POLYMETALS
MINING LIMITED

WHITE DAM GOLD MINE

Quarterly

Compliance Report

1st October – 31st December 2012

File No: .....
Doc No: .....

Project Particulars

TENEMENTS	ML 6275 MPL 95 MPL 104 MLA6395 MPL 105 MPL 106 MPL 107 MPL139
MINE OWNER	White Dam Gold Production Joint Venture [Exco Operations (SA) Pty Limited and Polymetals (White Dam) Pty Limited]
MINE OPERATOR	Polymetals Operations Pty Limited
Senior Site Representative (SSR)	Jason Creighton
MINE CONTRACTOR	Lucas Earthmovers Pty Limited (input has recently ceased with completion of mining)
REPORTING PERIOD	1 October 2012 – 31st December 2012
PEPR REFERENCE	MARP Version 8 – approved January 2012
REPORT DATE	19th February 2013
CONTACT PERSON	Jason Creighton SS

Contents

Tables

Figures

Plates

1 Introduction

1.1 Project Description

The White Dam Gold Mine (the 'Mine') involves the mechanical extraction and chemical processing of ore via a dump leaching process using sodium cyanide. The operation (based on the current approved operation) is expected to ultimately produce approximately 160k ounces of gold over an approximate three year mine life.

Construction of the mine project was completed in early 2010 with operations commencing in March 2010 and the first gold pour in April 2010. The mine had thus been operational (as at the end of the 4th quarter 2012) for a period of approximately 34 months (2.8 years). Since completion of the previous compliance report (submitted to DMITRE in October 2012 with reporting for September 2011 until September 2012) both mine areas for Hannaford Pit and Lloyds Pit (at Vertigo) continue to be subject to rehabilitation earthworks. Mining of Hannaford pit was completed during January 2012. Mining of the Vertigo resource commenced in January 2012, and was completed in June 2012. At present (January 2013), leaching of ore on the heap leach pad is continuing and is expected to continue until the economic recovery of gold (ECG) ceases. Further detail is provided in Section 6.2

Polymetals (White Dam) Pty Limited (50%) and Exco Operations (SA) Limited (Exco) (50%) are the joint owners of the Mine. Polymetals Operations Pty Limited (Polymetals) is the operator for the Mine. Lucas Earthmovers Pty Ltd (Lucas) was been contracted to operate, maintain and decommission the Mine.

Contact details for each party are provided below.

Exco Operations (SA) Limited

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Contact: Mr Andrew Lawry

White Dam Gold Mine

PMB 23 via Cockburn

SA 5440

Phone: 0438 252 189

Contact: Mr Jason Creighton

1.2 Location

The Mine is located to the north-east of Olary, South Australia. Broken Hill, in New South Wales, is the closest regional centre and is about 80 kilometres (km) east of the project area (refer **Figure 1**).

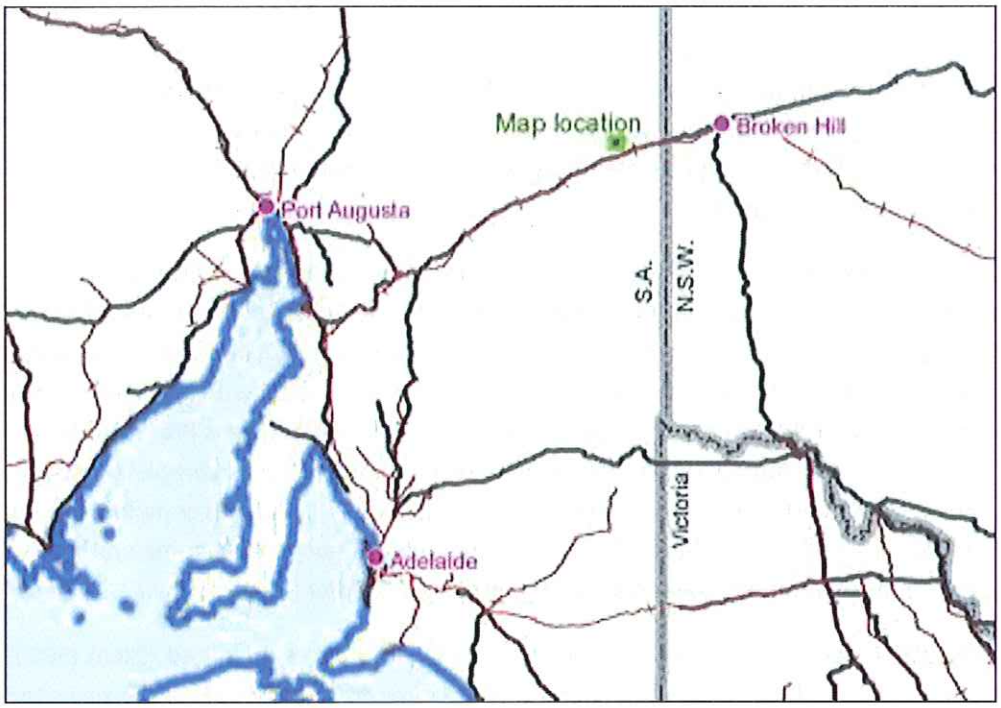


Figure 1: Project Area Location Map

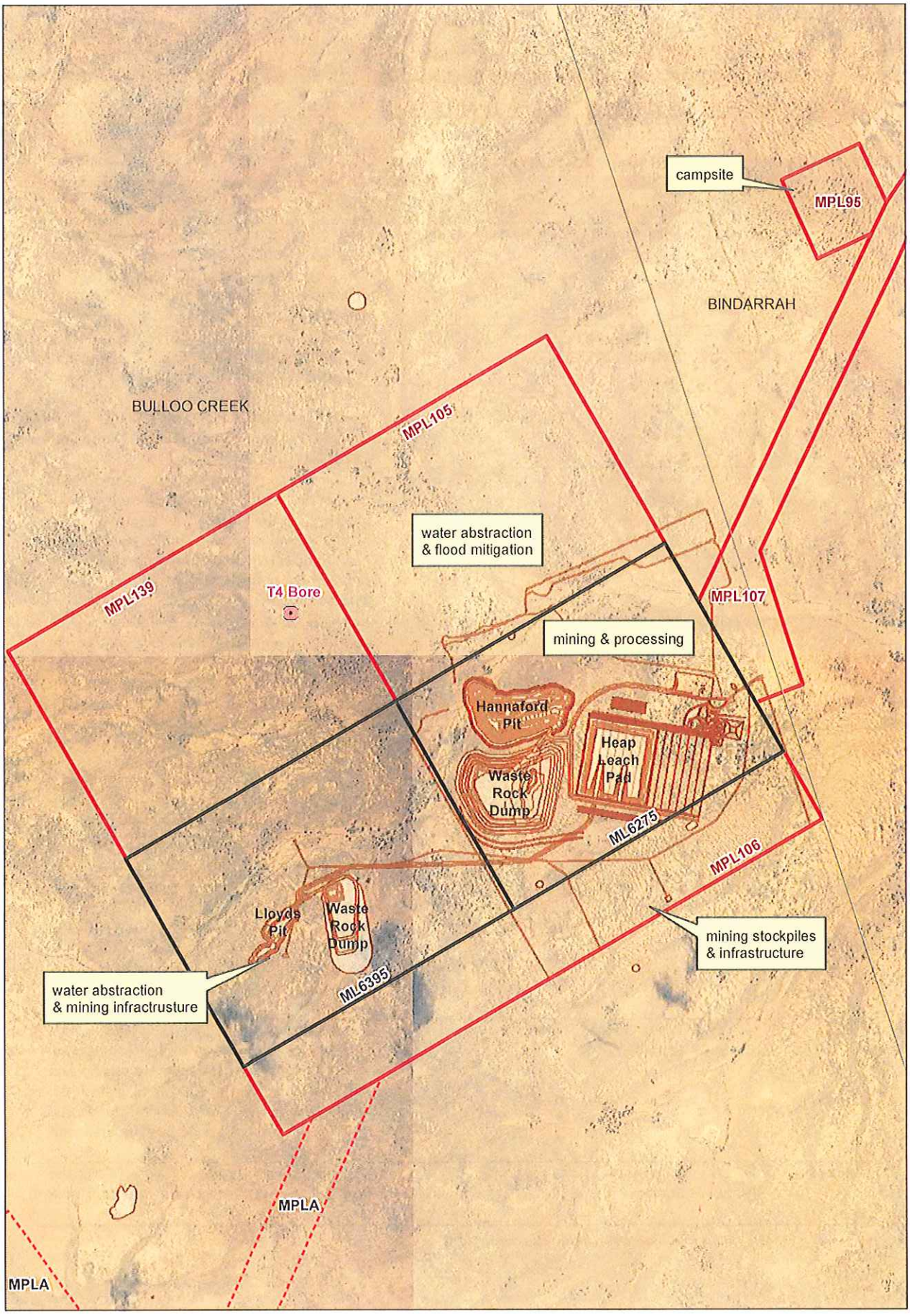
1.3 Tenements and Purpose

Table 1 below presents details of the tenements at White Dam and the purpose of each in regard to the total project while **Figure 2** shows the below tenements and the activities that have been or continue to be associated with each ML and MPL.

