

## Statement of Reasons

### CHANDLER SALT MINE PROJECT – TELLUS HOLDINGS LTD

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MARCH 2013

#### PROJECT

Tellus Holdings Limited (the Proponent) is proposing to develop and operate the Chandler Salt Mine Project (Charlotte North Site) within the Maryvale Station Pastoral Lease. The site of the proposed development is located approximately 120 km south of Alice Springs and 15 km from the Titjikala community. Previous exploration activity on the site identified a substantial resource comprising up to 5.0 billion tonnes of salt (halite, NaCl) occurring across 40 per cent of the Charlotte North Site.

The Proponent is proposing to access the resource by constructing a 3.5 km decline down to a depth of 550 m. Upon reaching the resource, mechanical excavation will be undertaken to create a series of chambers within the deposit from which rock salt will be extracted. Product and supplies will be transported to and from the site using a range of existing and new access roads and rail lines. The transport of product will initially be undertaken by road train along the proposed haul road between the mine and the rail siding. Product will then be transferred to train and transported along the Adelaide to Darwin rail line with the majority of movements being to Darwin. The Chandler Salt Mine will have an export capacity of 1 million tonnes per annum which will require an estimated nine train movements per month.

The Proponent has stated in its Notice of Intent (NOI) that the action involves the construction and operation of the following components:

- construction of an underground rock salt mine using cut and blast mining techniques;
- surface processing and packaging plant with a capacity of 1 million tonnes per annum of edible and industrial salts and associated magnesium rich minerals;
- mining site infrastructure, including buildings, accommodation, stockpiles, utilities, borefield and airstrip;
- construction of a 6 km haulage road from the mine to the Darwin to Adelaide railway line and a 26-27 km access road from the mine site to connect to the existing road;
- construction of a mine rail siding (2 km) linking the haulage road to the Adelaide-Darwin railway line;
- establishment of bore fields for sourcing 8.5 ML/year of potable water and 2 800 ML/year of water for salt processing;
- staged power supply with stage 1 of the project (construction phase) being powered by a diesel generator and stage 2 powered by a hybrid “diesel/solar-salt battery” power station;
- construction and operation of a complementary secure storage business using the underground rooms created by mining activities. Products to be stored include retrievable bulk commodities, equipment, archives and licensed storage (retrievable and non-retrievable).;

- construction and operation of a speciality salt processing and packing plant in Alice Springs. The plant will comprise a training school and visitor centre; and
- construction of related supply chain infrastructure, including a container facility for exporting produce at Darwin's East Arm Port (capacity of 1085 containers), and a separate transfer facility (capacity of 102 containers).

The Proponent states in its NOI that it is intending to roll the mining licence across 25 year terms with the initial term comprising an annual produce volume of 1 million tonnes per annum. Production may be increased in future should demand increase.

The Proponent has stated in its NOI and through media releases that it will not accept or handle any nuclear or uranium waste, biohazardous waste, unknown or unstable wastes or any waste material which is not containerised properly.

## RECOMMENDATION

The Northern Territory Environment Protection Authority considers that there is a risk of significant impacts to the environment from this proposal. A number of the risks have not been adequately characterised and require further studies under a more comprehensive assessment. Therefore, the proposal requires assessment under the *Environmental Assessment Act* at the level of an Environmental Impact Statement (EIS).

## JUSTIFICATION

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

- the potential for construction, operation and visual impacts to sites with Indigenous and non-indigenous cultural or archaeological significance;
- the clearing and loss of potential habitat and individuals of a number of species listed as threatened under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the *Territory Parks and Wildlife Conservation Act*;
- an increased risk of environmental damage or degradation to the site. In the absence of suitable mitigation or management measures, ongoing degradation could result in significant impacts to the environment, in particular flora and fauna and remnant vegetation;
- potential ongoing impacts to groundwater resources through the establishment and abstraction of water from two borefields;
- uncertainty around the scope of the project in relation to the scale, size and complexity of all components;
- the potential for ongoing land degradation and impacts associated with the management and disposal of brine, sulphates, wastewater and other contaminants;
- reviewing the engineering and environmental barriers and waste protocols and procedures for the complementary secure storage business in mitigating and managing potential risks;
- the social and economic impacts associated with finalising the alignment of transport routes along existing roads/rail infrastructure and within proximity to local communities; and
- based on the information provided and in the absence of further assessment or analysis, the introduction and operation of a new development with associated

infrastructure is likely to alter the current social and economic aspects of the region significantly.

## CONSULTATION

On 23 November 2012, in accordance with the Environmental Assessment Administrative Procedures, the NOI was circulated to Northern Territory Government advisory agencies who have administrative responsibilities relating to this action.

On 17 December 2012, the Proponent referred the action to the Australian Government for consideration under the *Environment Protection and Biodiversity Conservation Act 1999*. On 21 February 2012, a delegate for the Minister for Sustainability, Environment, Water, Population and Communities determined that the project is a controlled action for impacts on listed threatened species and communities. The project will be assessed by EIS in accordance with the bilateral agreement.



DR BILL FREELAND  
CHAIR  
ENVIRONMENT PROTECTION AUTHORITY

7 MARCH 2013

