

ARRIUM MINING

IRON KNOB MINING AREA

2014 COMPLIANCE REPORT



Iron Knob Mining Area

ML2238-2239, ML2647, ML1659-1667,
ML2240-2242, ML2383-2384, ML2612-
2614, ML2670-2673, ML2700, ML3147-
3151, ML31769-3177, ML3481, ML3789-
3792, ML4037-4039, ML4429-4434,
ML4490, ML4762-4769, ML6429-6430,
MPL45, MPL142-145

24 April 2015

Doc.Ref: WPC-151 (Rev 0)

EXECUTIVE SUMMARY

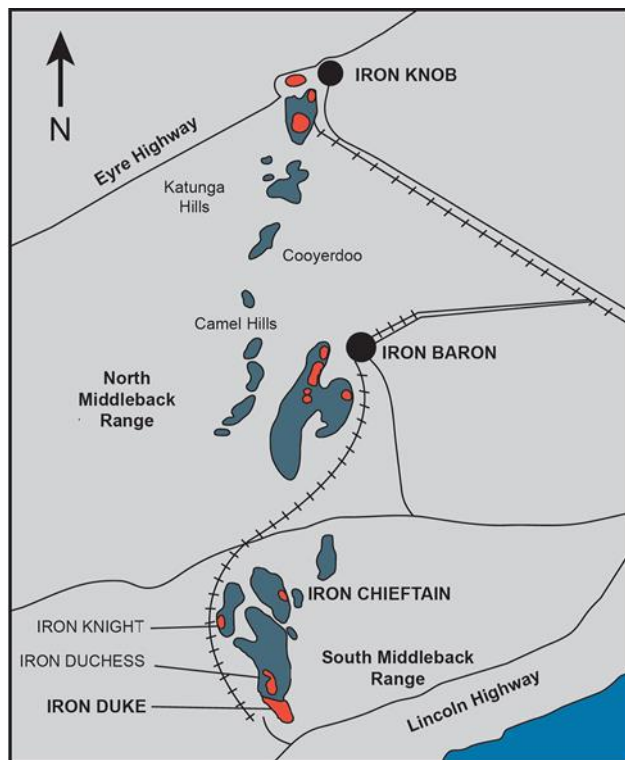
This annual compliance report covers the reporting period 1 January to 31 December 2014 for mining and ancillary operations in the Iron Knob Mining Area (IKMA).

The PEPR 2013/001, approved on the 30 January 2013, enabled recommencement of mining of the existing Iron Monarch pit. PEPR 2013/001 was superseded by PEPR 2014/038 which was conditionally approved on the 15 May 2014.

Subsequent to approval of PEPR2014/038, DMITRE* required Arrium Mining to undertake an audit of capabilities and systems to ensure public safety prior to commencement of operations around the Iron Princess pits and then demonstrate the implementation of those systems once operations at the Iron Princess pits had commenced. DMITRE also required Arrium Mining to review the approved PEPR to include a leading measurement criterion relating to the outcome of public safety.

Operations within the IKMA in 2014 predominantly consisted of mining ore from an area of the Iron Monarch pit known as the 'slot', stripping overburden and commencement of mining ore from the Princess West pit and the construction of the Western Bund. In addition, some resource definition exploration drilling continued within the mining tenements.

The crushing and screening plant was constructed during the latter part of 2014. Production commenced in early March 2015 and the first consignment of ore was consigned to Whyalla by train on 20 March 2015.



Users of the National Highway 1 have been successfully and safely diverted along the alternate route without delays or inconvenience when blasts have occurred in the Princess West pit close to the highway.

Alterations have been completed at the Iron Knob cemetery, the lookout and the golf club that allows safe and easy access for visitors and members.

*On the 1 of July 2014 DMITRE merged with DFEEST to become DSD (Department of State Development).

Ministerial Declaration Checklist

| Section | Included or N/A |
|--|-----------------------|
| Executive summary | See Executive Summary |
| Introduction | Section 1 |
| Tenement number(s) | Section 1.1, 1.3 |
| Name of the mine operation | Section 1.1 |
| General location details | Section 1.1 |
| Name(s) of the mine owner and mine operator(s) | Section 1.1 |
| Site Contact | Section 1.1 |
| Registered Mine Manager, <i>Mines Works Inspection Act, 1920</i> | Section 1.1 |
| Reference and approved date of relevant PEPR being reported against | Section 1.1 |
| Person accepting responsibility for the report | Section 1.1 |
| Dates of the reporting period for the report | Section 1.1 |
| Date of preparation of the report. | Section 1.1 |
| 1. Executive Declaration | Section 1.2 |
| 2. Tenements | |
| Summary table of all tenements including ML, MPL, EML etc. | Section 1.3 |
| 3. Other Licences, Permits, Waivers, Native Title and Agreements | |
| Summary table of all licences, permits, waivers, native title and other agreements relevant to the PEPR. | Section 1.4 |
| Where applicable, provide a statement that all waivers for exempt land required for the current operation are in place in accordance with the Mining Act | N/A |
| 4. Mining operations | |
| Ore reserves and mine life | Section 2.1 |
| New delineation or exploration drilling activities on or off the lease (if required) | Section 2.2 |
| Review of reserves (if required) | Section 2.3 |
| Other potential sources of ore (e.g. from nearby mines) (if required) | N/A |
| Overburden, Ore and Concentrate | |
| Overburden | Section 2.4 |
| Ore | Section 2.5 |
| Concentrate | Section 2.6 |
| 5. Voluntary information (not mandatory, but strongly recommended) | Section 3 |
| 6. Project Variation Summary | |
| Summary table of any changes/project variations submitted to DSD | Section 4 |
| 7. Complaints | |
| Summary table of complaints made by members of the public during the reporting period | Section 5 |
| Indicate how concerns or complaints by third parties were addressed. | Section 5 |
| 8. Compliance Summary | |
| Summary table of non-compliances (if relevant) | Section 6.1 |

| Section | Included or N/A |
|--|-----------------|
| 9. Compliance Tables | |
| For each outcome in PEPR state if “complied”, “not complied”, or “unable to demonstrate compliance” | Section 6.2 |
| For each outcome in the PEPR provide summary criteria data that supports the conclusion above | Not included |
| For each lease or licence condition (other than environmental outcomes) state if “complied”, “not complied”, or “unable to demonstrate compliance” | Section 8 |
| For each leading indicator criterion state if any were triggered in the reporting period | Section 6.2 |
| If triggered, (if required) | |
| <ul style="list-style-type: none"> What actions were taken An assessment of the effectiveness of the current control strategies or criteria | |
| 10. Closure | Section 7 |
| Where native vegetation has been cleared in the reporting period, the following must be included: (if required) | |
| <ul style="list-style-type: none"> a reconciliation between the approved maximum clearance in hectares | |
| <ul style="list-style-type: none"> the amount cleared in the reporting period | |
| <ul style="list-style-type: none"> the total amount cleared to date | |
| <ul style="list-style-type: none"> an estimated amount to be cleared in the next reporting period. | |
| 11. Non-Outcome Based Lease Conditions | Section 8 |
| If you have any lease conditions which do not have an outcome measurement criteria relating to it please list the compliance status and evidence against each condition in a summary table | |
| 12. Rectification of Non-Compliances | Section 9 |
| If a “not complied” is recorded, the following must be included: (if required) | |
| <ul style="list-style-type: none"> date of the incident | |
| <ul style="list-style-type: none"> state if the incident was a Reportable Incident under Regulation 87. If so the report must also state the date the incident was initially reported to the Minister and the date the written report was provided to the Minister. | |
| <ul style="list-style-type: none"> what environmental outcome or lease condition was breached | |
| <ul style="list-style-type: none"> if and how the noncompliance was, or is planned to be, rectified | |
| <ul style="list-style-type: none"> what measures, if any, will be taken to prevent recurrence. | |
| Progress update on previous non-compliances not fully rectified at time of last report | |
| 13. Disturbance and Rehabilitation Activities | Section 10 |
| Information on areas disturbed and current rehabilitation status | |
| The amount of land disturbed | |
| Vegetation cleared | |
| New measures implemented to avoid or control environmental impact | |