Table 1 Leases granted for the White Dam Project

Type[A]	Pastoral Block(s)	Name	Licence #	PIRSA Reference	Purpose(s)
ML	897 OH (Olary)	Bullo Creek Station	ML6275	TO2435	Mining operations may be carried out for the recovery of metallic mineral ores (gold) from the area of the lease. (Current White Dam operation- contains Hannaford Pit and associated waste dump.)
MPL	656 OH	Bindarrah Station	MPL95	TO2642	For the purpose of constructing and operating an accommodation camp and associated infrastructure including communications (which may include a tower) specifically for use in association with the mining operation known as 'White Dam Gold Project'. (Current White Dam Camp Site).
MPL	897 OH 656 OH	Bulloo Creek Station Bindarrah Station	MPL107	TO2644	For the purpose of constructing and operating a mine access road and services, including water pipelines, for the accommodation camp and for a possible future water supply pipeline that may be established to transport water from a remote bore field specifically for use in association with the mining.
ML6395	897 OH (Olary)	Bulloo Creek Station	Former MC4193 and MPL104 -	TO2553	Mining operations may be carried out for the recovery of metallic mineral ores (gold) from the area of the lease. (Contains Vertigo (Lloyd's) Pit and associated waste dump.) Formerly for the purpose of development and operation of a groundwater bore field and associated infrastructure for use in association with the mining operation known as "White Dam Gold Project" and for the purposes of storing temporary topsoil stockpiles and addressing flood mitigation issues in relation to that Project. These former activities are still contained and undertaken within this new ML.
MPL	897 OH (Olary)	Bulloo Creek Station	MPL105	TO2560	For the purpose of development and operation of a groundwater bore field and associated infrastructure for use in association with the mining operation and for the purposes of storing temporary topsoil stockpiles and addressing flood mitigation issues in relation to the Project.
MPL	897 OH (Olary)	Bulloo Creek Station	MPL106	TO2643	For the purpose of storing temporary topsoil stockpiles, location of an explosive magazine, waste dumps, ore stockpiles, crushing and screening, dump leach pad, bore field pipelines, process ponds and related infrastructure to be used for operations specifically associated with the mining operation.
MPL139	897 OH (Olary)	Bulloo Creek Station			MPL for proposed Production Bore T4. For the purpose of development and operation of a groundwater bore field

Note A: ML - Minerol Lease. MPL - Miscellaneous Purposes Lease



N

POLYMETALS MINING LIMITED

0 0.25 0.5 0.75 1 Km

Projection: MGA Zone 54 (GDA 94)
Updated 5/11/12 - S Macdonald

- Pastoral Leases
- Mining lease (ML6275 and 6395)
- Misc. purposes licence (granted)
- Misc. purposes licence (appl.)
- Mine Infrastructure

Figure 2

Planned Activities on Lease Application Areas

2 Summary of Mine Operations

Table 2 provides a summary of the mine operational parameters. **Figure 2** presents the mine plan as presented in the final approved MARP (Version 8, 20th December 2011). It should be noted that a revised MARP (now PEPR) has been lodged with DMITRE in July 2012 with the revision essentially addressing Closure Plan requirements. The PEPR incorporates a draft Closure Plan. This PEPR is to be revised following liaison with DMITRE and agreement reached in regard to closure parameters. This process is currently underway.

Table 2: Mine Plan Summary

Component	Details
ML/MPL area (current approved):	906ha
Project disturbance footprint (@ January 2013)	100.97ha
Project disturbance footprint – ultimate approved	148.26ha
Mining method	Conventional open pit with truck and shovel
Mining inventory (@ January 2013)	Mining completed June 2012
Open pit dimensions (ultimate final pit)	Hannaford @ 19.42ha, Lloyd's @ 3.25ha
Open pit dimensions (@ January 2013 2012)	Hannaford: 19.32ha, Lloyd's: 3.25ha
Mine operational life (based on current approval)	April 2013 (expected date to commence Leach Pad flushing with water following cessation of ECG)
Mining rate (average)	Mining Complete
Ore handling and processing	Heap leach extraction with cyanide
Waste rock dump area and volume (ultimate)	Hannaford: 26ha (2.3Mm^3) Lloyds: 6.7ha
Waste rock dump area (@ January 2013)	Hannaford: 26ha, Lloyds: 6.7ha (ie. ultimate area reached)
Ore Mined (@end September2012)	5,909,086t @ 0.95g/t
Gold production (@ end December 2012)	142,204oz gold (total)
Operating hours	Continuous operation, 24 hours per day, 7 days per week
Raw water source and daily consumption (average)	Production bores (4 of; only 3 in use):0.275ML/d
Potable water source	Rainwater tanks and RO plant on-site. Tanker delivery only as required
Power requirement	265 kVA average load
Workforce numbers (WDJV)	Typically 4 persons onsite with a maximum of 8 persons at any time
Operational commencement date	April 2010
Accommodation	60 person camp (former ultimate capacity). Camp decommissioned December 2012 (refer Section 5.4)
Capital expenditure (@end December 2012)	$12.2M

3 Changes to Mine operations

The mine had been operational (as at the end of December 2012) for a period of approximately 34 months (2.8 years). Since completion of the previous compliance report (submitted to DMITRE in October 2012 with reporting for period from September 2011 until September 2012) operations in both mine areas for Hannaford Pit and Lloyds Pit (at Vertigo) have ceased and rehabilitation earthworks on the waste rock dumps are at or near completion. Mining of Hannaford pit was completed during January 2012. Mining of the Vertigo resource commenced in January 2012, and was completed in June 2012.

4 Ore Reserves and Mine Life

4.1 Resource Estimate and Pit Design

Hannaford Pit

Mining at Hannaford Pit is complete. The resource mined was as follows:

- Total ultimate volume of pit: 4.91 Mm^3
- Volume of overburden/interburden: 2.14 Mm^3
- Ore comprising oxide ore: 2.13 Mm^3.
- Pit Elevation (to base): 64m.

Lloyd's Pit

Mining in Lloyds Pit is complete. The resource mined was as follows:

- Total ultimate volume of pit: 0.56Mm^3
- Volume of overburden/interburden: 0.42Mm^3
- Ore comprising oxide ore: 0.14Mm^3
- Pit Elevation (to base): 36m

The cut-off grade for both pits was 0.15 g/t.

Based on the above, the following describes volumes mined to end of December 2012:

- Total cumulative pit volume: 5.47Mm^3
- Volume of waste stockpiled:2.34M BCM (5.85Mt)
- Strip ratio : 1:1.3 (Hannaford) and 1:3 (Vertigo)
- Gold recovery from heap leach: 78%
- Gold produced:142, 204 oz.

5 Activities during Reporting Period

The following presents a description of the activities undertaken in the tenements during the reporting period i.e. October 2012 to December 2012.

5.1 Construction

No new construction has occurred in this quarter.

