



SINO STEEL MIDWEST CORPORATION LTD

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

EPBC 2007/3809

ANNUAL REPORT

JUNE 2020

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1.0 Introduction

This annual report has been prepared by Sinosteel Midwest Corporation Ltd (SMC) for the Koolanooka/Blue Hills Direct Shipping Iron Ore Mining Project (the Project). This report is provided in accordance with Condition 3 of Approval Decision 2007/3809, published by the then Federal Department of the Environment, Water, Heritage and the Arts (DEWHA), now the Department of Agriculture, Water and the Environment (AWE), on 4 January 2010.

The Project is located in the Midwest region of Western Australia (WA), within the Shires Morawa and Perenjori. The closest towns are Perenjori and Morawa while the largest regional town, Geraldton, is approximately 300 km north-west.

Commencement of the action occurred at the Koolanooka mine on 2 April 2010. This is the tenth annual report submitted for the Project and covers the period April 2010 to March 2020.

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.

1.1 Definitions and Acronyms

AWE	Department of the Agriculture, Water and the Environment
DBCA	Department of Biodiversity, Conservation and Attractions
DEHWA	Department of the Environment, Heritage, Water and the Arts
MMP	Malleefowl Management Plan
Project	Koolanooka/Blue Hills Direct Shipping Iron Ore Mining Project
SMC	Sinosteel Midwest Corporation Ltd
WA	Western Australia
WMC	Western Mining Corporation

2.0 Proponent

The Proponent is Sinosteel Midwest Corporation Limited, ACN 009 224 800.

Contact Details associated with the Project are:

Sinosteel Midwest Corporation Limited
7 Rheola Street, West Perth WA 6005
PO Box 529, West Perth WA 6872
Telephone: +61 8 9429 4888
Facsimile: +61 8 9226 3388
Email: compliance@smcl.com.au

3.0 Project background

The Koolanooka mine was the first stage of SMC's Koolanooka/Blue Hills Project and is located approximately 180kms south-east of Geraldton and 20kms east of the Morawa township. The Blue Hills component of the project, which encompasses the Mungada East and Mungada West pits, located a further 60kms east of Koolanooka. Both Projects are currently in Care and Maintenance.

At Koolanooka, operations comprised of mining the South-fold Cutback; a small extension to the existing pit previously mined in the 1960s and 70s and mining of the Detritals pit, a shallow extension of between 10 – 35 m on the south-western flank of the existing Koolanooka pit.

Ore was crushed and screened on site and transported by road train to Geraldton Port for storage and shipment. All waste rock generated was either backfilled into the existing Koolanooka pit or placed in nearby waste dumps. Mining did not extend below the water table. The layout of the Koolanooka project area is shown in Figure 1.

The Blue Hills mine consisted of extending the two previously mined pits (being Mungada East and Mungada West). The pits were mined by Western Mining Corporation (WMC) in the early 1970's. Processing and transport of ore was similar to Koolanooka. Mining operations commenced at Blue Hills in 2013 and ceased in 2015 when the site was placed into care and maintenance. SMC has received state government approval to expand its operations at Blue Hills in the form of Ministerial Statement 1071 (Blue Hills Mungada East Expansion Project). The Blue Hills Mungada East Expansion was referred to AWE on the 2 October 2019 (Referral No. 2019/8591), and a decision of not a controlled action was determined on the 6 March 2020.

The updated project layout is shown in Figure 2.

4.0 Land offset progress

On the 8 December 2017, SMC received a *Variation to Conditions Attached to Approval* for EPBC 2007/3809. Condition 1 of EPBC 2007/3809 was amended to extend the time by which a specified parcel of land (being 5,270 ha in size) had to be formally reserved by the Western Australian government under the *Land Administration Act 1994* (WA). The original date by which the land had to be reserved was extended from 4 January 2015 to 1 January 2023.

Condition 3 of EPBC 2007/3809 requires SMC to report on the progress towards formal reservation of the land. To date, SMC surrendered the relevant tenure in 2011, allowing for a Section 19 under the *Mining Act 1978* to be placed over the area. The Section 19 application restricts mining activities, however, does not place the area under formal reservation status.

In consultation with the WA state government, the Section 19 area is part of a larger formal conservation reservation program through the Karara block area. SMC shall continue to consult with the relevant departments to support the finalisation of the formal conservation over this offset area.

5.0 Project status

Mining activity ceased at Koolanooka in 2013. The majority of SMC's Koolanooka mining disturbance has been rehabilitated and seeded with the remainder to be completed once all facilities are removed.

SMC suspended Blue Hills operations in May 2015, pending approvals for an expansion of operations. Areas not planned to be reused for future mining have been rehabilitated, whilst the remainder of the site has been placed into care and maintenance.



