
</tbody>
</table>

The impacts to *Darwinia masonii* noted in the monthly monitoring appeared to be primarily seasonal variations which align reasonably well with the rainfall records. A decrease in health score over the mid spring/summer months was noted with a rapid improvement with the autumn rain and through the winter (Figure 13).

![Darwinia masonii health scores](image-url)

**Figure 13 Darwinia masonii Monthly Health Scores**

*Lepidosperma gibsonii* plot L20, located on Iron Hill North, was generally in better condition than the other plots. L18 was in poorer condition than the other plots, primarily due to heavy grazing. Seasonal impacts were less evident in the *Lepidosperma gibsonii* monitoring this year. Whilst new
growth was present during winter, there remained a substantial amount of grey/brown leaves on plants in each plot, except L20, which limited the health score to 1 (Figure 14).

**Figure 14** *Lepidosperma gibsonii* Monthly Health Scores

The significant communities also showed seasonal impacts similar to the *Darwinia masonii*, with a summer decline followed by a positive response to the autumn rain (Figure 15).

**Figure 15** Significant Communities Monthly Health Scores
The *Acacia cerastes* populations at Iron Hill North and Mt Gibson North did not completely recover from the decline noted in the previous period. Some individuals responded to the autumn rain with new growth and flowers but even those that did were still predominantly grey/brown. The Department of Parks and Wildlife attended site during the period and inspected a representative population of this species.

**Weekly DRF and Significant Flora Monitoring**

The three plots closest the mine site were inspected weekly during this reporting period. Changes in condition of the plants, as established by the monthly monitoring regime, occur seasonally and are progressive. There were no significant changes detected from week to week.

**Annual Weed Survey**

MGM undertakes weed hygiene practices including vehicle wash down and inspection requirements, and vehicle segregation for visitors and private vehicles. Weed identification and awareness is promoted to site personnel through weed identification charts and all personnel on site are required to report any suspected weed sightings, which are then investigated and addressed.

A weed survey of the site was conducted in August 2015 by MBS Environmental. The survey focusses on higher risk infrastructure areas but also includes areas outside of the mine site direct operating areas. Eleven weed species were recorded during the survey, none of which were Declared Pests (Figure 16). The most dominant species was *Erodium botrys* (Figure 17) which is widely distributed in the pastoral lands surrounding the mine site. These weeds were found to co-occur with native species and did not appear to be impacting rehabilitation. MGM has continued to use both manual removal and herbicide spraying to manage identified weed populations, however treatment is not recommended where isolated individuals occur in and amongst natives (MBS Environmental 2015b) and this will be taken into account in future weed management activities.
Figure 16  Weed Distribution (MBS Environmental 2015b)
4.5 Malleefowl Management and Monitoring

Operational Management Actions (EPBC Act Ref 2005/2381 condition 2c)iii)

MGM has implemented a number of management actions to protect malleefowl and malleefowl habitat including a restricted access permitting system to minimise disturbance in the vicinity of active malleefowl mounds, a pre-clearance checking process to ensure that any mounds within the approved clearing footprint are not disturbed whilst active, and awareness training for all personnel advising of the risk of malleefowl mortalities on roads and instructing personnel to remain vigilant.

All malleefowl mounds within 250m of any proposed clearing are inspected by the site environmental personnel prior to the clearing. If there is any indication that malleefowl are using the mound, the clearing will be postponed until after the breeding season.

In the event of a large bushfire, malleefowl may be impacted through direct mortality and indirectly through habitat loss. Fire prevention procedures include the installation and maintenance of fire...
breaks, smoking rules, hot works permitting systems, fire prevention and extinguisher training, and regular equipment maintenance. The site has an Emergency Response Team with fire-fighting equipment and capabilities. This team conducted four live fire training events during this period, which involved the burning of untreated wooden pallets, pursuant to the site Prescribed Premises Licence.

**Malleefowl Mound Monitoring (EPBC Act Ref 2005/2381 conditions 2c)i and 2c)ii)**

MGM conducted the annual survey of the known malleefowl mounds within the tenement area in November 2015, with assistance from Biologic Environmental Survey. Of the 302 mounds checked, the status of two mounds was unclear to the environmental consultants, 21 mounds were recorded as active and 275 mounds were inactive and 4 mounds were searched for but not found. The number of mounds monitored this season increased significantly as a result of the photogrammetry study completed in the previous period. The results of this year’s survey, compared to the historical data are shown in Table 10.