5.2 Mining and Operations

Operations to date have involved conventional open pit mining of both pits with ore trucked to the heap leach pad and waste directed to the waste rock dumps to the west of each of the pits (refer **Figure 2**). The Hannaford Pit mining ceased in January 2012 and Lloyd's Pit (Vertigo) mining ceased in June 2012. Rehabilitation in terms of shaping to the final batter profiles and reinstatement of topsoil was completed on both Hannaford and Lloyds WRDs. Minimal additional reshaping on the Hannaford WRD is required while the Lloyds WRD shaping is complete.

Included in the current overall site operations process is the running of the gold recovery plant, associated ponds and production water bores. The gold recovery process has continued essentially unchanged from the previous reporting period.

5.3 Mining Details

Mining of all White Dam ore has been performed by conventional drill and blast, and load and haul techniques. This has been performed on the basis of two stages. Stage 1 was completed during the 2009-2010 reporting period, whilst Stage 2 (completion of Hannaford Pit, and commencement/completion of Vertigo (Lloyds Pit)) was completed during the previous period.

Hannaford Pit

Mining of Stage 2 commenced in May 2010 and was completed within the previous reporting period (January 2012). Vertical development involved the progressive extraction of rock in a north – south orientation, and down dip within the confines of the final pit.

Vertigo Deposit (Lloyds Pit)

Lloyd's pit was commenced in January 2012 and completed in June 2012. Mining methods were similar to those used within the Hannaford Pit.

5.4 Other

Other activities included:

- Stakeholder liaison and consultation, including pastoral leaseholder negotiations;
- Continuation of the Environmental Monitoring Schedule (where applicable) as per the current approved MARP (Version 8) including regional and local monitoring bore monitoring and rehabilitation assessments. Note that due to the cessation of mining and associated truck haulage plus heap leach pad ore placement, dust monitoring has ceased as there are now no significant dust generating activities at the site. Flora and fauna surveys in terms of on-going impact monitoring have also ceased as there is no additional ground disturbance work being undertaken;
- Running of the accommodation camp. However, this camp was decommissioned in late December including the wastewater treatment plant. All worker accommodation is now based at Bindarrah Homestead;
- Implementation of weed control program (spot controls);

- Topsoil relocation from stockpiles to placement on the WRDs has essentially ceased due to the final reshaping of each of the WRDs. Further topsoil relocation will be undertaken once the heap leach pad irrigation has ceased and the final required shape has been realised. Similarly, the process plant site will be rehabilitated once processing is complete;
- Exploration rehabilitation around the site (details not included in this compliance report – subject to other exploration activity reporting requirements).

6 Proposed Activities during next reporting period

A description of the activities proposed to be conducted in the coming reporting period (ie January to March 2013) is presented below.

6.1 Construction

No construction works are proposed during the next reporting period. Construction works at the site are essentially complete.

6.2 Mining and Operations

Mining has been completed. Gold recovery via the heap leach pad and process plant will continue in this period. Leaching with cyanide is currently expected to continue to March/April 2013 however this timing is uncertain as it will depend on the economic gold recovery from the leach pad. Once the economic gold recovery limit is reached (this will depend on operational and economic factors) then irrigation of the pad with a cyanide solution will cease. Irrigation with raw water will then commence until such time as residual cyanide concentrations (as defined in the PEPR and associated Closure Plan once approved) are in compliance. The duration of this water irrigation is uncertain as it will depend on the effectiveness of the leaching procedure on a temporal basis however it is currently predicted that such irrigation may need to continue for an additional period of around six months.

6.3 Other

Other activities at the site will include the following:

- Ongoing monitoring of Hannaford and Lloyd's pits stability;
- Monitoring of rehabilitation effectiveness on the WRDs and other rehabilitated areas with maintenance/ rectification as required;
- Ongoing site sampling of offsite regional groundwater bores and onsite monitoring bores. This is conducted on a quarterly basis.
- Ongoing monitoring of surface water sites as applicable (i.e. after significant rain events as defined in the current MARP).

6.4 Disturbance areas

Information about the areas on the mining tenements that have been disturbed by mining operations and the rehabilitation status of each area is provided below in **Table 3**.

Table 3: Operations Summary

Component	Original Planned areas of disturbance- 2007	Revised Area of disturbance - total planned area	Area Disturbed @ September 2012	Area Disturbed @ December 2012
Domain 1 Infrastructure Areas				
Process Plant area	0.1	0.1	0.1	0.1
Workshop and laydown area	1	1	1	1
Access roads, camp road and haul roads	13.95	21.67	21.67	14[1]
Hardstand and laydown area (remote from main workshop incl contractor)	1	4.0	4.0	4.0[2]
Accommodation Village	0.4	0.4	0.4	0.4[3]
Domain 2 Heap Leach pad and ponds				
heap leach pad	48.9	27.5	20.2	20.2
process ponds	12.98	1.9	1.9	1.9
Domain 3 Waste Dump				
waste dump(s)	35.7	32.7	32.7 (including Lloyd's)	32.7[4]
Domain 4 Active Mine and Voids				
Pit(s)	15.3	22.67	22.67 (including Lloyd's)	22.67
Creek diversion	0.68	2.5	2.5	2.5
Levee	2.4	1.5	1.5	1.5
TOTAL	**132.41**	**115.94**	**108.64**	**100.97**

7 Rehabilitation activities

Table 4 compares the area disturbed in the preceding reporting period and the actual area disturbed up to the end of this reporting period. The table also indicates the area of rehabilitation for each of these reporting periods. The areas required for the leach pad (based on ore volumes from the Hannaford and Lloyd's pit) are significantly lower than the current approved area. The actual process pond area is also substantially lower than the original planned area.

Rehabilitation of the Hannaford waste rock dump commenced in mid 2011, and rehabilitation of the Lloyd's waste rock dump commenced in July 2012 and comprised reprofiling of the batters along

[1] Estimate- to be confirmed from further survey
[2] Earthmoving contractors area rehabilitated with all facilities removed
[3] Accommodation village incl. WWTP decommissioned but infrastructure yet to be removed
[4] Refer text re area of reshaping and rehabilitation for WRDs; very minor additional area to be shaped

with topsoiling. A trial area on the waste dump had also been established to assess the likely rehabilitation outcomes and success for a number of treatment options (refer **Plate 1** below). Such options included rehabilitation using natural volunteer colonisation for plant establishment, hand seeding using certain selected plant species within both topsoil and mine waste planting medium.

Both the Hannaford and Lloyd's waste dump reshaping to final batter profiles plus topsoiling was completed in the previous reporting period (with the exception of a minor area of the Hannaford WRD used for bioremediation plus access) and the monitoring program of rehabilitation has continued. Plantings have been completed to supplement natural colonisation.

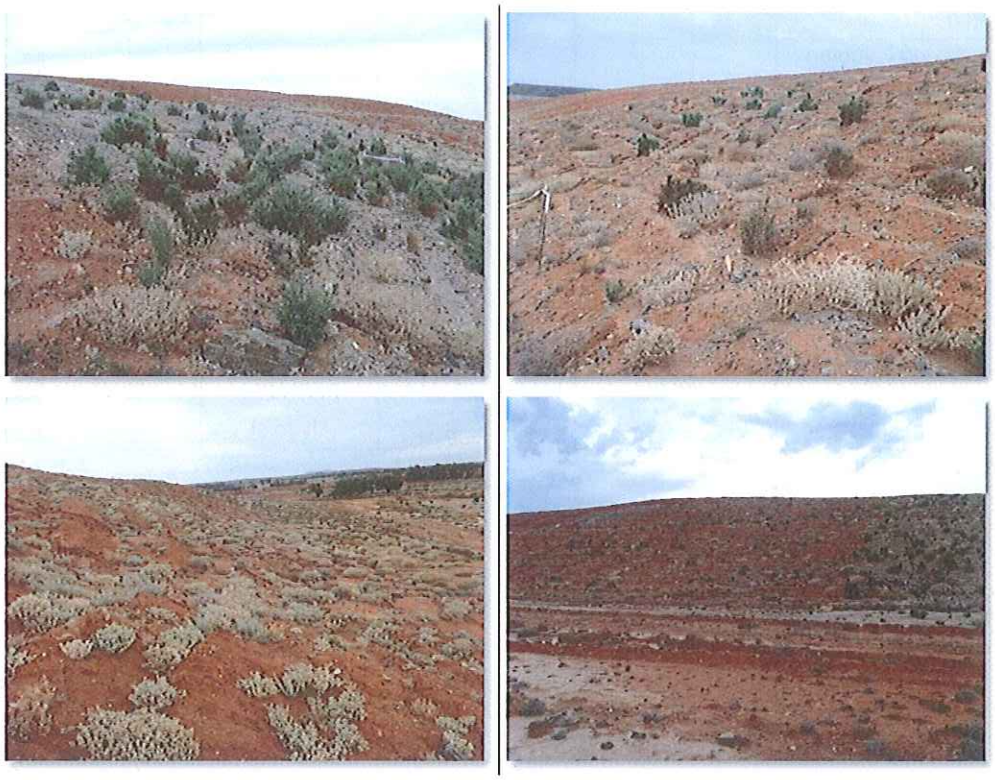


Plate 1: Photographs of Rehabilitation Trial Area on Hannaford WRD (@ November 2012)

