

Statement of Reasons

ARAFURA RESOURCES LIMITED– NOLANS RARE EARTH PROJECT – CLAUSE 14A ALTERATION

PROJECT

The Proponent, Arafura Resources Limited has submitted an alteration to the above project which is being assessed under the *Environmental Assessment Act* (EA Act).

The alteration involves the following changes:

- increased size of the pit (approximately doubled)
- an increase to the life of the mine from 20 years to over 40 years
- changes to the mining methods from continuous surface mining and campaign mining to selective mining
- ore will no longer be transported to Whyalla (SA) and will not require the return of process residue to the mine
- increased water, power and chemical storage demand
- the construction of a 400 person camp instead of utilising the Aileron Roadhouse for worker accommodation
- processing of ore at the proposed Nolans site instead of the beneficiation/processing plant at Whyalla
- amendment to processing methods, chemicals and storage of tailings storage and disposal
- water supply will no longer be sourced from the Ti Tree Basin groundwater resource and will require the establishment of a borefield in the Burt and eastern Whitcherry basins.

CONSULTATION

On 11 December 2014, the variation notification was circulated to Northern Territory Government advisory agencies that may have administrative responsibilities relating to this action. Comments were received from five agencies in response to this request.

JUSTIFICATION

The altered project will result in the removal of some risks relating to the transport of product and waste to and from South Australia. With this exception, it is considered that risks identified in the previous decision remain.

A review of the alteration has identified the following additional environmental risks:

- contamination (by seepage) of groundwater resources underlying the wastewater and waste rock storage facilities, and the pits
- impacts on recharge to the Ti Tree groundwater basin, including potential impacts due to contamination of surface water
- long term capacity of waste storage facilities to prevent leakage of wastes

- risks associated with increased traffic and the transportation of chemicals on public roads
- radiation hazards for workers, the public and the environment
- impacts of the increased mine footprint on local flora and fauna
- uncertainties regarding the treatment, storage and eventual disposal of waste material
- risks associated with the increased footprint with respect to the adequacy of closure and rehabilitation of the site
- public concern over environmental, health and social impacts of the Project.

DECISION

Pursuant to clause 14A of the Environmental Assessment Administrative Procedures, the NT EPA has considered the alteration and that an EIS is necessary with respect to the proposed action.



Hon. Gary Nairn
Member, Northern Territory Environment Protection Authority

23 December 2014