

Summary of Magellan's Response to Condition 10

Condition 10 of Magellan Metal's approval to transport lead carbonate concentrate from its mine-site at Wiluna through the Port of Fremantle requires the company to engage and fund the services of an independent inspector/auditor accredited by an appropriate national body. The specific conditions related to the auditor are outlined below, while the remainder of this document summarises Magellan's plans for meeting the conditions. The full plan is available on www.magellanmetals.com.au.

SUMMARY OF CONDITIONS

The list below sets out the range of areas in which conditions have been applied to the sealed shipment process by the Minister for Environment.

CONDITION 1

Implementation

CONDITION 2

Proponent Commitments

CONDITION 3

Proponent

CONDITION 4

Commencement

CONDITION 5

Compliance Reporting

CONDITION 6

Dust control - Health, Hygiene and Environmental Management Program

CONDITION 7

Decommissioning and Rehabilitation Plan

CONDITION 8

Subterranean Fauna (Stygofauna) Sampling Plan

CONDITION 9

Health, Hygiene and Environmental Monitoring Program

CONDITION 10

Accredited Auditor

CONDITION 11

Public reporting of outcomes of auditing and monitoring

CONDITION 12

Emergency Response Plan

CONDITION 13

Performance review

CONDITION 14

Performance Bond

CONDITION 15

Definitions

CONDITION 10

Accredited auditor

10-1 Prior to removing shipping containers of lead carbonate concentrate from the mine-site at any time after 1 January 2009, the proponent is to engage the services of, and provided necessary funding for, an independent auditor accredited by an appropriate national body, to be approved by the Minister for Environment on the advice of the CEO (of the Department of Environment and Conservation). The auditor is to be engaged and funded to undertake the following in an independent manner:

- 1. Auditing the processes for the packaging and transport of the lead carbonate concentrate from the mine-site through to export from the Port, including the use of top-loading machines for the transport of the shipping containers;*
- 2. Inspecting all bags of lead carbonate concentrate after they are sealed, prior to and after they are loaded into shipping containers, and inspecting all shipping containers after they are loaded and locked and prior to their removal from the mine-site for the presence of material containing lead carbonate outside the sealed bags;*
- 3. Carry out random dust monitoring inside shipping containers, by selecting containers at random, without the knowledge of the proponent, and place dust monitors inside those containers prior to their removal from the mine-site, removing the monitors at the port to test for the presence of lead carbonate dust;*
- 4. Immediately reporting any findings to the CEO (of the Department of Environment and Conservation) and the proponent of material containing lead carbonate outside the sealed bags after a shipping container is removed from the mine-site; and*
- 5. Reporting the findings of the inspections, auditing and monitoring to the reference group referred to in Condition 11-1.*

10-2 Prior to removing shipping containers of lead carbonate concentrate from the mine-site at any time after 1 January 2009, the proponent shall, in consultation with the Department of Environment and Conservation, the Department of Health, and the Department of Mines and Petroleum establish and document the detailed roles and responsibilities of the auditor engaged under Condition 10.

Defining the accredited auditor

Three distinct tasks must be undertaken by an “independent auditor accredited by an appropriate national body”. The tasks are auditing, inspecting and monitoring. Auditing is a different process from inspecting and monitoring, and requires different skills and qualifications. As a result Magellan will establish two roles – an Independent Auditor and Independent Inspector. Both will report their findings to Magellan, the Community Reference Group and the Department of Environment and Conservation’s (DEC) Perth, Goldfields, Wheatbelt and Swan offices.

Appointing the inspector and auditor

Accreditation of the inspectors and auditors by an appropriate national body provides formal recognition of the competence of the accredited company and its staff to undertake inspections and process audits. The Independent Auditor and the Independent Inspector will exercise due care and professional judgement, avoid conflict of interest, and demonstrate a sufficient level of independence from Magellan. Appointments have been approved by the Minister for Environment.

Roles and responsibilities

The roles and responsibilities of the Independent Auditor and the Independent Inspector have been established and documented by Magellan in consultation with the relevant State Government Departments.

Auditing

The auditing covers the processes for the packaging and transport of lead carbonate concentrate from the mine-site through to export from the Port of Fremantle. This specifically includes the use of top-loading machines for the transport of the shipping containers.

Details of the equipment, management actions and procedures used in the packaging and transport of lead carbonate concentrate from the mine-site to export from the Port are set out in the Health, Hygiene and Environmental Management Program (HHE Management Program). The monitoring measures are detailed in the Health, Hygiene and Environmental Monitoring Program (HHE Monitoring Program).