Table 4: Disturbance and Rehabilitation Progress

Area (ha)						
Component	Last Reporting Period		Current Reporting Period		Proposed next 3 months*	
	Approved/Planned Area of disturbance (a)	Rehabilitated area @ September 2012	Actual Area of disturbance (a) September 2012	Rehabilitated area @ end December 2012	Actual Area of disturbance (a)[5]	Rehabilitated area planned for the next quarter
Process Plant area	0.1	0	0.1	0	0.1	0
Workshop and laydown area	1	0	1	0	1	0
Access roads, camp road and haul roads (actual disturbance in brackets)	27.0 (21.7)	minor	21.67	7	14.67	0
Hardstand and laydown area - remote from main workshop incl contractor) (actual area in brackets)	4.64 (4.0)	2.8(60% complete)	4.0	4.0	0	0
Accommodation Village	0.4	minor	0.4	0	0.4	0
heap leach pad (actual area in brackets)	48.9 (27.5)	0	20.2	0	20.2	0
process ponds (actual area in brackets)	6.85 (1.9)	0	1.9	0	1.9	0
waste dumps	32.7	30.2	32.7	30.2 (essentially completed- vegetative rehabilitation to continue).	2.5	0
Pit / s	22.67	21.5 (95% complete)	22.67	21.5 (refer text re geotechnical issues)	1.2	0
Creek diversion	2.5	1.6	2.5	1.6 (Works implemented –final stabilisation required- refer text)	0.9	0.4
Levee	1.5	1.5	1.5	1.5 (initial works implemented – refer text)	0 (tba- refer text)	0
Airstrip (not to be undertaken)	(4.2)	0	0	0	0	0
TOTAL	**148.26 (115.94)**	**57.6**	**108.64**	**65.8**	**42.87**	**0.4**

* note that area proposed for rehabilitation for year until September 2013 will be similar as heap leach pad irrigation and associated process ponds are likely to continue to be underway

Summary details are provided below:

[5] No additional disturbance proposed

- *The amount of land disturbed*: no land was disturbed in this reporting period over and above that previously disturbed. No further disturbance associated with the White Dam mining project is proposed with the exception of the increased area of the Heap Leach pad resulting from the battering of slopes to the required angle
- *Vegetation cleared*: no vegetation was disturbed in this reporting period over and above that previously disturbed.
- *Revegetation or rehabilitation earthworks conducted*: These works have comprised the final reshaping of the Hannaford and Lloyd's WRDs (almost completed), topsoiling (almost completed) and subsequent rehabilitation works (under monitoring).
- *Evidence (by using closure and rehabilitation criteria in the current approved PEPR/MARP) of the effectiveness of rehabilitation:* This is being progressively undertaken. Photo points have been established and monitoring protocols developed. Closure and rehabilitation criteria are being addressed in the Closure Plan.
- *Any problems or potential improvements learned from previous rehabilitation*: No issues have been identified.

In regard to whether rehabilitation may or may not be achieved as planned, given the advanced status of the rehabilitation of both WRDs, there is a very low risk in this regard. Current rehabilitation requirements that have yet to be undertaken revolve mainly around the detoxification of the heap leach pad, its subsequent reshaping to the required design profiles and rehabilitation comprising topsoiling and plant establishment. The JV is confident that this work can be successfully undertaken and with a very low risk of failure. The other issue relates to the geotechnical issues associated with the Hannaford pit walls. This is described in Section 17 of the previous Compliance Report, and will be addressed in the Closure Plan. This issue is also considered to be of low risk in terms of long term stability effects.

8 Environmental Management Activities

Period ending 31st December 2012

Environmental management activities conducted for the project have been essentially a continuation of measures implemented with the continuation of rehabilitation efforts and activities during the closure phase for those areas that can be rehabilitated.

It has been a case of implementation of management and monitoring strategies for activities in accordance with the provisions of the approved MARP Version 8 (as summarised in Table 7.3 of the MARP) and as applicable to the current operational status of the project. A summary is provided later in **Section 14.** The operational monitoring program is based on monitoring at a number of locations within and in proximity to the mine operational area. These sites are shown on **Figure 3.**

The following sections describe the activities performed for each environmental element of the site during the reporting period. For each environmental element, the prescribed control and management measures of the MARP/PEPR are also referenced.

Erosion/Rehabilitation	MGA Easting	MGA Northing
PM1(a)	459805	6448665
PM1(b)	459824	6448620
Creek X-sect 1	459821	6449363
Creek X-sect 2	459661	6449242
EM1	460045	6448801
EM2	460088	6448456
EM3	458863	6447796

Flora/Fauna	MGA Easting	MGA Northing
FF1	458545	6448175
FF2	459616	6449577

Flora/Fauna (KBR)	MGA Easting	MGA Northing
KBR01	461398	6448865
KBR02	461269	6448572
KBR03	460193	6448210
KBR04	459192	6448220
KBR05	458700	6447490
KBR06	458637	6447568
KBR07	459040	6448204
KBR08	459571	6448717
KBR09	460512	6449504
KBR10	461672	6450777
KBR11	461209	6449438

Monitoring Bores	MGA Easting	MGA Northing
MB01	461367	6448967
MB02	458726	6449686
MB03	460602	6447579
MB04	462852	6449230
MB05	459600	6450430
MB06	459440	6448850
MB07	457729	6446176

Production Bores	MGA Easting	MGA Northing
PB1	460230	6449722
PB2	458680	6447715
PB3	458721	6448378

Regional Bores	MGA Easting	MGA Northing
Gum Bore	465575	6447981
RB04 (Larry Mack)	449926	644944
RB08 (Bulloo Ck Stn)	450099	6448905
RB12 (Cotana Bore)	465943	6447225
RB13 (Conantra Well)	455480	6456487

Surface Water	MGA Easting	MGA Northing
SW Up	459513	6448763
SW Down	460630	6449774

460,000 mE
461,000 mE
462,000 mE
N
0
1000
METRES
MPL95
MPL105
MPL107
MPL139
ML6275
ML6395
MPL106
6,450,000 mN
6,449,000 mN
6,448,000 mN
6,447,000 mN
6,446,000 mN
RB13 (Conantra Well)
RB04 (Larry Mack)
RB08 (Bulloo Ck Stn)
Gum Bore
RB12 (Cotana Bore)
MB01
MB02
MB03
MB04
MB05
MB06
MB07
PB1
PB2
PB3
SW Down
SW Up
FF1
FF2
KBR01
KBR02
KBR03
KBR04
KBR05
KBR06
KBR07
KBR08
KBR09
KBR10
KBR11
Creek X-sect 1
Creek X-sect 2
EM1
EM2
EM 3
PM1(a)
PM1(b)

Legend

- Erosion/Rehabilitation*
- Flora/Fauna
- Flora/Fauna (KBR sites)
- Groundwater (monitoring bores)
- Groundwater (production bores)
- Groundwater (regional bores)
- Surface Water

*HL Pad and other plant area sites location to be determined following reshaping

Polymetals Mining Limited

WD Monitoring Locations

Date: 15/10/2013
Author: smacdonald
Office:
Drawing:
Scale: 1:30000
Projection: AMG Zone 54 (AGD 84)

0 250 500 1,000
metres

9 Flora and Fauna

9.1 General Outcomes

The White Dam site and general environs are significantly degraded due to previous land use activities. Management of flora and fauna issues has nevertheless been a significant component of environmental management at the site. Reference sites have been previously established by Kellogg, Brown and Root (KBR) as per the (then) MARP requirements in regard to control sites that serve as a baseline upon which to judge the effects of mining activity. The KBR report indicates the effects the mining operation has had and is likely to have minimal effect on vegetation and faunal communities outside of the direct impact area.

