

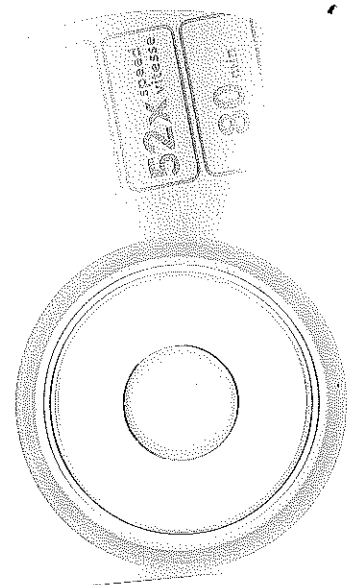
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Date: 22/09/11 JM

Exhibit Number: 609



**DOCUMENT TO TENDERED  
MT OXIDE MINE**

## **Attachment 1**

### **Mount Oxide Context**

The Mount Oxide mine is located approximately 140km north west of Mount Isa on Chidna Station. The Mount Oxide Mine has not operated since the 1970s and the mining lease was surrendered in the late 1990s. It was not until 2001 that the environmental regulation of mining was incorporated into the *Environmental Protection Act 1994*. Therefore there is no environmental authority for the abandoned Mt Oxide Mine.

The abandoned Mt Oxide Mine is managed under the Abandoned Mines Lands Program (AMLPL) administered by the Department of Employment Economic Development and Innovation (DEEDI).

An exploration permit mineral (EPM) has been granted over land which includes the Mt Oxide abandoned mine. DERM regulates the environmental aspects of the exploration activities undertaken on the EPM under an environmental authority (EA) issued under the provisions of the *Environmental Protection Act 1994*. The EA allows for exploration including drilling and sampling to occur over the EPM.

The EA, MIN100748608 is currently held by Mount Oxide Pty Ltd. The holder of the EA is not responsible for the historical contamination at the abandoned mine. The EA requires Mount Oxide Pty Ltd to comply with the conditions of the EA and the conditions listed the Code of Environmental Compliance for Exploration and Mineral Development Projects.

Attachment 2 contains the water schedule of the EA and Attachment 3 is the Code of Environmental Compliance for Exploration and Mineral Development Projects.

Approved	Not Approved	<u>Noted</u>
Further information required		
DG.	[Redacted]	
Dated	11 / 2 / 11	

Department of Environment and Resource Management  
**DIRECTOR-GENERAL BRIEFING NOTE**

TO: Director-General

SUBJECT: Mt Oxide Mine Discharge of Site

*Pls copy to Josh Cooney  
 \* Nicola Horell fyi.*

**TIMEFRAME**

- Noting of this briefing note is required by 4 February 2011 to keep the Director-General abreast of the latest developments in relation to this issue.

**RECOMMENDATION**

It is recommended that the Director-General:

- note** that contaminated water has been released from Mt Oxide resulting in blue precipitates downstream in Cave Creek.

**BACKGROUND**

- The Mt Oxide mine has not operated since the 1970's and the mining lease was surrendered in the late 1990's (refer previous brief Attachment A).
- The Mt Oxide mine is considered to be an abandoned mine and is dealt with under the Abandoned Mines Lands Program (AMLPL) facilitated by the Department of Employment, Economic Development and Innovation (DEEDI).
- This program identifies historic mine disturbance, prioritises the sites based on risk and conducts remedial works on these sites in a priority order.
- In the 2008/2009 and 2009/2010 wet season, contaminated water was released from the site into Caves Creek, a tributary of Gunpowder Creek.
- The release significantly impacted on Cave Creek with the formation of a bright blue precipitate over several kilometres of the creek.
- Water sampling conducted at the time indicated that water and sediment quality in Caves Creek exceeded livestock watering standards.
- The water quality downstream of Cave Creek in Gunpowder Creek and the Leichhardt River did not exceed values for livestock or human consumption.
- DEEDI carried out remediation and in-stream cleanup works in 2009 at a cost of approximately \$1 million.
- In 2010 DEEDI established an expert panel to provide advice on possible remedial measures for the site.
- DEEDI conducted further works in 2010 in an attempt to minimise discharge. These works primarily consisted of covering some of the more contaminated stockpiles with plastic.
- Advice from DEEDI in late 2010 was that it was progressing with a proposal to remove all of the contaminated material from the site in 2011.
- DEEDI liaised with the owner of Chidna Station on the works that were conducted.

**CURRENT ISSUES**

- On 28 January 2011 the landholder of Chidna Station contacted the Department of Environment and Resource Management (DERM) to advise that blue precipitates were found downstream of Mt Oxide.

Author Name: Hamish Butler Position: Manager Mount Isa Tel No: [Redacted] Date: 28 January 2011	Cleared by Name: Andrew Buckley Position: RSD North Region Tel No: [Redacted]	Cleared by Name: Terry Wall Position: Associate DG, OER Tel No: [Redacted] 4.2.11	Recommended: Name: John Bradley Position: Director-General Tel No: [Redacted] Date: [Redacted]
	Name: Michael Birchley Position: A/ADG RSD Tel No: [Redacted] Received: 31/01/2011	Name: Position: Tel No:	

Rec'd - ODG  
 - 8 FEB 2011

- DERM understands that the contamination is restricted to the upper sections of Cave Creek closest to Mt Oxide and at this stage is not as extensive as 2008/2009 due to low rainfall and remedial works.
- Both DERM and the local landholder have contacted DEEDI who is responsible for managing Mt Oxide under the AMLP.
- DEEDI has advised it is planning on undertaking an inspection of Mt Oxide to review the situation.
- Risks associated with this issue primarily relate to livestock drinking contaminated water.
- In previously addressing this issue DEEDI fenced off areas of contamination to exclude the landholder's cattle. These fences are still in place. The risk of contaminating stock is therefore low.