Figure 1: Koolanooka Mine Site Layout

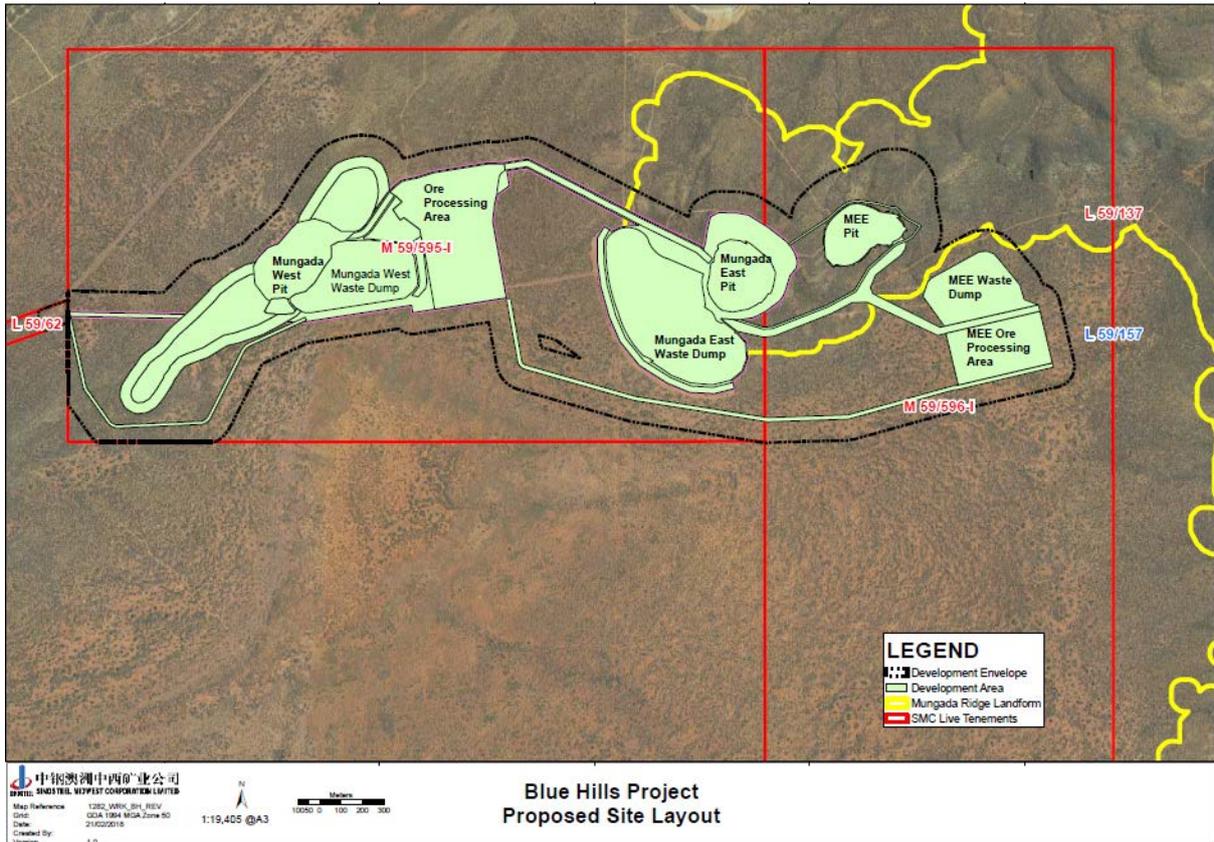


Figure 2: Blue Hills Mine Site Layout

6.0 Compliance

SMC is committed to best practice environmental performance to ensure all its mining activities comply with statutory requirements and are planned and performed so that adverse environmental effects are avoided or appropriately managed.

SMC has complied with all conditions of approval EPBC 2007/3809 where relevant to date. The Compliance Table in Section 8 of this report provides detail on compliance with conditions.

7.0 Public availability

This report is made publicly available via the SMC website at www.smcl.com.au.