Recommendations included the following with a response to each subsequently presented:

1. *The continuation of the weeds control program e.g. weed mapping and spraying across the mining lease* This activity has been continuous throughout the reporting period.
2. *Implementation of weeds removal programs for all weeds, but especially African Boxthorn (which has been identified as a weed species of some concern), Noogoora burr and Bathurst burr*: Again this has been active during the reporting period
3. *The mapping and monitoring of weed species distributions at the site*: Mapping and monitoring has been undertaken across the mining lease.

Pest fauna species recommendations/ requirements included:

- *The implementation of a dingo-dog monitoring program. Any observations of dingo-dogs, tracks presumed to be dingo-dog in appearance and evidence of its presence are documented and this information is passed on to the pastoralists immediately*: No dingo-dog sightings have occurred during the reporting period.
- *European red fox monitoring; fox numbers and evidence of fox presence is documented and this information passed on to the pastoralists:* Undertaken as above. No sightings during this reporting period.
- *The implementation of rabbit control measures and a warren removal program:* This was a substantial commitment. GPS coordinates of rabbit warrens throughout the mine site have been collected and mapped. Control methods using ripping of each warren with a front-end loader was undertaken however this work is essentially complete given the current mine status;
- *Any occurrences of wild pigs (including evidence) should be documented and this information needs to be supplied to the pastoralists;* There has been no reported sighting of feral pigs on the lease;
- *The implementation of feral cat control program is required.* Baited cage traps (with a treadle door release mechanism) were established throughout site in early 2011. These traps have been successful in trapping a number of feral cats during past reporting periods, however no cats were sighted or trapped during this reporting period.

Other flora species management recommendations by KBR implemented at site included:

- Seed collection commenced in 2010/11 and continued in this quarter. Ongoing collection of native seeds was strongly recommended, especially for species such as pearl bluebush and summer growing grasses;
- Any further occurrences of Australian broomrape at the site are documented and mapped. There were no occurrences within the project area;
- The Gilgai at WD11 remains a No-go Zone and the chain fence recommended to remain around the site to prevent any damage to this area. This fence was implemented and remains in place.

9.2 MARP Control and Management Measures

Table 5 details the MARP/PEPR (Version 8) control measures to be implemented and the outcomes for the reporting period.

Table 5: MARP Flora and Fauna Controls

Flora & Fauna Control and Management Measures	Details/Outcomes For Reporting Period
A permanent diversion drain and perimeter bund will be constructed to prevent surface runoff entering the operational areas from the existing natural watercourse. This will result in a permanent change to existing riparian vegetation, off-set by rehabilitation of the creek banks resulting in new riparian vegetation.	Permanent drain and perimeter bund constructed previously and monitoring will continue; Due to the western wall geotechnical issues, this diversion bund has been re-established some 40m west of the previous bund. It has been lined with rock on the eastern side of creek to assist in preventing erosion from future flooding events. The completion status and configuration of this bund will be reported in the Closure Plan. A monitoring procedure has been established for the bund to evaluate any erosion effects.
Annual survey of flora and fauna habitat biodiversity with Biodiversity Index calculated for upstream and downstream control areas.	A flora and fauna survey was undertaken by KBR in November 2011.This has provided the basis of the ongoing monitoring program and rehabilitation compliance.
Clearance of vegetation to divert the creek is covered by the SEB agreement.	Original estimate (as presented in previous MARP) was that a total of approx 214 ha of vegetation would be cleared for the establishment and operation of the White Dam Gold Mine. Actual planned clearance area is estimated to be approx 148.66ha. Under the *Native Vegetation Act 1991 (NV Act)*, a Significant Environmental Benefit (SEB) is required where native vegetation is to be cleared as part of a mining development. The SEB strategies proposed in the NVMP to be implemented at the site and surrounds are as follows: Exclusion of some of the grazing pressure from stock by erecting fences.

Flora & Fauna Control and Management Measures	Details/Outcomes For Reporting Period
	Outcome: mine site is fully fenced Control of pest plants and herbivores throughout the lease areas and grazing exclosures. Outcome: controls implemented Financial and technical assistance for the management of pest species in the Bimbowrie Conservation Park. Outcome: Financial assistance continues to be provided. Report on use of these SEB funds has been received from park manager (Ian Falkenberg) These strategies have been prepared in accordance with the *NV Act*, and have been endorsed by the Native Vegetation Council. Implementation of the approved SEB strategies has thus been carried out in accordance with the agreement.
Leach pad, launders and process ponds to be fenced to exclude stock.	The mining lease housing the leach pad, launders and process ponds is fully enclosed by a stock-proof fence, including a cattle grid at the access point to the lease. Process ponds and drains from heap leach pad have also been fenced. These remain in place.
Leach pad, process ponds and launders to be rinsed following cessation of processing.	Not applicable during this reporting period. Preparation for this procedure is currently underway following the cessation of the economic recovery of gold.
All deaths of terrestrial fauna discovered in operational areas to be reported and investigated with corrective actions implemented to prevent recurrence.	Fauna deaths or injuries that have occurred during the reporting period are reported in Table 6 below. No deaths of species of ecological significance have occurred. All deaths have been reported to DMITRE and corrective actions implemented as appropriate.

Vegetation Clearing

No vegetation clearing has been undertaken during the reporting period and no further clearing is proposed. However, with the expansion of the heap leach pad footprint to comply with final rehabilitation batter slopes, some minor additional clearing will be required following cessation of

water flushing (estimated at approx. 7.3 additional hectares over and above the existing leach pad footprint).

SEB Contribution

The landscape restoration project continues at Bimbowrie Conservation Park as part of the SEB contribution by the project. The main activities have been mechanical removal of dense weed infestations (Boxthorn and Pepper Trees). The total area of the most severe infestation of Boxthorns and Pepper Trees in the South Willows Well area is about 300 ha. As at the last SEB report[6] about 290 ha of Boxthorns and Pepper Trees have been mechanically removed in the South Willows well area. It is reported that native vegetation regeneration at areas of weed treatment is progressing well. It was also reported that $85,000 of the SEB allocation has been spent on the landscape restoration project.

Incidents

Table 6 presents the incidents that have occurred in regard to impacts on fauna during the reporting period. Only one fauna related incident occurred as reported in **Table 6**. No incidents were associated with the process waters (i.e. due to suspected ingestion of cyanide). The single fauna related incident was due to physical impacts within the mine operational areas and associated roads.

As a result of the significant efforts implemented in the last reporting period, fauna incidents numbers have reduced significantly since previous reporting periods.eg no incidents in regard to process waters for this period, eight incidents associated with the previous period and 21 in the 2011 reporting period.

Daily monitoring of the plant areas and ponds is ongoing with fauna capture and release when applicable.

To date, losses are considered to be low (with no recent losses) and no species of conservation significance have been impacted to date. All deaths and injuries have been reported to DMITRE.

Table 6: Fauna Incidents - Current Reporting Period

Date	Incident	Details
21-Oct-12	Kangaroo on mine access road	Hit by vehicle. Dead

10 Groundwater

10.1 General Outcomes

The groundwater monitoring network and programme has continued during the reporting term. **Figure 3** illustrates the location of the seven monitoring bores, and four production bores. Further regional monitoring bores are also monitored where accessible however few of these sites are in a condition suitable for groundwater monitoring purposes (inaccessible or are dry).

