



Enquiries Rob Lawrence
Telephone (07) 4046 6638
Your reference 2136669C-LTR008Amj
Our reference STAT448 / ISA658

Department of
**Environment and Resource
Management**

12 May 2009

Lady Annie Operations Pty Ltd and Savannah Resources Pty Ltd
Attention Messrs Gary Peter Doran and David John Frank Lombe
Receiver Managers for Lady Annie Operations Pty Ltd
Deloitte Touche Tohmatsu
Woodside Plaza Level 14
240 St George Terrace
PERTH WA 6000

Dear Sirs

I refer you to your letter dated 1 May 2009 regarding the Environmental Protection Order dated 30 March 2009.

Officers from the Department of Environment and Resource Management (DERM) have reviewed the proposal detailed in the letter to comply with the requirements of Item two (2) in Environmental Protection Order STAT448. The review of the proposal has been considered in light of discussions on 24 April 2009 during a meeting at Parsons Brinckerhoff (PB) offices in Brisbane.

DERM accepts the remediation strategy detailed in principle, however, would like to raise a number of concerns.

The hydrological calculations provide some uncertainty into the potential success of the proposal. Firstly, losses of water through ground saturation and evaporation may be significant, and as such, the calculated volumes and flush velocities could be significantly reduced.

The calculated figures show a decrease in flow velocity moving downstream. There are concerns that the flush may not have enough energy to mobilise contamination bound in sediments, and as such, primarily only treat the water. Additionally, multiple flushes would likely be required to move contamination into the treatment dams, and based on provided figures, the site has only approximately enough clean water for two flushes (based on proposed methodology). To ensure flow velocity is maintained, it is recommended that rapid release from treatment dams is employed, to ensure that flow velocity downstream is maximized. Also, the spacing of dams may be inconsistent with the modelling, and as such, dam spacing may need to be considered at closer intervals where contamination is greatest (i.e. closer to discharge point).

The use of the underground interception trenches should be at locations of greatest underground water volumes and any pumping should be during end of flow event to move water volumes downstream.

Techniques including aeration sparging and treatment of water in collection drains will maximise residence time for the Bauxsol and increase mixing. Additionally, contingencies including the use of other chemical treatments (e.g. carbonates) should be further developed if the technique does not perform as planned.

As discussed in the meeting on 24 April 2009, this proposal will not deal with all the contamination, and there is a particular risk that sediment contamination may remain until the 2009/2010 wet season flow events. Long term management will need to identify how the flushing of the residual contamination during the initial wet season flow events will be removed to prevent further contamination downstream. While the scope of this proposal focuses on an immediate clean-up, it is expected that the outcomes of the Environmental Investigation will develop such techniques.

Additional Permitting

Review of the proposal has identified a number of additional permits under the *Integrated Planning Act 1997*, the *Environmental Protection Act 1994* and the *Water Act 2000* will be required to implement the proposed strategy. The following permits will be required:

- A development approval(s) and registration certificate(s) for ERA 16 – Extractive and Screening Activities
- Riverine Protection Permit
- An operational works approval to construct or raise a waterway

These applications must be made in the correct form. Enclosed is a CD of the application forms (and fee information) which must be completed for the three approvals required.

The fees for the relevant applications are dependant on the scale of works, and are described below:

- ERA 16 - \$500.00 application fee plus the highest relevant annual return fee (as per attached information sheet)
- Riverine Protection Permit – No associated fees
- An operational works approval to construct or raise a waterway – dependant on the scale of the works (see attached fee guideline). It is noted that there is a self assessable code for Temporary Waterways Barrier Works in Freshwater. Please review the content of the code to determine if the proposed works may be consistent with the code.

Please forward the completed application forms to the following officer who will coordinate the approval process:

Warwick Fegan
Principal Environmental Officer
Environmental Services
PO Box 2066
CAIRNS QLD 4870

DERM will endeavour to expediently process these applications so as not to inhibit the progress of remediation in accordance with Item two (2) of STAT448. To assist with a speedy approval, it is recommended that Native Title notification and landowner written consent requirements are commenced as soon as possible.

If you have any queries with regards to the content of this letter please contact Warwick Fegan on telephone (07) 4046 6724.