The Independent Auditor will:

1. carry out an initial process audit from the mine-site through to export from the Port, prior to the commencement of lead carbonate concentrate transport, of the compliance of the proposed equipment, procedures and processes for packaging and transport of the lead carbonate concentrate with approved management plans and applicable standards.
2. report to Magellan on any non-conformances.
3. advise Magellan and the Community Reference Group (see following page) when satisfied that the proposed procedures and processes are in compliance with the HHE Management Program, HHE Monitoring Program or applicable standards.
4. audit the procedures and processes at six-monthly intervals, taking into account the results of inspections and monitoring.
5. report to Magellan, the Community Reference Group and the DEC’s Perth, Goldfields, Wheatbelt and Swan offices the results of audits and any changes to the procedures and processes which are required to address any shortcomings encountered.

Inspections

The Independent Inspector will inspect all bags of lead carbonate concentrate after they are sealed, prior to and after they are loaded into shipping containers, and inspect all shipping containers after they are loaded and locked and prior to their removal from the mine-site for the presence of material containing lead carbonate outside the sealed bags.

Inspections will be carried out on all filled bulk bags and shipping containers. The Independent Inspector’s work is to ensure compliance as follows:

- all filled bags are vacuumed and stored in an appropriate licensed dangerous goods storage area
- inspect all filled bags of lead carbonate concentrate, after they are sealed, for damage and visible lead carbonate concentrate dust, and prior to and after they are loaded in shipping containers
- inspect all shipping containers for damage before loading with filled bags
- inspect all shipping containers after they are loaded and locked and prior to their removal from the mine-site to ensure that:
 - they are safety placarded and numbered
 - no lead carbonate concentrate is present on the outside of the containers
 - they are locked with a uniquely numbered steel bolt
- trucks loaded with locked shipping containers containing filled bulk bags are washed down
- chain of custody data are recorded and procedures followed.

Monitoring

The Independent Inspector is responsible for ensuring there is dust monitoring equipment inside shipping containers that are randomly selected without Magellan Metals’ knowledge. The Inspector will place dust monitors inside those containers prior to closing and transport from the mine-site, and remove the monitors at Fremantle Port for analysis.

The Independent Inspector’s duties will include:

- selecting at random approximately 1% of all containers for internal dust monitoring
- installing dust monitoring equipment inside the selected shipping containers
- maintaining strict confidentiality in respect of the identity of containers to be monitored until loading of the container has been completed and it is about to be closed
- closing and locking the shipping container after installation of the dust monitor
- at the Port of Fremantle having the:
 - selected containers opened
 - dust monitors removed
 - containers closed and locked again with a numbered bolt
 - bolt numbers recorded on the chain of custody form
- ensuring safe custody of the dust monitor for analysis by a NATA accredited laboratory, including chain of custody documentation
- reviewing the laboratory results and providing a report.

Public reporting

The Independent Auditor and the Independent Inspector are responsible for immediately reporting to the CEO of the Department of Environment and Conservation and to Magellan any finding of material containing lead carbonate outside the sealed bags after a shipping container is removed from the mine-site. The Independent Auditor and the Independent Inspector will also report the findings of their inspections, auditing and monitoring to an appropriate Community Reference Group, Magellan and the CEO of the Department of Environment and Conservation.

Until otherwise determined by the Minister, the reference group will be the Fremantle Ports Inner Harbour Community Liaison Group.

Magellan will also publish reports relating to auditing and inspection when they become available on www.magellanmetals.com.au.

Summary of reporting requirements of the Independent Auditor

Relevant Ministerial condition	Report description	Frequency of reporting	Distribution of report
10-1(1)	Audit report for the packaging and transport of lead carbonate concentrate	Prior to resumption of mining; and As soon as available	Magellan Community Reference Group CEO of DEC DEC (Perth, Goldfields, Wheatbelt, Swan)
10-1(2)	Inspection report of all bulk bags and shipping containers	Immediately – whenever an anomaly is encountered	Magellan Community Reference Group DEC (Perth, Goldfields, Wheatbelt, Swan)
		As soon as available	Magellan Community Reference Group DEC (Perth, Goldfields, Wheatbelt, Swan)
10-1(3)	Monitoring report of random dust monitoring results inside shipping containers	Whenever an anomaly is encountered	Magellan Community Reference Group DEC (Perth, Goldfields, Wheatbelt, Swan)
		As soon as available	Magellan Community Reference Group DEC (Perth, Goldfields, Wheatbelt, Swan)