| Section | Included or N/A |
|--|-----------------|
| Revegetation or rehabilitation earthworks conducted. | |
| Evidence (by using closure and rehabilitation criteria in the current approved PEPR) of the effectiveness of rehabilitation being progressively undertaken. | |
| Any problems or potential improvements learned from previous rehabilitation | |
| An assessment of risks that rehabilitation may or may not be achieved as planned | |
| New strategies to be undertaken to achieve rehabilitation outcomes (if required) | |
| 14. Environment Protection and Biodiversity Conservation Act reporting | Section 11 |
| Demonstration of compliance with EPBC conditions (if required) | |
| 15. Audits and Reviews | Section 12 |
| If an audit or review of any part of the operation management system was conducted during the reporting period, the following information on the audit or review must be included: (if required) | |
| • when the audit or review was undertaken | |
| • who undertook the audit or review | |
| • what aspect(s) of the management system was/were audited/reviewed | |
| • what issues, or recommendations for improvement, were noted | |
| • an assessment of the potential for any issues identified in the audit/ review to lead to a noncompliance with approved environmental outcomes | |
| • what corrective action that has or will be taken to address any issues. | |
| 16. Verification of Uncertainties | Section 13 |
| Changes or failures of mining operations | |
| Increases to areas disturbed | |
| New baseline environmental data | |
| Reported to DSD? | |
| Uncertainties table | |
| 17. Technical Reports | Section 14 |
| Summary of technical data studies and reports generated in reporting period | |
| 18. Forward Work Plan | Section 15 |
| Action description | |
| Responsibility | |
| Proposed Completion Date | |
| 19. Ministerial Determination Checklist | |
| This checklist | Included here |

Document Status

| Rev No | Author | Responsible Manager Name |
|--------|--|--|
| 0 | Geoffrey Mills Environment Assurance Manager Whyalla Mines | Craig Wilson – Mine Manager Matthew Reed – General Manager Operations Don Gartsky – Acting Manager Development Chris Smyth – National Manager Environment |



This document has been prepared with the assistance of LBW Environmental Projects Pty Ltd, commissioned by Arrium Mining.

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Abbreviations and Definitions

| Abbreviation | Definition |
|--------------|---|
| AMD | acid mine drainage |
| ANE | Ammonium Nitrate Explosive |
| AOC | area of concern |
| DEWNR | Department of Environment, Water and Natural Resources |
| DMITRE | Department for Manufacturing, Innovation, Trade, Resources and Energy |
| DPTI | Department of Planning, Transport and Infrastructure |
| DSD | Department of State Development |
| DSO | direct shipping ore |
| ED | Environmental Direction |
| EML | Extractive Mineral Lease |
| EPBC | Environment Protection and Biodiversity Conservation |
| FDR | Fugitive Dust Ranking |
| GIS | Geographic Information System |
| GVM | gross vehicle mass |
| IKMA | Iron Knob Mining Area |
| ILUA | Indigenous Land Use Agreement |
| LFA | Landscape Function Analysis |
| LGO | low grade ore |
| LOM | Life of Mine |
| MAG TSF | Magnetite Tailings Storage Facility |
| MARP | Mining and Rehabilitation Program |
| MBA | Middleback Alliance |
| ML | Mineral Lease |
| MPL | Miscellaneous Purpose License |
| NE WRD | north-east waste rock dump |
| OBP | ore beneficiation plant |
| OMC | outcome measurement criteria |
| PEPR | Program for Environmental Protection and Rehabilitation |
| PIRSA | Primary Industries and Regions SA |
| ROM | run of mine |
| SE WRD | south-east waste rock dump |
| SEB | significant environmental benefit |
| SMR | Southern Middleback Range |
| TSF | tailings storage facility |
| WBO | Whyalla blend ore |
| WRD | waste rock dump |
| WTC | waste transport certificate |
| WTF | waste tracking form |

Measurements and Symbols

| Unit | Definition |
|----------------|---------------------------|
| BCM | bank cubic metres |
| CY | calendar year |
| ha | hectares |
| /hr | per hour |
| kL | kilolitre |
| kWh | kilowatt hour |
| m ² | square metres |
| m ³ | cubic metre |
| MBCM | million bank cubic meters |
| mm | millimetre |
| Mt | million tonne |
| L | litre |
| t | tonne |
| um | micro meter |
| /yr | per year |

Glossary

| bank cubic metre | A measure of volume representing a cubic metre of in-situ rock or material before it is drilled and blasted |
|------------------|---|
| hornless horn | A horn that sounds inside a vehicle rather than outside it, to minimise nuisance noise emissions |
| orthorectified | Spatially corrected to remove error as a result of the earth's curvature |

1 INTRODUCTION

1.1 Identification

| | | | | |
|----------------------------|--|---------------------------|----------------------------|--|
| Mine name | Iron Knob Mining Area (IKMA) Including Iron Monarch and Iron Princess pits | | PEPR# Date Approved | 2013/001 and 2014/038 15 May 2014 |
| Lease holder | OneSteel Manufacturing Pty Ltd (Arrium Mining) | | | |
| Operator | Arrium Mining | | | |
| Mining Lease approval date | Refer Section 1.3 for details | | | |
| Associated tenements | MPL142-145, MPL45, ML1659-1667, ML2238, ML2239-2242, ML2383-2384, ML2612-2614, ML2647, ML2670, ML2671-2673, ML2700, ML3147-3151, ML3176-3177, ML3481, ML3789-3792, ML4037-4039, ML4429-4434, ML4490, ML4762-4769, ML6429-6430 | | | |
| Approval documents | PEPR2013/001: <ul style="list-style-type: none">WPC-088 (Rev B) PEPR2014/038 <ul style="list-style-type: none">WPC-103 (Rev 0)WPC-134 Minor change notification Adjustment to IKMA clearance areas | | | |
| Ministerial Determination | Ministerial Determination (MD 009) under Regulation 86(1), (3), (4) and (7) of the <i>Mining Regulations 2011</i> (effective from 6 th September 2012) determining the reporting periods and minimum information required to be provided in a Compliance Report for a Mineral Lease (ML) and any associated Miscellaneous Purposes Licence (MPL) for metallic and industrial minerals | | | |
| Site contact | Geoffrey Mills - Environment Assurance Manager Whyalla Mines | | | |
| | Email: | geoffrey.mills@arrium.com | | |
| | Phone number | (08) 8640 4480 | | |
| Registered Mine Manager | Russell Pyman (BGC) | | | |
| Site location details | Middleback Ranges | | | |
| Reporting period | From | 1 January 2014 | To | 31 December 2014 |
| Report preparation date | 24 April 2015 | | | |