[6] Received from Ian Falkenberg, Park Manager, 30th September 2012

The main regional bore for monitoring is Gum Bore – a pastoralist bore located on the Bindarrah pastoral lease. This is the closest operating well to the Mine site (refer **Figure 3**). Maintaining and preserving the quality of water from Gum Bore and the prevailing water level is a specific environmental measurement outcome in the approved MARP/PEPR.

Gum Bore produces low yields of low salinity waters. Both the past and recent groundwater assessments indicate that the aquifers of the Mine borefield and Gum Bore are not connected. This has been confirmed through monitoring during current and previous reporting periods as described below.

Figure 4 below indicates that there has been minimal change to water levels in this bore during the reporting period when compared with previous levels. There has also been little change relative to pre-mining levels. Similarly, salinity levels have shown minimal fluctuation over the reporting period (again compared with previous levels), and remains well below the 3000mg/L TDS criterion.

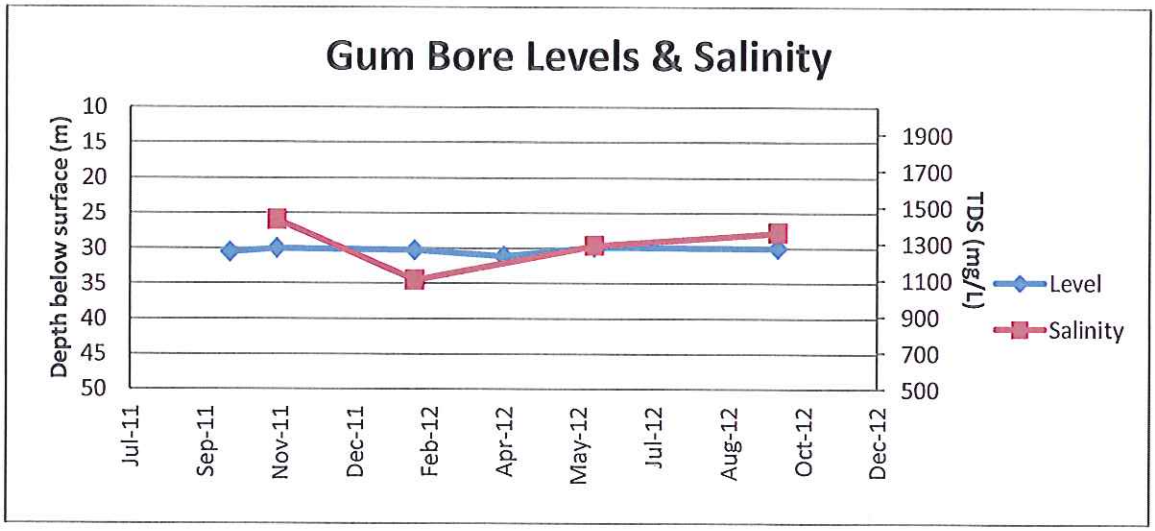


Figure 4: Gumbore Levels and Salinity

10.2 Water Sampling Results

Table 7 below indicates the change of water levels at monitoring bores adjacent to the operations area.

Table 7: Monitoring Bore Level Summary

Bore I.D.	MB01 (now collapsed)	MB02	MB03	MB04	MB05	MB06	MB07 (now collapsed)	Gum Bore
Pre-mining SWL	50.08	34.12	52.56	44	49.92	30.48	41.65	30.98
Latest Water Level	50.3	42.3	52.9	44.2	83.5	40.2	41.8	30
Change in Water Level	-0.22	-8.2	-0.04	-0.2	-33.6	-9.72	-0.15	1.0

Monitoring bore MB05 has shown a substantial level reduction however this has shown no significant effect on other bores in proximity nor regional bores (see regional bore levels **Figure 6** below).

Figure 5 below shows salinity levels at monitoring bores at the time of last sample (October 2012). Bores are sampled quarterly (when accessible), available data is shown for below for approximately the last two reporting periods. This shows minimal change to salinity levels and within expected natural fluctuations.

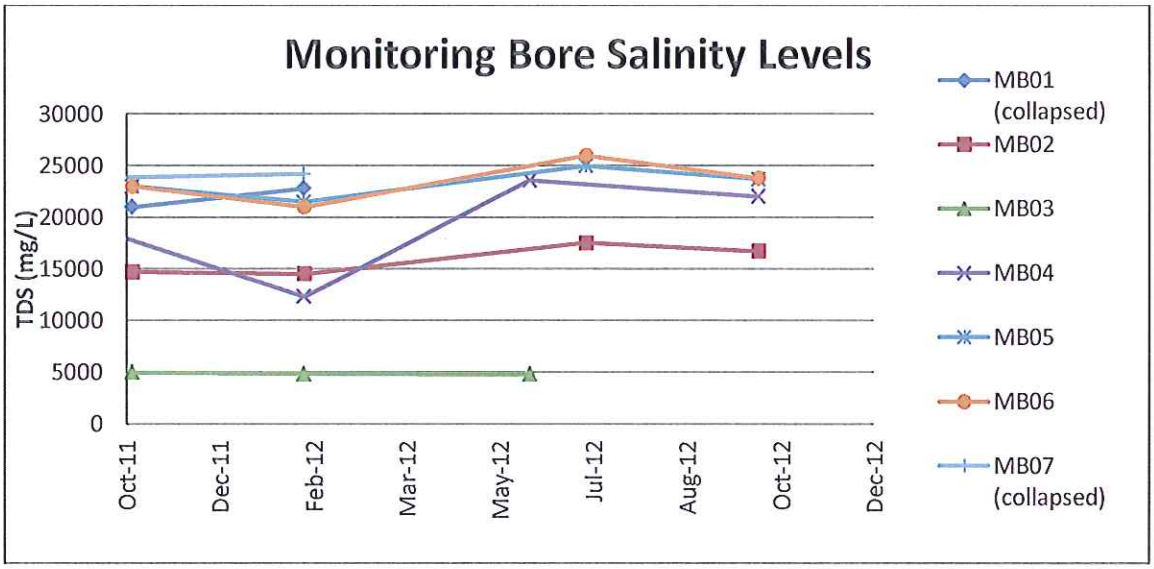


Figure 5: Monitoring Bore Salinity Levels

Figure 6 below indicates that there has been minimal change to bore water levels throughout all regional bores during this and previous reporting periods.

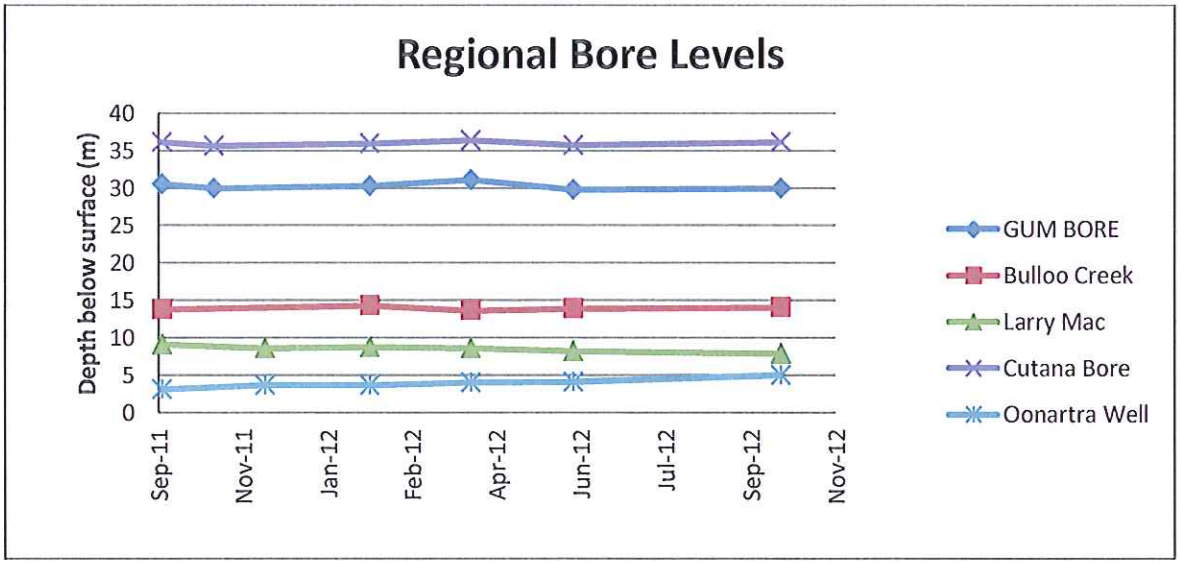


Figure 6: Regional Bore Level Monitoring

10.3 Compliance

Table 8 below indicates the outcome measurement criteria from the MARP/PEPR and compliance achieved during the reporting period.

