



Kon Vatskalis

MINISTER FOR MINES AND ENERGY

20 March 2006

XSTRATA ASKED TO ADDRESS ENVIRONMENTAL ISSUES

The operator of the McArthur River Mine, Xstrata, has been asked to address the outstanding environmental issues in its proposal for an open cut mine.

Minister for Mines and Energy Kon Vatskalis said environmental questions must be answered before he makes a final determination on the application.

“We must strike a balance between development and the environment – Xstrata has the opportunity to achieve that requirement,” said Mr Vatskalis.

“The company needs to work with the Environmental Protection Agency (EPA) to meet the outstanding issues.

“The *Environmental Assessment Act 1984* allows a proponent to submit new information as part of an altered proposal with respect to an EIS.

“I have spoken with Xstrata and have provided them with this advice - it is now up to the company to decide how it wishes to proceed.

“If the required information becomes available, I will consider any application for the proposed switch to open cut mining operations at MRM on its merits.

“The outstanding issues must be resolved to the satisfaction of both myself and the Minister for Environment and Heritage.

“The Martin Government is proud of the support given to the Territory’s mining industry and we take environmental considerations seriously.

“We recognise the opportunities generated by the McArthur River Mine and we’ll continue working with Xstrata on its open cut mining proposal,” said Mr Vatskalis.

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Mines Minister's Response to Open Cut Mine Proposal

The Minister for Mines and Energy has formally received and noted the Minister for Environment and Heritage's recommendation arising from the Environmental Assessment Report. He has advised the proponent that on the information presently available to him, he is not in a position to consider an application for an authorisation or amended Authorisation at this stage, due to the nine issues raised in the assessment report. The Minister has suggested that these issues be addressed by lodging an amended proposal under clause 14A of the Environmental Assessment Administrative Procedures. Once additional information becomes available, the Mines Minister will consider any application for the proposed switch to open cut mining operations at MRM on its merits, and taking into consideration any other factors prescribed in appropriate legislation.

The Major Environmental Issues To Be Resolved

1. The proposed realignment of McArthur River and Barney and Surprise Creeks.
2. The performance and long term management of the tailings storage facility (including post mine closure).
3. Location and management of the overburden emplacement facility.
4. The potential for reduced water quality in the McArthur River.
5. Uncertainty of mine pit closure.
6. The performance of the proposed flood protection bund.
7. Community consultation methods.
8. The potential for impact on freshwater sawfish populations (listed as vulnerable under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*).
9. Impacts on groundwater (and subsequent impact to the river, including the Djirrinmini Waterhole upstream from the mine).