1.2 Executive Declaration

Executive Declaration:

This document has been prepared to fulfil the requirement under Regulation 86 for the tenements listed herein. The information contained in this report is to the best of my knowledge a true and accurate record of the mining activities and compliance status for the reporting period.

| Name | Position or Agent | Signature | Date |
|-------------------------|----------------------------|--|---------------|
| Matthew Reed | General Manager Operations |  | 24 April 2015 |
| Agency Agreement | | | |
| Not applicable | | | |

1.3 Tenements

Details of existing tenements in the Iron Knob Mining Area (IKMA) are provided in Table 1 . Figure 1 shows the location of IKMA tenements and Iron Knob Township.

Table 1 IKMA mining tenements

| Tenement | Tenement number | Approval date | Expiry date | Forward work plan |
|---------------------------------------|-----------------|------------------|------------------|--|
| Miscellaneous Purposes Licences (MPL) | | | | Arrium Mining will retain all tenements for the IKMA Life of Mine (LOM) Mining and ancillary operations including crushing, screening, rail loading, ore stockpiling and tailings deposition will continue until ore deposits are fully utilised (see Figure 2 for estimated IKMA LOM) |
| MPL | 142 | 25 February 2014 | 22 November 2032 | |
| MPL | 143 | 25 February 2014 | 22 November 2032 | |
| MPL | 144 | 25 February 2014 | 22 November 2032 | |
| MPL | 145 | 25 February 2014 | 22 November 2032 | |
| MPL | 45 | 11 May 1994 | 10 May 2015 | Renewal application for MPL 45 was submitted to DSD on the 22 January 2015 Progressive rehabilitation and closure activities will be undertaken as described in approved PEPR2014/038 A Mine Completion Report will be submitted at least three months prior to Licence relinquishment or expiry |
| Mineral Leases (ML) | | | | |
| ML | 1659 | 30 June 1899 | 30 November 2029 | |
| ML | 1660 | 30 June 1899 | 30 November 2029 | |
| ML | 1661 | 30 June 1899 | 30 November 2029 | |
| ML | 1662 | 30 June 1899 | 30 November 2029 | |
| ML | 1663 | 30 June 1899 | 30 November 2029 | |
| ML | 1664 | 30 June 1899 | 30 November 2029 | |
| ML | 1665 | 30 June 1899 | 30 November 2029 | |
| ML | 1666 | 30 June 1899 | 30 November 2029 | |
| ML | 1667 | 30 June 1899 | 30 November 2029 | |
| ML | 2238 | 31 December 2014 | 30 November 2029 | |
| ML | 2239 | 31 December 2014 | 30 November 2029 | |
| ML | 2240 | 31 December 2014 | 30 November 2029 | |
| ML | 2241 | 31 December 2014 | 30 November 2029 | |
| ML | 2242 | 31 December 2014 | 30 November 2029 | |
| ML | 2383 | 31 December 2014 | 30 November 2029 | |

| Tenement | Tenement number | Approval date | Expiry date | Forward work plan |
|----------|-----------------|------------------|-------------------|-------------------|
| ML | 2384 | 31 December 2014 | 30 November 2029 | |
| ML | 2612 | 1 October 1929 | 30 November 2029 | |
| ML | 2613 | 1 October 1929 | 30 November 2029 | |
| ML | 2614 | 1 October 1929 | 30 November 2029 | |
| ML | 2647 | 1 July 1934 | 30 November 2029 | |
| ML | 2670 | 1 January 1936 | 30 November 2029 | |
| ML | 2671 | 1 January 1936 | 30 November 2029 | |
| ML | 2672 | 1 January 1936 | 30 November 2029 | |
| ML | 2673 | 1 January 1936 | 30 November 2029 | |
| ML | 2700 | 1 October 1937 | 30 November 2029 | |
| ML | 3147 | 1 July 1911 | 30 June 2032 | |
| ML | 3148 | 1 July 1911 | 30 June 2032 | |
| ML | 3149 | 1 July 1911 | 30 June 2032 | |
| ML | 3150 | 1 July 1911 | 30 June 2032 | |
| ML | 3151 | 1 July 1911 | 30 June 2032 | |
| ML | 3176 | 1 January 1912 | 23 November 2032 | |
| ML | 3177 | 1 January 1912 | 23 November 2032 | |
| ML | 3481 | 1 October 1969 | 30 September 2019 | |
| ML | 3789 | 1 April 1972 | 31 March 2022 | |
| ML | 3790 | 1 April 1972 | 31 March 2022 | |
| ML | 3791 | 1 April 1972 | 31 March 2022 | |
| ML | 3792 | 1 April 1972 | 31 March 2022 | |
| ML | 4037 | 7 December 1972 | 6 December 2022 | |
| ML | 4038 | 7 December 1972 | 6 December 2022 | |
| ML | 4039 | 7 December 1972 | 6 December 2022 | |
| ML | 4429 | 20 January 1975 | 19 January 2025 | |
| ML | 4430 | 20 January 1975 | 19 January 2025 | |
| ML | 4431 | 20 January 1975 | 19 January 2025 | |
| ML | 4432 | 20 January 1975 | 19 January 2025 | |
| ML | 4433 | 20 January 1975 | 19 January 2025 | |
| ML | 4434 | 20 January 1975 | 19 January 2025 | |
| ML | 4490 | 1 December 1975 | 30 November 2025 | |
| ML | 4762 | 12 July 1979 | 11 July 2029 | |
| ML | 4763 | 12 July 1979 | 11 July 2029 | |
| ML | 4764 | 12 July 1979 | 11 July 2029 | |
| ML | 4765 | 12 July 1979 | 11 July 2029 | |
| ML | 4766 | 12 July 1979 | 11 July 2029 | |
| ML | 4767 | 12 July 1979 | 11 July 2029 | |
| ML | 4768 | 12 July 1979 | 11 July 2029 | |
| ML | 4769 | 12 July 1979 | 11 July 2029 | |

| Tenement | Tenement number | Approval date | Expiry date | Forward work plan |
|----------|-----------------|------------------|------------------|-------------------|
| ML | 6429 | 25 February 2014 | 22 November 2032 | |
| ML | 6430 | 25 February 2014 | 22 November 2032 | |

