



The Hon Kon Vatskalis MLA  
Minister for Primary Industry, Fisheries and Resources  
GPO Box 3146  
Darwin NT 0801  
Parliament House  
State Square

1 October 2009

Dear Minister

**Independent Monitor Audit Report for the McArthur River Mine - 2008 Operational Period**

Thankyou for the above report sent to McArthur River Mine on the 10th of September 2009. As per clause 8.5 of the Independent Monitoring Assessment Conditions (IMACs), I hereby submit comments based on the findings of the report.

Comments on the identified issues highlighted by the independent Monitor and an update on actions undertaken to date or to be implemented by McArthur River Mine have been described below.

**Three procedural non conformances were identified by the independent Monitor relating to MRM's commitments and include the following:**

*Accelerated salt leaching, revegetation and annual vegetation surveys at Bing Bong Port;*

No annual vegetation surveys or proactive rehabilitation was being conducted on the Bing Bong Dredge spoil due to MRM proposing to instigate further dredging. Dredging is now planned for late October 2009 under an approved Dredge Management Plan once civil works have been completed and drainage lines have been re-established around the spoil. The 2010 budget has included revegetation trials which are aimed at being conducted by Charles Darwin University as per previous years. Rehabilitation of portions of the Bing Bong Dredge spoil has also been budgeted for in the 2010 year.

*In place Quality assurance testing of the Overburden Emplacement Facility Clay liner*

MRM will commit to appropriate testing of clay during the construction of the Northern Overburden Emplacement Facility as per the design. A procedure will also be written on how and when this is to be conducted to ensure parameters are met.



**McArthur River Mining Pty Ltd**  
PO Box 36821, Winnellie NT 0821, Australia  
Tel +61 88975 8179  
Fax +61 88975 8170  
www.xstrata.com

ABN 90 008 167 815

## *Mosquito Monitoring Procedures*

A procedure for sampling and a plan were both in place for mosquito monitoring during the duration of the last audit however no sampling had occurred. Since the completion of the audit the first lot of results have been received and regular sampling will now be conducted monthly from six different locations on MRM leases with additional monitoring being conducted during the wet season.

### **Issues considered urgent by the Independent Monitor requiring action include:**

#### *Seepage and structural integrity of the Bing Bong Dredge Spoil Ponds;*

A survey has been conducted on the Bing Bong Dredge spoil and work has already commenced on appropriate drainage around the perimeter of the spoil. Walls along with internal drains will be reinstated to ensure adequate drainage throughout each of the ponds. No dredging will take place until this work is completed.

Soil samples have been taken around the spoil in order to analyse them for salt content and map the extent of past seepage. Historical and current aerial photographs will also be mapped in order to gauge the change in vegetation in the vicinity of the spoil since the placement of marine sediment.

#### *Seepage Migration from the Tailings Storage Facility to Surprise Creek and the hazard classification of tailings in Cell 1 and Cell 2.*

Since the Independent Monitors audit, URS has visited the TSF site and prepared a report on possible solutions to the seepage problem. Additional work in the area has included the implementation of a seepage collection sump with a pump installed along with the inclusion of two more seepage recovery bores running. Flow meter readings have been taken on a weekly basis recording the amount of water being recovered and being returned to cell two of the tailings dam.

An electromagnetic survey has been programmed to commence in early October through URS which will highlight problem sulphate areas through conductivity readings on the surface of cell one.

Dust suppression on the remainder of cell one has included the purchasing of TGC a veneering agent which will be applied to approximately 42 hectares eliminating any further movement of dried salts from the surface.

In the 2010 budget approximately \$1 million has been assigned to further recovery and containment options in the form of either additional sumps and pumps or geopolymer curtains.

### **Issues considered significant identified by the Independent Monitor that requires rectification include:**

#### *Fugitive dust emissions at the Bing Bong load out facility;*

A dust audit will be programmed within the next 6 months to identify sources of emissions around the concentrate storage shed and loading facility. Results from this audit may highlight areas for improvement in either storage or transport methods and thus further controls will be implemented where required.

*Weed Management along river diversion channels and the mine site*

Additional resources have been committed to in the 2010 operational budget to aid in the control of weeds in channel areas to ensure successful rehabilitation occurs.

**Issues considered minor identified by the independent Monitor that requires rectification include:**

*The generation of dust from the Run of Mine Pad towards Barney Creek and its tributary;*

Pacrim have implemented a dust management plan for the crushing facilities. To date ground sprinklers have been installed and operational brackets for additional sprays have been placed at transfer points. The use of a sensor activated sprays as the loader approaches the bin will be investigated in the coming weeks also. Water cart movements have also increased on top of the ROM in order to combat dust problems.

*The design and potential reoccurrence of failure of the drain sump at the base of the Run of Mine Pad;*

A substantial amount of work has been completed on the drainage and sump around the toe of the ROM pad ensuring that no water will breach this location again as a result of wall stability. The original drain has been cleaned out ensuring more available space and a road has been constructed around the wall at a height of approximately two metres above the original height in order to enable access to this location during the wet season. As a result of this road the wall has essentially been strengthened by the additional height and width.

*The poor condition of asphalted and paved surfaces at the Bing Bong load facility;*

Any areas of broken asphalt due to rainfall or excessive traffic use will be reinstated to ensure contaminated water does not enter the substrate below and possibly contaminate further areas.

*Inadequate analysis of the accuracy, reproducibility and precision of routine monitoring results collected by MRM. This includes checking field measurements against laboratory results and expected objectives and using data quality sign off sheet for quality assurance;*

Every year at MRM the precision of monitoring is improved and the 2009 operational program was built on again from the 2008 operational year. MRM will continue to monitor as per its commitments and where appropriate check field monitoring results against lab results for quality control purposes.

*Rapid maintenance of fencing (damaged by annual floods) to improve rehabilitation works;*

Due to access restrictions the maintenance of the fence is conducted normally in the third quarter. The placement of the fence will be investigated after the 2009/2010 wet season as flood water will always damage the fence in its current location.

Perimeter runs have commenced and a register will be produced recording monitoring times of the fence line around the site.

Yours faithfully



Etienne Moller  
General Manager  
emoller@xstratazinc.com.au  
Direct Dial: 08 8975 8166