

Statement of Reasons

TERRITORY IRON PTY LTD – FRANCES CREEK MINE – ELIZABETH MARION AREA

PROJECT

The Proponent, Territory Iron Pty Ltd, proposes to mine and process ore from the Elizabeth Marion Area (the Project), adjacent to the existing Frances Creek Open Cut Iron Ore Mine, located 25km north of Pine Creek, Northern Territory. The Elizabeth Marion Area resource is estimated to contain approximately 1,514kt of iron ore. Mining activities would involve the construction of three open pits covering an area of 70 hectares. Ore processing and transport would be utilised using the existing facilities on site. New infrastructure and components, to be constructed as part of the Project would include waste rock landforms, road networks, run of mine stockpile areas, heavy machinery go-line and water drainage works. The estimate life of mine is 15 months.

The Notice of Intent (NOI) for the Project was referred from the Department of Mines and Energy to the Northern Territory Environment Protection Authority (NT EPA) on 10 March 2014 for consideration under the *Environmental Assessment Act* (EA Act).

The Project is related to but separate from the Frances Creek Open Cut Iron Mine, that was assessed under the *Environmental Assessment Act* (EA Act) at the level of a Public Environmental Report (PER), concluding in November 2006 with Assessment Report 57. The Project was declared a controlled action under the *Environment Protection and Biodiversity Conservation Act 1999* and assessment was under the bilateral agreement between the NT and Australian Governments. Information pertaining to the environmental assessment chronology and PER documentation can be viewed on the Frances Creek Open Cut Iron Mine project page of the NT EPA website at:

<http://www.ntepa.nt.gov.au/environmental-assessments/assessment/register/francescreek>

CONSULTATION

NT EPA staff have reviewed the NOI in consultation with Northern Territory Government (NTG) advisory bodies, as required by clause 8(1) of the Environmental Assessment Administrative Procedures.

JUSTIFICATION

A review of the NOI identified the following potential significant impacts and risks to the environment from the Project:

- Uncertainties exist with regards to the extraction and processing of the ore and associated management of water, tailings and waste streams, including potentially acid forming material. Any disturbance to, or contribution of materials to the existing mine components, or combinations of material from the existing operations to the Project area, has the potential to impact on the geotechnical and geochemical integrity of the mine components;
- Risks to surface water and groundwater, and related ecological processes, from mining activities and/or components, such as waste rock dumps or tailings storage facility, with acid and metalliferous generating potential;
- Risks to surface and groundwater resources from the development, operation and closure of the Project. The hydrogeology; connectivity of groundwater aquifers, surface water

systems and mine components; the sensitivity of the water resources to extraction and disturbance; the potential success of diversion works; and the potential impact on downstream ecosystems and water users for the life of the Project are currently unknown risks;

- Mining activities in the Elizabeth Marion Area is likely to introduce or exacerbate the spread of weeds if adequate hygiene and control measures are not implemented.
- Potential impacts on biodiversity from land clearing and mining activities proposed for the Project. Risks and mitigation measures have yet to be adequately addressed, especially in relation to the identification and protection of species of conservation significance, including the Gouldian finch (*Erythrura gouldiae*), the pale field rat (*Rattus tunneyi*) and the fawn antechinus (*Antechinus bellus*);
- The Project presents a significant risk to the vulnerable Armstrong's Cycad (*Cycas armstrongii*) which is a species that is protected under the *Territory Parks and Wildlife Conservation Act*; and
- Potential social, cultural and economic impacts, including the risks of the Project not realising its projected economic and social benefits.

DECISION

The NT EPA considers that there is a risk of significant impact to the environment from the proposed action and a number of risks cannot be adequately characterised without further studies and a more comprehensive assessment. Therefore, the proposed action requires assessment under the EA Act at the level of an Environmental Impact Statement.



DR BILL FREELAND

CHAIR

NORTHERN TERRITORY ENVIRONMENT PROTECTION AUTHORITY

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