Four of the mounds active in this season had been recorded as active in at least one previous survey. One had not previously been recorded as active and the remaining 16 had not been monitored previously.

**Table 10 Malleefowl mound activity status**

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of Mounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>21</td>
</tr>
<tr>
<td>Inactive</td>
<td>275</td>
</tr>
<tr>
<td>Not Found</td>
<td>4</td>
</tr>
<tr>
<td>Not Checked</td>
<td>0</td>
</tr>
<tr>
<td>Cleared</td>
<td>0</td>
</tr>
<tr>
<td>Total Mounds</td>
<td>300</td>
</tr>
</tbody>
</table>

The data collected in these surveys is provided to the North Central Malleefowl Preservation Group to be entered into the National Malleefowl Monitoring Database so that it can be accessed and used by the National Malleefowl Recovery Team and any other relevant groups.
Malleefowl Sightings

Photographs of malleefowl are presented in the site induction and posted on the wall in each of the crib rooms on site to ensure that all site personnel are able to correctly identify a malleefowl. Personnel are issued with flora/fauna sighting forms and are required to report any malleefowl sightings in the Project area.

Twelve malleefowl sightings were recorded on the tenements during period. Two of these were reported as juvenile animals. A further 6 sightings were reported by mine site personnel and consultants in the vicinity of the mine and between the mine site and the rail siding. This is similar to the numbers reported in the previous period (10 on the tenements and 9 off the tenements).

If malleefowl are sighted multiple times in the same operational area of the site, personnel are made aware through site wide communications that malleefowl are frequenting that particular area or road and extra care is required. This did not occur during this period as the location of the sightings varied.

Malleefowl Deaths

There were no malleefowl deaths recorded on the tenements during this reporting period.

4.6 General Fauna Monitoring

Targeted Significant Fauna Survey

A targeted significant fauna survey was conducted in September 2015 by Phoenix Environmental Sciences. The species targeted in this survey were *Egernia stokesii badia* (western spiny-tailed skink), *Falco peregrinus* (peregrine falcon), *Cacatua leadbeateri* (major mitchell’s cockatoo) and *Merops ornatus* (rainbow bee-eater). Other species sighted during the survey were also recorded, including significant species, *Leipoa ocellata* (malleefowl) (mounds and tracks only) and *Oreoica gutturalis gutturalis* (crested bellbird) (direct observations and calls).

Western spiny-tailed skinks were observed on 12 occasions during the survey, with evidence (including scats and latrines) recorded on a further 18 occasions (Phoenix Environmental Surveys 2015). These animals were recorded both inside and outside of the operational mining tenements. Six individuals were captured and microchipped. The number of observations of this species is greater than in the previous targeted survey due to the inclusion of additional monitoring sites within suitable habitat.

One peregrine falcon was sighted and three potential nesting sites were identified (one of which was being used by a pair of black breasted buzzards. Major mitchell’s cockatoos were observed four times during the survey but it can-not be confirmed whether these were different birds or repeated sightings of the same individuals. Rainbow bee-eaters were sighted on five occasions during the survey and calls were heard on another four occasions. Two inactive burrows were identified.

An additional 46 birds, 9 reptiles and 6 mammal species were recorded on site during this survey.

Significant Fauna Sightings

All personnel are instructed to report sightings of any significant species on site and identification information for the species most likely to be encountered is displayed on crib room walls. Mine site personnel reported sightings of major mitchell’s cockatoos twice during the reporting period. Rainbow bee-eaters were also observed by mine site personnel twice.
Native Fauna Deaths

There were 6 native vertebrate fauna mortalities recorded during the period. This comprised 4 reptiles and 2 birds. Five of these were the result of vehicle impacts and one *Hirundo neoxena* (welcome swallow) appeared to have flown into a ceiling fan.

Fauna deaths on the public road between the mine site and the rail siding are monitored and reported under Ministerial Statement 786.

Rehabilitated Fauna

Three sick or injured native animals were temporarily cared for during the period. A welcome swallow was taken to a nearby wildlife carer for bathing after becoming coated in a hydrocarbon substance and a *Phaps chalcoptera* (common bronzewing) found near a road appeared dehydrated but had no obvious injuries. Both subsequently died.

A male *Tadorna tadornoides* (Australian shelduck) was injured following attack by a pair of the same species. On advice from Department of Parks and Wildlife, the injured animal was taken to a wildlife rehabilitation centre in Perth and was successfully treated and released.