Yours sincerely

s.49 - Signature

Rob Lawrence
Director
Department of Environment and Resource Management

C/c
Matthew Jeffs and Brian Fainton
Parsons Brinckerhoff Australia Pty Ltd
GPO Box 2907
BRISBANE QLD 4001



Enquiries Hamish Butler
Telephone (07) 4046 6723
Your reference MIN100401006
Our reference ISA 658

25 June 2009

Department of
**Environment and Resource
Management**

CopperCo Limited (ACN 004434904)
Attention: Messrs Gary Peter Doran
Receivers Managers for CopperCo Limited
Deloitte Touche Tohmatsu
Woodside Plaza Level 14
240 St George Terrace
PERTH WA 6000

CC: Matt Jeffs
Parsons Brinckerhoff Australia Pty Ltd
Northbank Plaza Level 4
69 Anne Street
BRISBANE QLD 4000

Dear Sir,

Plan of Operations relating to Environmental Authority MIN100401006 (ML5426, ML5435, ML5446, ML5447, ML5448, ML 5474, ML5476, ML5478, ML90168, ML90169, ML90170, ML90178, ML90179, ML90184) on 1 May 2009.

I refer to you the Plan of Operations addendum lodged on 29 May 2009 for mining operations under Environmental Authority MIN100401006.

As per our conversation on 23 June 2009, the Plan of Operations does not meet the content requirements under s234 of the *Environmental Protection Act 1994*. Details of the areas where the plan does not meet the content requirements were provided verbally to Parsons Brinckerhoff and Jason Alexander on Friday 20 June 2009 and are as follows:

- The Plan of Operations must describe the land that applies to each of the 14 mining leases granted to the Lady Annie operation. Some mining leases have been described, others have been described as "topographical similar" to other mining leases and some have not been described at all.
- Some of the control strategies outlined in the Environmental Management Plan have not been included in the Plan of Operations. Other control strategies are located in the action programme of the Plan and must be moved to the control strategy section in accordance with Guideline 9- Preparing a Plan of Operation and Audit Statement for non standard mining projects.
- The rehabilitation programme does not specify how Lady Annie Operations will meet the success criteria outlined in condition F1-1 of Environmental Authority MIN100401006. The Plan of Operations must specify how the rehabilitation commitments authorised under this condition will be achieved including rehabilitation techniques to be used.
- Statutory documents including the Environmental Evaluation and Environmental Protection Orders have not been included in the Plan of Operations. These documents outlining commitments and requirements must be included in the Plan of Operations.

- The financial assurance calculation provided contains insufficient detail to demonstrate how Lady Annie mine calculated the total proposed figure of \$7,343,331, financial assurance must be;
 1. Calculated by domain and detail the rehabilitation techniques;
 2. Be based on third party quotes which must be supplied;
 3. Include the cost of a site investigation.

As highlighted to you in our conversation, DERM records indicate that the Plan of Operations for mining operations under Environmental Authority MIN100401006 (ML5426, ML5435, ML5446, ML5447, ML5448, ML 5474, ML5476, ML5478, ML90168, ML90169, ML90170, ML90178, ML90179, ML90184) lodged on 14 April 2008 expired on 1 May 2009.

Please note that under s233 of the *Environmental Protection Act 1994* it is an offence to conduct mining activities on the mining leases identified without a current Plan of Operations:

233 Plan of operations required before acting under relevant mining lease

(1) The environmental authority holder must not carry out, or allow the carrying out, of an activity under a relevant mining lease unless—

- (a) a plan of operations for all relevant mining activities has been submitted to the administering authority; and*
- (b) at least 28 days, or a shorter period agreed in writing by the administering authority, have passed since the plan was submitted; and*
- (c) the plan complies with section 234; and*
- (d) the carrying out of the activity is—*
 - (i) consistent with the plan; and*
 - (ii) done in a period to which the plan applies.*

Maximum penalty—100 penalty units.

*(2) In this section— **plan of operations**, for a mining lease, includes any plan of operations submitted to the administering authority for a proposed mining lease substantially the same as the mining lease.*

As per our conversation on 23 June 2009, you are required to submit a Plan of Operations by **24 July 2009**.

If you require further assistance in this matter, please contact Hamish Butler on (07) 4046 6723.

s.49 - Signature

Ingrid Fomiatti Minnesma
Manager
Regional Services
North Region
Department of Environment and Resource Management.