Table 8: Groundwater Outcome Measurement Compliance

Outcome Measurement Criteria	Compliance
Leading Indicator: Drawdown at 2km from MPL to be no more than 5m (from pre-mining standing level) after 1 year of pumping and no more than 7m (from pre-mining standing level)after 2 years of pumping	5 of the 8 bores shown in **Table 7** show drawdown levels of <7 metres. The bores which show drawdown of >7m are within the 2km measurement zone so drawdown at 2km and beyond is considered likely to be within this compliance level (no effect has been observed at regional bores). MB05 which has a significant cone of depression is located within MPL105 and approximately 1.3km from PB01. Water levels are expected to indicate recharge in the future due to cessation of mining and associated extraction. It has been demonstrated that drawdown effects have been localised in scale.
The pastoralist has agreed that if the salinity of the water in Gum Bore reaches 3000 TDS, his use of the water will be adversely affected. Thus the trigger point (criterion) for remedial actions will be reached at 3000 TDS.	Salinity levels in Gum Bore remain stable, and well under the compliance level of 3000 TDS (refer **Figure 4** above).
No incidence of cyanide detected in Monitoring bores	Compliance achieved. Cyanide levels in monitoring bores remains at 0.004mg/L or less (as per laboratory detection limit).

11 Surface water

11.1 General outcomes

The MARP requires that there be no statistical difference between upstream and downstream sites collected during opportunistic sampling of periodic surface flow events. During this particular reporting period, as well as the last, the prevailing dry conditions have resulted in insufficient data for statistical purposes (no runoff events occurred during this reporting period).

11.2 Water Sampling Results

For the samples taken during runoff events within the previous reporting period, results have been comparable to all past reporting periods. **Table 9** presents the results of water quality monitoring for surface water at the two water quality monitoring points for available pH, salinity and turbidity data, with levels acceptable at both locations.

Table 9: Summary Surface Water Quality Measuring Data (previous period)

PARAMETER	Previous Reporting Period	
	U/S	D/S
pH (units)	7.745	7.295
TDS (mg/L)	324	211
Turbidity (NTU)	25	17.5

11.3 Compliance

Table 10 below indicates the outcome measurement criteria from the MARP/PEPR and compliance achieved during the reporting period.

Table 10: Surface Water Outcome Measurement Compliance

Outcome Measurement Criteria	Compliance
No statistically significant difference in water quality attributable to the operation measured between upstream and downstream samples collected during opportunistic sampling of periodic surface water flow events	No data for statistical analysis (predominantly dry conditions –no runoff to be measured) however, all parameters in previous periods in compliance with relevant quality guidelines.
Photographic record of flow paths during flow events to detect any flow restrictions	There were no runoff events during the reporting period. No effects from flow restrictions (if present) evident on site.

12 Air quality

12.1 General outcomes

Dust effects on residences in proximity to the operation are likely to have been minimal given the substantial separation distances involved. Elevated dust levels are commonplace given the semi-arid environment, with levels likely to be particularly high during dry conditions. Dust sampling was in place for the duration of mining operations. Dust sampling has now ceased (last sample August 2012) as mining and associated haul vehicle movement at site has essentially ceased (i.e. the major potential dust sources have stopped).

12.2 Compliance

Table 12 below indicates the outcome measurement criteria from the MARP/PEPR and compliance achieved during the reporting period.

Table 11: Air Quality Outcome Measurement Compliance

Outcome Measurement Criteria	Compliance
No statistically significant difference in dust deposition between Mining Lease gauges and control gauges.	Analysis of dust over previous reporting periods has indicated that there was no statistical difference between gauges within the mining tenements and the control sites i.e. the P value was >0.05, indicating no statistical difference. This implies that elevated dust levels were primarily the result of dry ambient regional conditions and not caused by mine emissions.

13 Compliance with outcomes

The following **Tables 13 and 14** present a summary of compliance for the project as presented in the current approved MARP.

Table 12: Compliance Summary

Domain	Closure Objective	Outcome Measurement Criteria	Works performed	Determination of compliance
Mine pits	Render safe for stock post-mining Render safe for humans	Test to demonstrate compaction that achieves a dry density ratio of at least 95% relative to Standard Compaction determined by AS 1289 5.1.1. Fencing completed to a standard acceptable to the pastoral lease holder and PIRSA.	Compaction testwork shows that the bunding material compaction is only at 57 to 65% on average. Note that additional bund consolidation work and confirmation of the alignment is to be undertaken (and to be detailed in Closure Plan)	Compliance with compaction requirement is unlikely to be met in current status of bund This is currently the subject of reassessment as detailed in Closure Plan. Reinforcement of bund with rock will be implemented where appropriate.
Leach pad, waste rock dumps	Physical stability Non-polluting	Leach pad and waste dumps demonstrated to be stable after rehabilitation via annual photographic record.	A quarterly monitoring program including photographic evidence has commenced and will be ongoing. Note the leach pad is not yet under rehabilitation	The JV is encouraged by the current growth of vegetation and are confident full rehabilitation is achievable.
		Leach pad runoff weak acid-dissociable (WAD) cyanide level to be less than0.2 mg/l. (Reference: Technical Report: Treatment of Cyanide Heap Leaches and Tailings. US Environmental Protection Agency. Washington. 1994)	Not applicable to current stage of project	Will not be completed in the next reporting period. Compliance issues to be confirmed in Closure Plan
		Leach pad runoff pH to be neutral before walk away.	Not applicable to current stage of project	Not applicable in the next reporting period
		Survey to prove slope angle 15^0 or less.	A complete survey of WRDs batter slopes is to be completed	Some batters of WRDs may not comply with this requirement- this is to be assessed in forthcoming reporting period.[7]

[7] Note that many of the current rehabilitated batters of both the Hannaford and Vertigo WRD's have been assessed (as a preliminary evaluation) as not complying with the 15° batter criterion. It is considered possible that the earthmoving contractors may have established an overall slope profile of 15° however, due to the presence of an intermediate 10m wide bench with slightly flatter toe slopes, actual batters on the dump may be steeper. This is to be confirmed by survey to be undertaken in the current reporting period. This is not believed to substantially affect stability or erosion susceptibility of the WRD's.

Domain	Closure Objective	Outcome Measurement Criteria	Works performed	Determination of compliance
Plant and equipment	Remove plant for re-use elsewhere	Soil samples to be tested for cyanide residue. Cyanide concentration to be less than level of detection.	Baseline cyanide testwork conducted and cyanide levels recorded for future reference on mine closure and plant removal. Not applicable at this stage.	Will not be completed in the next reporting period
Roads	Return to unimproved pastoral use.	Document all agreed actions with lessee and copy to PIRSA.	Discussions have been held with pastoralist and rehabilitation measures agreed - part of the access road to the camp area will be retained as the pastoralist has stock yards in this area.	Haul road rehabilitation to continue
		Measure biodiversity values on site and at a control site. Success is achieved when biodiversity value on site are no different to biodiversity values in control areas	Reference sites subject to active monitoring. Comparisons not yet practical at this time	Active monitoring undertaken
	Remove surface water obstructions	Sample water upstream and downstream of site. No difference in TDS between samples taken upstream and downstream. (refer Figure 3 for control sites)	Sampling of the upstream and downstream surface water points not conducted during the reporting period sue to absence of flow	No runoff events in this reporting period
Buildings	Return to unimproved pastoral use	Document all agreed actions with lessee and include in Annual mine and rehabilitation report to DMITRE	An agreement for the use of Bindarrah station accommodation allows for the decommissioning of the camp earlier than previously reported	Camp decommissioning completed. No rehabilitation proposed in the next reporting period
Bore field	Return to unimproved pastoral use	Document all agreed actions with lessee and include in Annual mine and rehabilitation report to DMITRE	No further agreements were reached during the reporting period. All actions described in this report	Not applicable at this stage
All disturbed areas except open pit voids	Return to unimproved pastoral use	Measure biodiversity values on site and at a control site. No difference between biodiversity values on site and at control sites. Monitor abundance and diversity of native species and non-native species. No difference between abundance and diversity values on site and at control sites	Monitoring or measurement of Biodiversity values were performed on the mine site previously. Monitoring of control sites continued	Monitoring at control sites has been ongoing