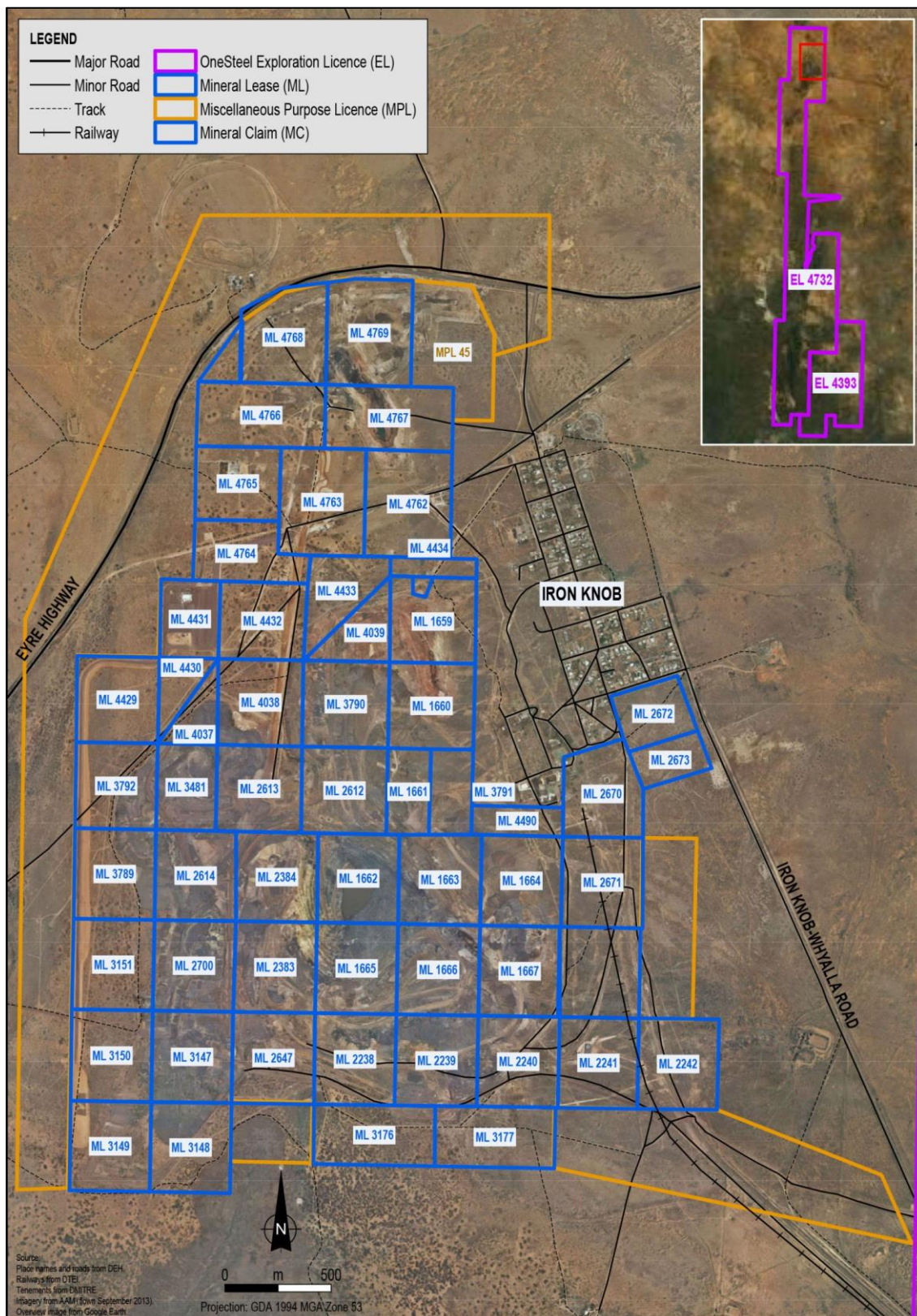


Figure 1 IKMA tenements

1.4 Other Licences, Permits, Waivers, Native Title and Agreements

Table 2 provides details of agreements and licences held for the IKMA.

Table 2 Agreement and licences - IKMA

| Licence, permit or agreement | Regulatory authority or other | Supporting documents | Associated ML, MPL, ML lease condition or outcome measurement criteria |
|---|----------------------------------|--|--|
| Middleback Ranges SA Indigenous Land Use Agreement (ILUA): SI2013/002 | National Native Title Tribunal | Extract from Register of Indigenous Land Use Agreements | Aboriginal Heritage |
| EPA Licence 13109 (Railway operations) | Environment Protection Authority | Licence held at Environment Assurance and copies at work sites | Air quality |

2 MINING OPERATIONS

2.1 Ore Reserves and Mine Life

Table 3 and Table 4 provide details of ore reserves and estimated mine life as at the end of June 2014, where available. Note that resource and reserves definition data for the IKMA was incomplete at the time of preparing this report.

Table 3 Iron Monarch - total resource and reserve (year ending June 2014)

| Ore reserves | Mass (Mt) | Mineral resources | Mass (Mt) | Estimated mine life (Years) |
|--------------|------------|-------------------|-------------|-----------------------------|
| Proved | | Measured | | 7 (until 2022) |
| Probable | 8.5 | Indicated | 13.6 | |
| | | Inferred | 9.5 | |
| Total | 8.5 | | 23.1 | |

Table 4 Iron Princess total resource and reserve (year ending June 2014)

| Ore reserves | Mass (Mt) | Mineral resources | Mass (Mt) | Estimated mine life (Years) |
|--------------|---------------|-------------------|-------------|-----------------------------|
| Proved | Not available | Measured | | 7 (until 2022) |
| Probable | 13.2 | Indicated | 22.4 | |
| | | Inferred | 11.3 | |
| Total | 13.2 | | 33.7 | |

The IKMA contribution to the Middleback Ranges operations is described in the life of mine (LOM) graphical representation of the material movements in Figure 2.