Non-Native Species

Two non-native mammal mortalities were recorded during the period. A deceased juvenile *Felis catus* (cat) was discovered behind a generator, the cause of death was unknown. An *Oryctolagus cuniculus* (rabbit) suffered a vehicle impact. In addition, multiple *Mus musculus* (house mouse) were trapped and disposed of during the period.

Camera trap monitoring detected cats visiting both active and inactive mounds. Attempts to trap a cat that was intermittently visiting an active mound have been unsuccessful to date, however the malleefowl continued to work the mound and did not appear impacted by these intermittent visits.

The proponents participated in a workshop coordinated by the National Malleefowl Recovery Team (NMRT) with the intent of taking part in a national study coordinated the NMRT and the University of New South Wales investigating the impact, if any, of fox baiting on both fox abundance and malleefowl activity. Participation in the study requires comparison of a baited ‘treatment’ site with a nearby unbaited ‘control’ site. The Project area is likely to be the control site to partner with a treatment site on Ninghan Station. All neighbouring stations and the Department of Parks and Wildlife attended the workshop and indicated an intention to participate in the study. It is anticipated that the study will provide insight into the best use of resources to protect malleefowl, including an assessment of the effectiveness of baiting techniques.

4.7 Waste Management

The site waste management hierarchy is depicted in Figure 18. The recycling program re-directs a large quantity of unavoidable waste from the landfill to offsite recycling facilities. Items recycled include paper and cardboard, scrap metal, aluminium cans, glass, light globes, printer cartridges, recyclable plastics and batteries.
Re-use of treated vehicle wash down water as dust suppressant on iron ore stockpiles is permitted under the site Prescribed Premises Licence, providing that quarterly samples verify that the total petroleum hydrocarbon concentration in the water is less than 10mg/L. Re-use of water was ceased during the previous period due to exceedences of this limit. Following an adjustment to the treatment system, testing of the water resumed in January 2015 with the intent of verifying that the hydrocarbon concentration was within the prescribed limit for three consecutive months before recommencing dust suppression usage. The concentration was within the limit for the January and February but again exceeded the limit in March and September. Re-use of this water did not resume and no water was discharged to the environment during the reporting period. The LR1 form required under the Prescribed Premises Licence is attached as Appendix F to this report.
5. REHABILITATION AND CLOSURE PLANNING

Rehabilitation

Preparation of the lower eastern waste dump slope for rehabilitation continued during the reporting period and will continue into the next reporting period but this surface is yet to meet the requirements for final rehabilitation. No surfaces reached final rehabilitation stage during the reporting period.

Closure Planning

A Mine Closure Plan for the Hematite Operation was revised and re-submitted to the Department of Mines and Petroleum for review and approval. The quantity of rehabilitation material available is listed in Table 11.

Table 11 Rehabilitation Material Available

<table>
<thead>
<tr>
<th>Location</th>
<th>Component</th>
<th>Volume* (m$^3$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Dump</td>
<td>Tritter</td>
<td>5,755</td>
</tr>
<tr>
<td></td>
<td>Topsoil</td>
<td>78,875</td>
</tr>
<tr>
<td></td>
<td>Subsoil</td>
<td>115,923</td>
</tr>
<tr>
<td>Waste Dump Cell 1</td>
<td>Tritter</td>
<td>809</td>
</tr>
<tr>
<td></td>
<td>Topsoil</td>
<td>3,986</td>
</tr>
<tr>
<td></td>
<td>Subsoil</td>
<td>7,663</td>
</tr>
<tr>
<td>Mine Pit (Community FCT 10-01)</td>
<td>Tritter</td>
<td>6,602</td>
</tr>
<tr>
<td></td>
<td>Topsoil</td>
<td>2,659</td>
</tr>
<tr>
<td></td>
<td>Regolith/Subsoil</td>
<td>2,674</td>
</tr>
<tr>
<td>Mine Pit (Community FCT 10-02)</td>
<td>Tritter</td>
<td>6,973</td>
</tr>
<tr>
<td></td>
<td>Topsoil</td>
<td>21,580</td>
</tr>
<tr>
<td></td>
<td>Subsoil</td>
<td>14,564</td>
</tr>
<tr>
<td>Village</td>
<td>Topsoil/subsoil</td>
<td>8,273</td>
</tr>
<tr>
<td>Sewage pond</td>
<td>Topsoil/subsoil</td>
<td>1,685</td>
</tr>
<tr>
<td>Admin/workshop/crusher</td>
<td>Topsoil/subsoil</td>
<td>17,730</td>
</tr>
<tr>
<td>Admin/crusher rd.</td>
<td>Topsoil/subsoil</td>
<td>792</td>
</tr>
<tr>
<td>Turkeys nest</td>
<td>Topsoil/subsoil</td>
<td>827</td>
</tr>
<tr>
<td>Magnetite stockpile area</td>
<td>Topsoil</td>
<td>2,063</td>
</tr>
<tr>
<td>Magnetite village</td>
<td>Topsoil</td>
<td>2,880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>299,036</strong></td>
</tr>
</tbody>
</table>

*Volume available as confirmed by survey data.