8.0 Compliance Table

Approval Decision EPBC 2007/3809

Condition No.	Action	Compliance	Evidence	Reference
1	<p>For the better protection of the Malleefowl (<i>Leipoa ocellata</i>), the person taking the action must produce a management plan for this species. The management plan must include:</p> <ul style="list-style-type: none"> a) The purpose of the plan, including desired outcomes of implementing the plan; b) Performance criteria for assessing the outcomes of implementing the plan; c) Details of measures to avoid Malleefowl mortality along the proposed haul road; and d) Details of measures to offset residual impacts to Malleefowl, including details of how \$100,000 will be used to enhance conservation values in the Blue Hills area in consultation with WA DEC. <p>The management plan must be submitted to the Minister for approval within 3 months of the date of this approval. The approved management plan must be implemented. If by 1 January 2023 the 5,270 ha land parcel as specified on the map in Appendix 1 has not been subject to formal reservation by the (WA) Minister for Transport; Planning; Lands under Part IV of the Western Australian <i>Land Administration Act 1994</i>, and this land parcel has not become subject to management under the WA <i>Conservation and Land Management Act 1984</i>, then the person taking the action must advise the Minister of this fact in writing. At the same time the person taking the action must provide a plan to provide an alternative area of protected habitat or an alternative package of measures to offset residual impacts to the Malleefowl for the approval by the Minister. The approved plan must be implemented.</p>	<ul style="list-style-type: none"> - Malleefowl Management Plan (MMP) developed for the Project. - The MMP includes all criteria (a – d) specified in Condition 1. - SMC submitted the MMP to the Department in March 2010, within the 3 month timeframe of date of approval decision (4 January 2010). - The MMP was approved by the Department in June 2010. - The MMP has been implemented. - No non-compliances were recorded against the MMP during the reporting period. - No individual sightings of Malleefowl were recorded in project areas during the reporting period. - No injury or death of any Malleefowl was recorded during the reporting year. - No incidents of protected fauna deaths occurred during the year. - Malleefowl awareness information is included in the site induction. - All vegetation clearing occurs in approved areas only and is controlled via internal processes (Vegetation Clearing Approval Form). - SMC has been a full member of the WA Malleefowl Preservation Group. - SMC has funded conservation management in the Blue Hills area to DBCA for an aerial assessment over the former Karara station; wild dog control; feral goat control and weed management. By 2015 SMC's contribution had reached the agreed \$100,000 and thus completed SMC's commitment for the project. Correspondence detailing this funding was provided in the 2015 compliance report. 	<p>SMC Malleefowl Management Plan.</p> <p>Malleefowl Sighting Forms.</p>	<p>EPBC 2007/3809: Approval letter for the MMP - dated 11 June 2010.</p>
2	<p>Within 14 days of commencement of the action, the person taking the action must advise the Department of the actual date of commencement.</p>	<p>Completed - No Further Action Required.</p>	<p>As reported in previous annual report.</p>	<p>Letter dated 10 July 2012 confirming no further action required.</p>
3	<p>Within 3 months of every 12 month anniversary of the commencement of the action, the person taking the action must submit to the Department an annual report addressing compliance with the conditions of this approval. This must include reporting on progress towards the formal reservation of 5,270 ha of land as described on map at Appendix 1. Annual reports must be provided until the Minister is satisfied that the proponent has complied with all the conditions of approval. This report must be made publically available on the internet within 30 days of it being provided to the Minister.</p>	<ul style="list-style-type: none"> - Previous annual reports submitted within timeframe. - Progress on the reservation of land is provided in Section 4 of this report. - This is the tenth annual report submitted for the Project within timeframe. - This report is placed on the SMC website. 	<p>Annual report submitted on or before 4 July annually.</p>	<p>Annual Reports</p>
4	<p>The person taking the action must maintain accurate records substantiating all activities associated with or relevant to the above conditions of approval and</p>	<ul style="list-style-type: none"> - Accurate records of all activities associated with or relevant to the above conditions of approval are maintained in electronic and hardcopy format. 	<p>SMC's electronic and hardcopy files.</p>	<p>SMC's electronic and hardcopy files.</p>

Condition No.	Action	Compliance	Evidence	Reference
	make them available upon request to the Department. Such records may be subject to audit by the Department and used to verify compliance with the conditions of approval. Summaries of audits may be posted on the Department's website. The results of audits may also be published through the general media.	- SMC will make the relevant records available to the Department upon request. SMC maintains an internal records management system that includes fauna sightings, disturbance area, etc.		
5	If the person taking the action wished to carry out an action otherwise than in accordance with the plans approved at Condition 1 in relation to this approval, then they may submit a revised plan for the Minister's approval. If the Minister approves a revised plan pursuant to Condition 1, the person taking the action must implement that plan instead of the plan originally approved.	Not applicable during the reporting period.		
6	If the Minister believes that it is necessary for the better protection of the Malleefowl (<i>Leipoa ocellata</i>) to do so, the Minister may request the person taking the action to make specified revisions to a plan approved pursuant to Condition 1 and to submit the revised plan for the Minister's approval. The person taking the action must comply with any such request. If the Minister approves a revised plan pursuant to Condition 1, the person taking the action must implement that plan instead of the plan originally approved.	Not applicable during the reporting period.		
7	If the action has not been substantially commenced within 5 years of the date of this approval the action must not proceed without the written consent of the Minister.	Completed - No Further Action Required.	As reported in previous annual report.	Letter dated 10 July 2012 confirming no further action required.