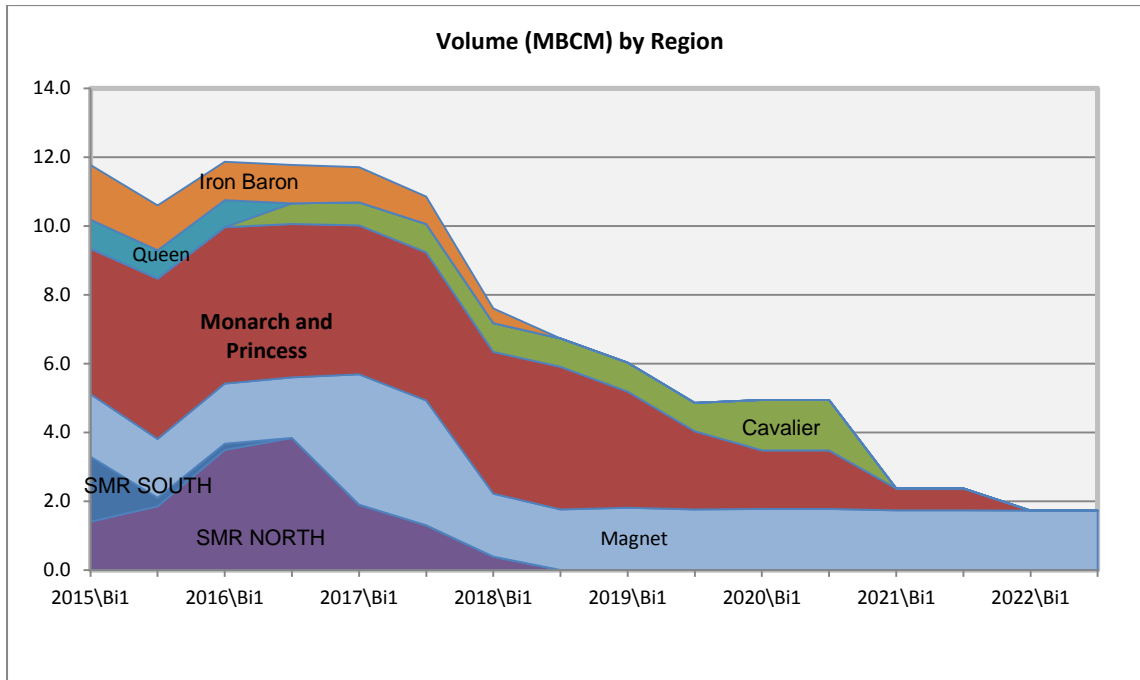


Figure 2 Current LOM material movements by region

2.2 Exploration

A general overview of exploration and delineation drilling within tenements during 2014 and extending through to 2015 is provided in Figure 3.

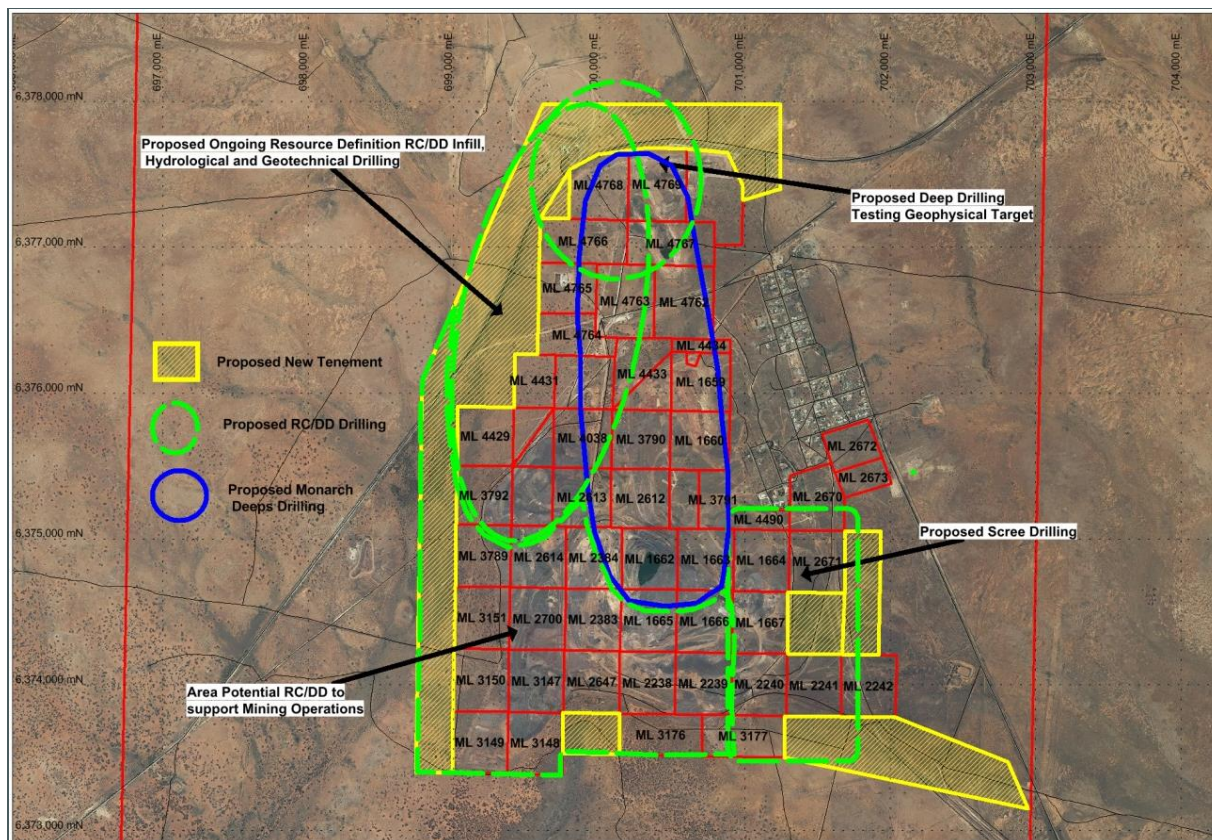


Figure 3 IKMA exploration drilling program (2013 to 2014)

Table 5 provides data on exploration drilling within tenements during 2014.

Table 5 Exploration drilling at IKMA in 2014

| Domain | Tenement | Holes drilled | Metres drilled |
|--------------|----------|---------------|----------------|
| Iron Monarch | ML1663 | 2 | 458 |
| | ML1664 | 19 | 355 |
| | ML1667 | 20 | 1930 |
| | ML2240 | 11 | 150 |
| | ML2241 | 4 | 59 |
| | ML2671 | 26 | 403 |
| | ML3791 | 1 | 11 |
| | ML4490 | 5 | 64.5 |

| Domain | Tenement | Holes drilled | Metres drilled |
|---------------|----------|---------------|-----------------|
| Iron Princess | ML4762 | 1 | 202 |
| | ML4763 | 7 | 868 |
| | ML4765 | 3 | 186 |
| | ML4766 | 19 | 3135.8 |
| | ML4767 | 6 | 1993.4 |
| | ML4768 | 7 | 930 |
| | ML4769 | 1 | 450 |
| Total | | 132 | 11,195.7 |

2.3 Ore Mining

Details of ore mined in the IKMA in 2014 are provided in Table 6 .

Table 6 Ore mining in the IKMA

| Ore mined Mine life (BCM) | Reporting period Ore mined (BCM) | Next reporting period Ore to be mined (BCM) | End of reporting period Current ore stockpile (BCM) |
|---|---|---|---|
| 2014 65,137 | 65,137 | 893,665 | 65,137 |
| Reason(s) for variations from previous report | Note: Mine life refers to the period since re-commencement of operations under PEPR2013/001 and does not consider the history of mining prior to the mine being closed in 1998. | | |

2.4 Overburden / Waste

Volumes of overburden for the IKMA are provided in Table 7 .

Table 7 Overburden mined in the IKMA

| Overburden mined Mine life (BCM) | Reporting period Overburden mined (BCM) | Next reporting period Overburden to be mined (BCM) |
|--|---|--|
| 2013 326,967 | 6,306,737 | 9,622,835 |
| 2014 6,306,737 | | |
| Total 6,633,704 | | |
| Reason(s) for variation from previous report | | |

2.5 Ore Processing

No ore processing has occurred or is planned, at IKMA (see Table 8).

Table 8 Ore processing in the IKMA

| Ore processed Mine life (BCM) | Reporting period Ore processed (BCM) | Next reporting period Ore to be processed (BCM) |
|---|--|---|
| 65,137 | 65,137 | 776,966 |
| Reasons for variations from previous report | | |

2.6 Concentrate

No export of concentrate has occurred or is planned, from IKMA (see Table 9).