#### RESOURCE/IMPLEMENTATION IMPLICATIONS

- DERM will continue to use existing resources to liaise with the local landholder and DEEDI regarding environmental issues at Mt Oxide.

#### PROPOSED ACTION

- The abandoned Mt Oxide mine is primarily the responsibility of the DEEDI AMLP.
- DERM will continue to liaise with both the landholder and DEEDI and will carry out inspections of the site to monitor the level of contamination in Cave Creek.

#### DIRECTOR-GENERAL'S COMMENTS

#### ATTACHMENTS

Attachment A – Previous brief CTS15665/10

<b>Author</b> Name: Hamish Butler Position: Manager Mount Isa Tel No: [REDACTED] Date: 28 January 2011	<b>Cleared by</b> Name: Andrew Buckley Position: RSD North Region Tel No: [REDACTED] Name: Michael Birchley Position: A/ADG RSD Tel No: [REDACTED] Received: 31/01/2011	<b>Cleared by</b> Name: Terry Wall Position: Associate DG, OER Tel No: [REDACTED] Name: Position: Tel No:	<b>Recommended:</b> Name: John Bradley Position: Director-General Tel No: [REDACTED] Date:
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Department of Environment and Resource Management  
DIRECTOR-GENERAL BRIEFING NOTE

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<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved	<input checked="" type="checkbox"/> Noted
<input type="checkbox"/> Further Information required		
DG.	[Redacted]	
Dated	17/9/10	

Rec'd - OER  
- 3 SEP 2010

TO: Director-General

SUBJECT: Update on Mount Oxide Abandoned Mine

**TIMEFRAME**

- This briefing note is non-urgent.

**RECOMMENDATION**

It is recommended that the Director-General:

- note the current actions relating to the Mount Oxide Abandoned Mine.

**BACKGROUND**

- Briefing notes have been provided to the Director-General regarding issues with the Mount Oxide Mine on 19 March and 22 July 2010 (refer Attachments 1 and 2).
- Representatives from Queensland Mines and Energy (QME), a division of the Department of Employment, Economic Development and Innovation (DEEDI), held a meeting with stakeholders on 12 August 2010 to brief them on actions to date and works proposed to be completed prior to the next wet season.
- Mr Spreadborough the local landowner has subsequently contacted the Department of Environment and Resource Management expressing dissatisfaction with the lack of on-ground works to date and concern that further discharges will occur in the upcoming wet season.

**CURRENT ISSUES**

- The expert panel discussed a range of works and investigations which would need to be carried out to deal with the contamination issues at the mine site.
- QME is only intending to implement some of the recommendations from the expert panel prior to the upcoming wet season.
- These works include:
  - replacing electric fencing with more permanent barbed wire fencing to exclude stock;
  - covering mineralised stockpiles with plastic to prevent rainwater infiltrating the stockpiles; and
  - implementing a monitoring program in the impacted creeks.
- QME has identified funding options for these works and is seeking Minister Robertson's approval for implementation of the works.
- The QME draft brief states that DEEDI expects that even with the works proposed, contaminated discharges will occur from the site for several years to come.
- QME has identified that a further proposal to remove all mineralised stockpiles from the site and hence the source of much of the contaminated discharge is being considered.
- Confidential discussions about this further proposal are occurring between QME and Perilya Limited who hold the Exploration Permit (Minerals) (EPM) over the Mount Oxide Mine and it is understood that legal advice is being sought.
- QME has advised that the DEEDI Director-General will be responding to the Director-General's letter with further details on these proposals (refer Attachment 2).

Rec'd - ODG  
- 6 SEP 2010

Author Name: Rob Lawrence Position: Regional Manager Tel No: [Redacted] Date: 31 August 2010	Cleared by Name: Andrew Buckley Position: RSD, North Region Tel No: [Redacted] Name: Position: Tel No:	Cleared by Name: Damien Brown Position: ADG, RSD Tel No: [Redacted] Received 02/09/10 3/9/10	Recommended: Name: Terry Wall Position: Assoc DG, OER Tel No: [Redacted] Date: 10.9.10
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File Ref:



- The department has been invited to attend a meeting between QME and Perilya Limited on 10 September 2010.
- In the event the proposal to remove mineralised stockpiles from the site fails, the works currently proposed for this year will not prevent ongoing discharges of contaminated water from the site.

**Mr Spreadborough's Letter**

- Mr Spreadborough has put forward to QME proposals for land improvement and stock management actions which are subject to consideration by QME.
- The proposals do not address the cause of the contamination.
- The department has assigned an officer as the point of contact for the landowner and is in regular communication with Mr Spreadborough.
- It is likely given the lack of any on-ground works to date that Mr Spreadborough will take his concerns to the media.

**RESOURCE/IMPLEMENTATION IMPLICATIONS**

- Departmental officers from North Region and Central Office have been involved in the expert panel.

**PROPOSED ACTION**

- Department officers will attend the meeting with QME and Perilya Limited on 10 September 2010.
- The department will continue to engage with the local landowner regarding his concerns.
- A further brief will be provided following the meeting with Perilya Limited and QME.

**DIRECTOR-GENERAL'S COMMENTS**

**Attachments**

- Attachment 1 - CTS 04982/10 Mount Oxide Mine Discharge Offsite
- Attachment 2 - CTS 11915/10 Update on Mount Oxide Mine – Expert Panel Meeting and Letter to DEEDI Director-General

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