



Chris Natt

MINISTER FOR MINES AND ENERGY

13 October 2006

MCARTHUR RIVER MINE

The Territory Mining Minister Chris Natt has today approved Xstrata's proposal to convert the McArthur River Mine to open cut operations.

Minister Natt said after an exhaustive assessment process, he is satisfied the company's Mining Management Plan (MMP) has addressed all environmental issues raised by the Environmental Protection Agency.

"In making this decision I have relied on expert advice and recommendations from my Department of Primary Industry, Fisheries and Mines.

"I am satisfied that Xstrata's MMP has met the requirements of the *Mining Management Act*.

"An appropriate security of \$55.5 million has been set and this will be reassessed annually as the site and scope of work expands – as the mine expands, so will the security bond.

"The company has agreed to fund an independent monitoring assessment process. The Territory Government will call for tenders for the appointment of an independent monitor whose reports will be made public.

The approval addresses a range of issues including:

- **A substantial security bond.**

A \$55.5 million bond has been set to cover mine operations until October 2007. The bond will be reviewed annually and will be adjusted appropriately in line with the future works.

- **Independent monitoring process**

MRM will fund independent experts to undertake ongoing monitoring during the life of the mine and make public reports on the assessments. The Territory Government will manage the engagement of the independent monitor.

- **The river diversion**

There are measures in place to secure the site during flooding and an independent expert has said the new plans for river diversion are sound.

- **Proper research for the revegetation of the river diversion**

The company is committed to storing tailings in a facility that has been engineered to Australian standards.

- **Site management and environmental protection from tailings dam**

The company significantly altered its original plans to allow for preparatory diversion works and revegetation work to be staged prior to the diversion of the river.

"This Government is committed to delivering a strong and growing economy and to promoting environmentally sustainable development. Today's decision contributes to that commitment," said Mr Natt.

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