Table 9 Concentrate exported from the IKMA 2014

| Concentrate exported Mine life (t) | Reporting period Concentrate exported (t) | Next reporting period Concentrate to be exported (t) | End of reporting period Concentrate stockpiles (t) |
|---|---|---|--|
| Not applicable (no concentrate exported to date) | Not applicable (no concentrate exported to date) | Not applicable (no concentrate to be exported from IKMA) | Not applicable (no concentrate exported to date) |

3 VOLUNTARY INFORMATION

3.1 Project Footprint on ML

Figure 4 shows the current design footprint for IKMA.

3.2 Mining Inventory

Equipment types currently or planned to be in use across IKMA operations are provided in Table 10, Table 11 and Table 12. **Error! Reference source not found..**

Table 10 IKMA equipment - Haul truck types

| Type | No. | Make | Model | Capacity (t) | Gross vehicle mass (GVM) (t) |
|-------------|-----|---------|--------|--------------|------------------------------|
| Haul trucks | 11 | Komatsu | HD1500 | 144 | 250 |

Source: Arrium Mining 2014

Table 11 IKMA - Excavators

| Type | Make | Model | Weight (t) |
|---------|---------|--------|------------|
| Diggers | Komatsu | PC4000 | 392 |
| | Komatsu | PC2000 | 195 |
| | Hitachi | EX2600 | 254 |

Source: Arrium Mining 2014

Table 12 IKMA equipment - Ancillary equipment

| Type | No. | Make | Model |
|--------------|-----|------------------------|------------------|
| Dozer | 2 | Komatsu | D375 |
| | 2 | Caterpillar | D9 |
| Grader | 1 | Caterpillar | 16 |
| | 1 | Caterpillar | 14 |
| Drill | 1 | Cubex/Sandvik | QXR1120/DR580 |
| | 1 | Gardner Denver | GD5000 |
| | 1 | Atlas Copco | D65 |
| Wheel loader | 2 | Caterpillar | 993 |
| | 1 | Caterpillar | 992 |
| | 1 | Caterpillar | 988 |
| | 1 | Komatsu | WA600 |
| | 1 | Komatsu (tire handler) | WA500 |
| Water Cart | 2 | Komatsu | HD785 (80,000 L) |

Source: Arrium Mining 2014

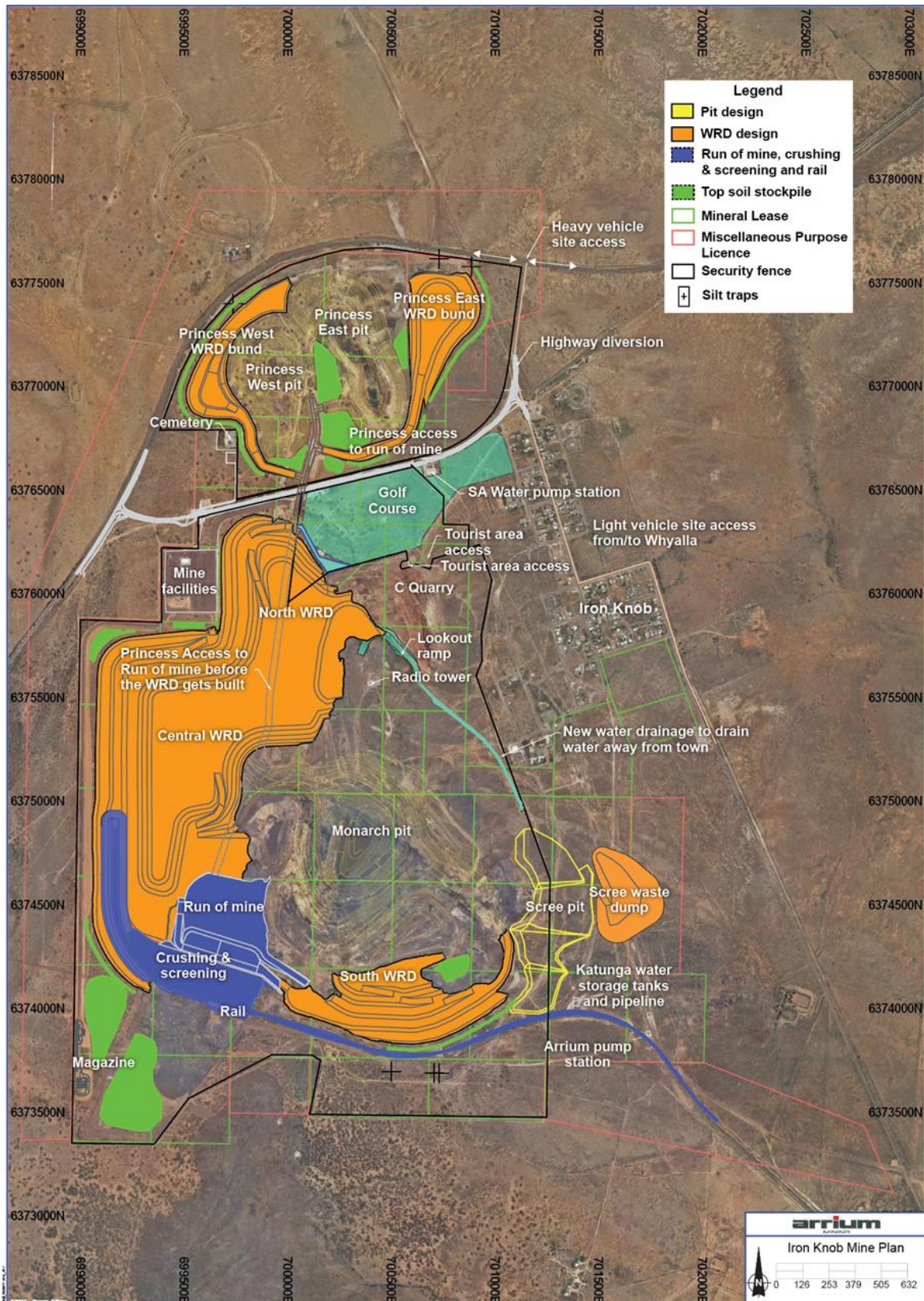


Figure 4 IKMA current site layout design

3.3 Open pit dimensions (final pit shell)

Figure 5 shows the proposed final site layout for IKMA.