Research

A small translocation trial of *Darwinia masonii* was commenced on the eastern batter of the waste dump in June 2015. A small population of *D. masonii* were discovered naturally re-growing in topsoil stockpiles which are currently scheduled to be respread on the waste dump in 2016. Since these individuals are unlikely to survive the topsoil spreading, approval was sought to attempt a translocation of some of them. A total of 15 plants were dug out and re-planted. An additional 5 plants from nursery stock propagated from cuttings were also planted in the trial area to act as controls.

The plants were watered daily for the first week, then every second day for the following week. Watering was then reduced to twice a week until mid-September at which time it was reduced further to once a week. All of these plants were still alive at the end of the reporting period and most showed evidence of new growth.

Other research opportunities are sponsored indirectly through funding provided by the Proponents to the Gundawa Regional Conservation Association.
6. **STAKEHOLDER CONSULTATION AND BIODIVERSITY OFFSETS**

The Annual Stakeholder Update and Environmental Discussion was held on site on 26th May 2015. Invitations to the meeting were sent to representatives of the local shires, the North Central Mallee-fowl Preservation Group, Australian Wildlife Conservancy, Pindiddy Aboriginal Corporation, Bush Heritage Australia, the Department of Environment Regulation, the Department of Parks and Wildlife, the Office of the Environmental Protection Authority, the Department of Mines and Petroleum, and Extension Hill Pty Ltd. The key environmental issues discussed were mallee-fowl management, introduced species, weeds, fire and closure planning. Each stakeholder was provided with a copy of the draft Mine Closure Plan prior to the meeting to enable sufficient time to review the document and participate in the closure planning discussion. Attendees were also encouraged to raise any other items relating to the Project that they wanted to discuss and a site tour was undertaken following the meeting.

MGM and EHPL continue to fund and participate in the Gunduwa Regional Conservation Association. MGM and EHPL each hold a position on the management committee of this Association.

MGM sponsored and attended the Perenjori Agricultural Show held on the 15th August 2015. MGM manned a stall at this event to provide information and answer questions from the local community.

MGM met biannually with a representative of the Shire of Perenjori and a local community representative to consider applications for funding from MGM’s Public Benefit Fund contributions to the local community.

The Proponents hosted biannual meetings of the Project Badimia Monitoring and Liaison Committee to discuss cultural heritage issues and obligations.

Biodiversity offsets funding was provided to Bush Heritage Australia, Pindiddy Aboriginal Corporation and Australian Wildlife Conservancy during this period for use in on-ground projects, which included management of fire, weeds and introduced fauna species, as well as re-introduction of native fauna species.

The Department of Parks and Wildlife conservation officer, funded by the Proponents attended site to conduct targeted surveys of *Lepidosperma gibsonii*, assisted in the review of Recovery Plans for *Darwinia masonii* and *Lepidosperma gibsonii*, and participated in mallee-fowl monitoring activities during this reporting period.
7. FUTURE WORK PROGRAM

**Hematite Operation**

MGM’s referral, submitted in the previous period, under s 38 of the Environmental Protection Act 1986 for a proposal to expand the mining operation into the Iron Hill area to the south of the existing operation was reviewed and the level of assessment has been set at Public Environmental Review. MGM intends to progress this approval process and all ancillary approvals requirements for the proposed Iron Hill Project during the next reporting period.

**Magnetite Operation**

In September 2014 EHPL released a public project update advising that the Extension Hill Magnetite Project is presently in a holding pattern until financing approvals can be secured. The Shareholders have confirmed to Asia Iron Australia (the parent company of Extension Hill Pty Ltd) that they remain committed to the Extension Hill Magnetite Project as part of a long term investment program.
8. REFERENCES


OEPA (2012), *Post Assessment Guideline for Preparing an Audit Table*, Post Assessment Guideline No. 3, Office of the Environmental Protection Authority, August 2012.