Domain	Closure Objective	Outcome Measurement Criteria	Works performed	Determination of compliance
Plant and equipment	Remove plant for re-use elsewhere	Soil samples to be tested for cyanide residue. Cyanide concentration to be less than level of detection.	Baseline cyanide testwork conducted and cyanide levels recorded for future reference on mine closure and plant removal. Not applicable at this stage.	Will not be completed in the next reporting period
Roads	Return to unimproved pastoral use.	Document all agreed actions with lessee and copy to PIRSA.	Discussions have been held with pastoralist and rehabilitation measures agreed - part of the access road to the camp area will be retained as the pastoralist has stock yards in this area.	Haul road rehabilitation to continue
		Measure biodiversity values on site and at a control site. Success is achieved when biodiversity value on site are no different to biodiversity values in control areas	Reference sites subject to active monitoring. Comparisons not yet practical at this time	Active monitoring undertaken
	Remove surface water obstructions	Sample water upstream and downstream of site. No difference in TDS between samples taken upstream and downstream. (refer Figure 3 for control sites)	Sampling of the upstream and downstream surface water points not conducted during the reporting period sue to absence of flow	No runoff events in this reporting period
Buildings	Return to unimproved pastoral use	Document all agreed actions with lessee and include in Annual mine and rehabilitation report to DMITRE	An agreement for the use of Bindarrah station accommodation allows for the decommissioning of the camp earlier than previously reported	Camp decommissioning completed. No rehabilitation proposed in the next reporting period
Bore field	Return to unimproved pastoral use	Document all agreed actions with lessee and include in Annual mine and rehabilitation report to DMITRE	No further agreements were reached during the reporting period. All actions described in this report	Not applicable at this stage
All disturbed areas except open pit voids	Return to unimproved pastoral use	Measure biodiversity values on site and at a control site. No difference between biodiversity values on site and at control sites. Monitor abundance and diversity of native species and non-native species. No difference between abundance and diversity values on site and at control sites	Monitoring or measurement of Biodiversity values were performed on the mine site previously. Monitoring of control sites continued	Monitoring at control sites has been ongoing

Table 13: Compliance (Environmental Protection)

Environmental risk	Aspect	Outcome Measurement criteria	Works Performed	Determination of Compliance
Groundwater and Surface Water	Flora protection Fauna disturbance	No statistically significant difference in Biodiversity Index between 'control' sites upstream and downstream of creek diversion.	Refer Section 12 No statistical differences evident	Complied
	Protection of surface watercourses	No statistically significant difference in water quality attributable to the operation measured between upstream and downstream samples collected during opportunistic sampling of periodic surface water flow events. (refer Figure 3 for control sites) Photographic record of flow paths during flow events to detect any flow restrictions.	Refer Section 12 Statistical differences not able to be assessed. No runoff events occurred during reporting period.	n/a
	Protection of stock water supply	Leading indicator: Drawdown at 2 km from MPL to be no more than 5 m (from pre-mining standing level) after 1 year of pumping and no more than 7m (from pre-mining standing level) after 2 years of pumping. The Pastoralist has agreed that if the salinity of the water in Gum Bore reaches 3,000 TDS, his use of the water will be adversely affected. Thus the trigger point (criterion) for the actions listed in the previous column will be reached at 3,000 TDS.	Refer Section 11	Complied
Erosion	Protection of flora and habitat due to erosion	Annual change-map (GIS) to indicate progressive rehabilitation. No statistically significant difference in water total suspended solids (TSS) attributable to the operation measured between upstream and downstream samples collected during opportunistic sampling of periodic surface water flow events. No statistically significant difference in dust deposition between Mining Lease gauges and control gauges.	Change map maintained Refer Section 12 Refer Section 13	Complied n/a Complied
Cyanide	Injury to flora and fauna	No change in biodiversity index.	Refer Section 10	No CN related incidents in this reporting period
	Protection of soil and water	No incidence of cyanide detected in monitoring bores.	No CN indicated	Complied
	Acid generation	Formed waste dump final slope angle to be no greater than 15^0. Runoff water samples collected during opportunistic sampling of periodic surface water flow events to be greater than pH 5.	Refer Section.14- WRDs established to be no greater than 15^0 Refer Section 12	Confirmed n/a

Environmental risk	Aspect	Outcome Measurement criteria	Works Performed	Determination of Compliance
Waste Dumps	Protection of topsoil	Topsoil stockpile height no higher than 2m. Annual topsoil stockpile survey to indicate no significant decrease in topsoil volume, taking into account natural compaction.	Stockpiles comply. Annual topsoil survey undertaken.	Confirmed
Land use and soil quality	Protection of soil and water	All spillage incidents reported, investigated and corrective actions completed to prevent recurrence. Post operation soil contamination survey and consequent remediation work to leave soil uncontaminated. Meeting minutes submitted to DMITRE.	All incidents reported Not applicable at this stage Informal discussions only with pastoralists	Confirmed Not applicable Not applicable

13.1 Rectification of Non-Compliances

There have been no non-compliances within the project area during the reporting period.

Rectification

No rectification measures are required.

Mitigation

No mitigation measures to correct any site non-compliances have been required.

Preventative action

No preventative actions have been required.

13.2 Compliance with leading indicator criteria

Compliance requirements have been summarised in **Tables 13** and **14**. Compliance has been indicated in all areas where relevant to the current stage of the project.

14 Management system audits

No Management System Audit has been completed in this period. An independent audit will be carried out in the next reporting period following completion of CN leaching. This audit will also include an assessment of rehabilitation works to date.

15 Environment Protection and Biodiversity Conservation Act reporting

The EPBC Act does not apply to the site and no reporting is required.

16 Emerging Environmental Hazards

While not an emerging hazard, during the life of the Hannaford pit, wall failure occurred on the western side along a major fault. Detailed investigations have been conducted into the stability of the Hannaford pit and remedial works necessary to ensure stability into the long term. This aspect will be fully reported in the Closure Plan.

17 Adjacent land use

The project is located 32 km northwest of the Olary town site, 10 km north of the Barrier Highway and the Broken Hill railway line, and 80 km east of Broken Hill. Adjacent and use is pastoral, with Bulloo Creek, and Bindarrah pastoral leases being the closest. Regular contact is kept with pastoral residents surrounding the project site.

The land within and surrounding the larger Drew Hill project area was and is also primarily used for the pastoral industry – predominantly sheep grazing.

18 Stakeholder Liaison/ Complaints Reporting

Tenure and ownership of the mine tenements are detailed below.

Mining Lease 6275; Mining Lease 6395		
Miscellaneous Purposes Licences MPL139, MPL105, MPL106 (part MPL107)		
Certificate of Land Title/Lease Number	Crown Lease	1299/38
Pastoral Number	Bulloo Creek	2363
Name of Leaseholder	Geoffrey and Lynette Riggs	
Activity	Stock (sheep) grazing	
Miscellaneous Purposes Licence MPL95 (part MPL107)		
Certificate of Land Title/Lease Number	Crown Lease	1276/20
Pastoral Number	Bindarrah	2200
Name of Leaseholder	G.S. & M.J. Parker	
Activity	Stock (sheep) grazing	

Informal liaison was been undertaken with both parties, mainly in regard to retention of certain infrastructure on closure. The Bulloo Creek Pastoralist has been consulted in regard to future fencing requirements and has advised that fencing of the former mining infrastructure areas will not be required (this will be confirmed in the Closure Plan). Consultation with pastoralists is ongoing, with a meeting planned during the next reporting period. No concerns or complaints were raised by these landholders during the reporting period. There were no public complaints.