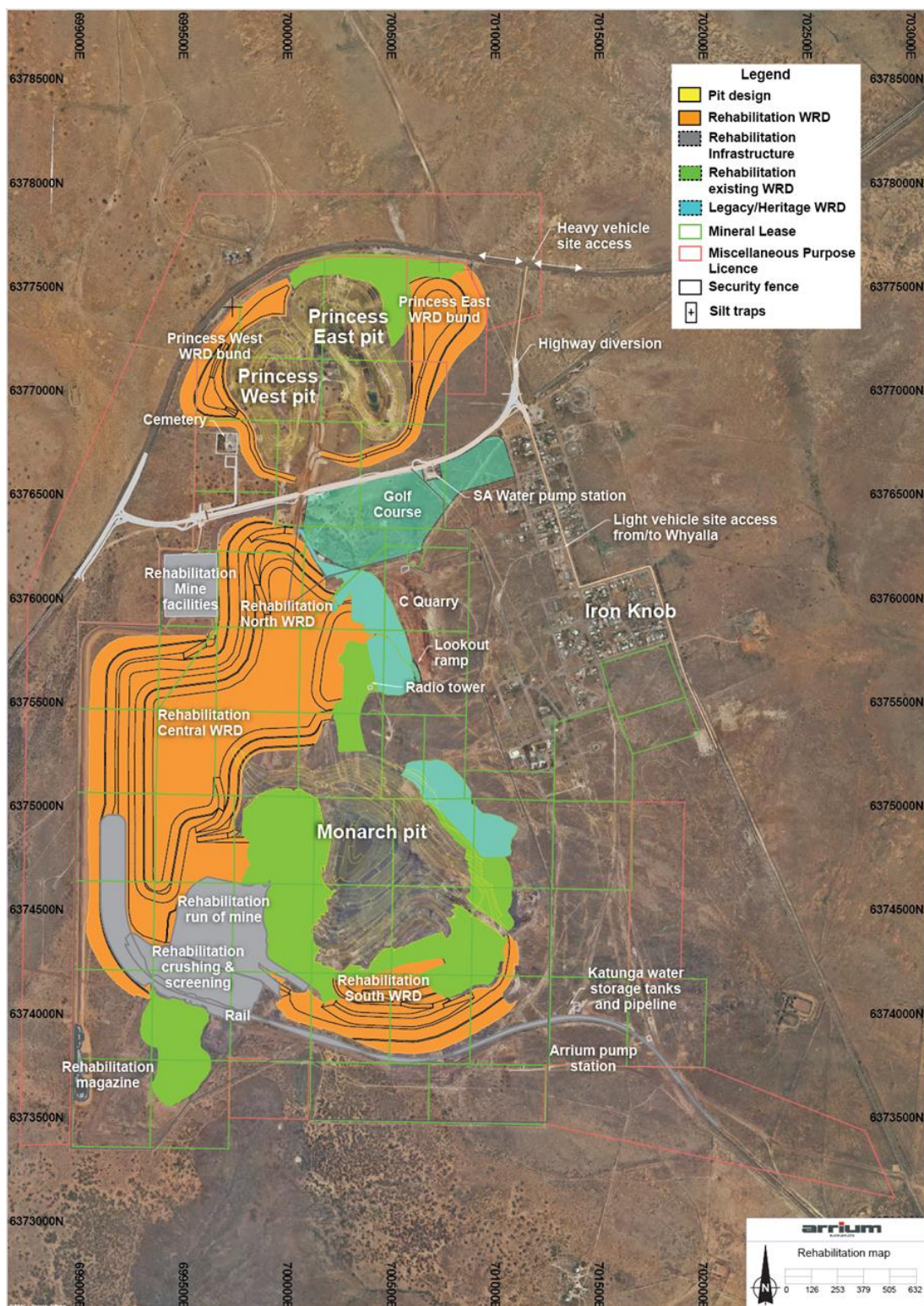


Figure 5 IKMA final concept rehabilitation plan

3.4 Processing method

3.4.1 Processing plant

No processing facilities currently operate within the IKMA.

3.4.2 ROM pad/s

The existing crushing and screening pad and ROM stockpiles are located south-west of the Iron Monarch pit (see Figure 4). The ROM pad will service all pits (i.e. Iron Monarch and Iron Princess East and West) and is constructed from waste and low grade stockpiled material.

3.4.3 Crushing and screening

The crushing and screening facilities have been constructed in the region south-west of the Iron Monarch pit, as shown on Figure 4.

3.4.4 Product transport

Product is transported out of the IKMA via the rail link at the southern extents of the mine site. At normal run rates, there will be three to four trains per day. Rail operations re-commenced in March 2015.

There is potential for supplementary trucking operations to be in effect from time to time through the site's alternative southern access/haul route. Trucking operations will be raised and approvals sought if required, after consultation with the community of Iron Knob, DSD, the EPA and the Department of Planning, Transport and Infrastructure (DPTI).

3.5 Operating Hours

3.5.1 Modes and hours of operation

The IKMA operates on a continuous 24 hours a day/seven days a week basis with two 12 hour shifts every 24 hours.

3.6 Tailings and Waste Rock

3.6.1 Tailings Storage Facility

There are no tailings storage facilities planned for the IKMA.

3.6.2 Waste Rock Storage

Waste rock dumps (WRDs) will be designed and managed in accordance with the strategy set out in PEPR2014/038 (see Figure 4 and Figure 5 for locations of WRDs).

The designs have been discussed at Iron Knob community meetings where it was confirmed that the WRD designs should minimise the impact of noise and dust on the township and that the existing WRDs to the north-east and south-east of the Iron Monarch pit should remain as historical monuments. The inclusion of operation bund wall screens as barriers and acceptable final landforms have been key factors underpinning community support for the designs.

3.7 Electrical consumption and power source

Electricity at IKMA is sourced from the existing 33 kV overhead transmission line located adjacent to the IKMA operations to the south of the Iron Knob Township.

The estimated power usage will be up to 3.2 MW, averaging approximately 2.5 MW.

3.8 Water Usage

Water usage at IKMA:

- an estimated 10–15 m³/h of potable water will be drawn from the SA Water supply for ancillary operations (including crushing and screening dust suppression and train sprays).

The low end of the estimated range will apply during winter months and the upper end during the summer months.

IKMA will use the highly saline pit water for haul road and open area dust suppression.

3.9 Accommodation

There are no camp facilities in the IKMA. Accommodation is predominately provided by the city of Whyalla, with limited accommodation also available in Iron Knob.

3.10 Environmental Research Information

Arrium Mining are sponsoring a PhD study into the range, status and preferred habitat of the Sandhill Dunnart within the Ironstone Hill Conservation Park adjacent to the South Middleback Ranges. The PhD research document will become available in late 2014 or on completion.

See Section 14 for a list technical reports generated during the reporting period.

3.11 Community and Wider Environment Support Activities

3.11.1 Community sponsorship and support

Arrium Mining and its employees support regional and local activities by providing education and sponsorships through to charity fundraising events, all of which require personal commitment and the dedication of individuals.

Arrium Mining's Community Support Program continues to assist communities by supporting ongoing and sustainable initiatives that provide:

- welfare help for the less advantaged
- local youth with a range of opportunities to assist in their development for the future
- significant benefit to local communities usually in the way of major events or new or improved community facilities.

Examples of some of the ongoing programs to which Arrium Mining is a major supporter include:

- The Smith Family's Learning For Life and Let's Read programs
- Errappa Blue Light camp
- Foodbank Whyalla branch (including the new Schools in Breakfast program)

- Whyalla Road Safety Centre
- the Whyalla Hockey Association's Hockey in Schools program
- Whyalla Christmas Appeal
- Fishy Fringe festival
- D'faces of Youth Arts
- the Whyalla Tennis Association's Hot Shots program
- Phoenix Society Whyalla branch
- Whyalla Science & Engineering Challenge
- SciWorld
- Junk to Funk Youth Scholarship.

3.11.2 Local Employment Opportunities

Arrium Mining is supportive of Walga Mining, an aboriginal-owned mining services company, and recently awarded the crushing and screening contract to Walga Mining at Iron Knob.

3.11.3 Helping break the cycle of disadvantage

Arrium Mining is the major supporter of Foodbank's new School Breakfast Program which launched in Whyalla in late 2014.

The program assists local students who are attending school without having accessed a healthy breakfast – ensuring they have sufficient nourishment to start their school day.

These students are going to school without breakfast for a variety of reasons, and are at a disadvantage from the outset as studies have shown that students concentrate better after eating a healthy breakfast. This lack of concentration can often result in them falling behind in their studies, ultimately increasing the chances of the cycle of disadvantage continuing. By ensuring they have a decent meal to start each day, it helps set them up for success and provides them with a better chance of success at school.

Nine schools have already come on board – including Whyalla High School which serves around 30 breakfasts each morning – and are looking forward to seeing their students benefit from such a worthwhile program.

3.12 Community Engagement Activities

3.12.1 Community consultation

Arrium Mining continues to have regular contact with key community representatives who provide feedback on mining operations and how these are seen from a community perspective. Regular contact is through:

- phone calls, face-to-face meetings and email exchanges
- regular Environment Consultation Group (ECG) meetings, which are attended by a cross-section of the Whyalla community
- six-monthly meetings with landholders who are located near Arrium Mining's operations
- regular community forums and open days in Iron Knob

-
- dust forums with interested residents in Whyalla.

3.12.2 Indigenous consultation

Arrium Mining meets regularly with the Barngarla community representatives regarding developments in the Indigenous Land Use Agreement (ILUA) area.

The ILUA between OneSteel (Arrium Mining) and the Barngarla Native Title Claimants sets out clear heritage clearance protocols for both parties and includes protocols for notifications concerning proposed changes and developments within the ILUA area.

3.12.3 The Middleback Alliance

The Middleback Alliance is a cooperative framework for sustainable land management across the SMR and surrounding areas.

The Middleback Alliance is directed by three major landholders in the region (Ecological Horizons, Natural Resources Eyre Peninsula (DEWNR) and Arrium Mining).

By sharing resources and cooperatively delivering a works program across land boundaries, the Middleback Alliance delivers improved and sustainable land management outcomes. Achievements for 2014 include:

- removal of 1654 feral goats regionally including 480 from the Middleback Ranges area
- baiting (feral animal control)
- continued monitoring (trapping and micro-chipping) of nationally threatened Sandhill Dunnarts
- survey and monitoring of active mallee fowl nests
- other works included pest plant and animal control and erosion mitigation on Uplands Station and the Ironstone Conservation Park.

4 PROJECT VARIATIONS

Table 13 describes changes to the planned IKMA operations in 2014.

Table 13 Description of changes to IKMA mining operations

| Description of change to mining operation | Date project variation submitted to DSD or other Regulatory Agency | Document reference number | Date regulatory authority endorsement received | Forward work plan |
|---|--|---------------------------|--|---|
| Vegetation clearance area adjustment. | 27/6/2014 | WPC 134 | 2/7/2014 | Continue to manage the clearance footprint as per PEPR2014/038 Section 4 and the MCN WPC 134.(no change to clearance area size) |

5 COMPLAINTS

Table 14 provides a summary of the complaints received during 2014.

Table 14 Complaints register – IKMA (1 January to 31 December 2014)

| Complaint reference | Complaint type | Was the complaint a result of a PEPR non-compliance? | Resolution date | Forward work plan |
|---------------------|------------------|--|-----------------|--|
| 14/35 | Dust | N | 06/01/2014 | Continued focus on dust control strategies |
| 14/36 | Dust | N | 06/01/2014 | Continued focus on dust control strategies |
| 14/37 | Dust | N | 6/01/2014 | Continued focus on dust control strategies |
| 14/39 | Dust | N | 12/01/2014 | Continued focus on dust control strategies |
| 14/43 | Noise | N | 20/02/2014 | Introduction of noiseless horn |
| 14/46 | Road safety | N | 03/03/2014 | Road safety awareness |
| 14/47 | Road safety | N | 06/03/2014 | Road safety awareness |
| 14/48 | Road safety | N | 07/03/2014 | Incident investigated |
| 14/51 | Dust | N | 16/03/2014 | Continued focus on dust control strategies |
| 14/52 | Safety | N | 18/03/2014 | Road safety awareness |
| 14/55 | Noise | N | 02/05/2014 | Introduction of noiseless horn |
| 14/69 | Road safety | N | 04/06/2014 | Road safety awareness |
| 14/70 | Road safety | N | 04/06/2014 | Road safety awareness |
| 14/72 | Noise | N | 11/06/2014 | Introduction of noiseless horn |
| 15/01 | Dust | N | 08/07/2014 | Continued focus on dust control strategies |
| 15/06 | Blast vibration | N | 13/08/2014 | Continued blast control |
| 15/08 | Dust | N | 18/08/2014 | Continued focus on dust control strategies |
| 15/23 | Dust | N | 15/09/2014 | Continued focus on dust control strategies |
| 15/24 | Dust/Noise | N | 15/09/2014 | Continued focus on dust control strategies |
| 15/25 | Road safety | N | 15/09/2014 | Road safety awareness |
| 15/26 | Spillage to road | N | 01/10/2014 | Procedure re-enforcement |
| 15/29 | Dust | N | 16/10/2014 | Continued focus on dust control strategies |
| 15/42 | Road safety | N | 19/12/2014 | Road safety awareness and contractor driver training |

6 COMPLIANCE

6.1 Compliance Summary

No non-compliances occurred in the IKMA during CY 2014.

6.2 Compliance with Outcomes

Table 15 provides an overview of compliance against outcomes and associated measurement criteria for IKMA.

Table 15 Compliance with environmental outcomes

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|--|--|-----------------------|--|--------------------------|------------------------------|---|---|
| Flora | | | | | | | |
| No permanent loss of abundance or diversity to native vegetation through clearance, dust/contaminant deposition, fire or other damage caused by mining operations on or off the tenements, unless prior approval under legislation is obtained | Annual aerial and/or ground surveys at operational areas demonstrates that the total area cleared does not exceed the approved area (334 ha) when compared to baseline aerial surveys conducted prior to commencement of operations | Compliant | All clearance of native vegetation to comply with approved clearance area of 334ha under the Native Vegetation Act 1991 | Compliant | Not applicable | GIS area calculations against the October 2014 orthorectified aerial image plus vegetation clearance permit data to 31 December 2014 showed that clearance was 256.85 ha compared to 334 ha approved for clearance under PEPR2014/038 (see Figure 6, October 2014 clearance area map) | Maintain Arrium Mining Vegetation Clearance Permit procedure |
| No permanent loss of abundance or diversity to native vegetation through clearance, dust/contaminant deposition, fire or other damage caused by mining operations on or off the tenements, unless prior approval under legislation is obtained | Biannual inspection by internal resources and biennial monitoring by an external consultant of native vegetation abundance and diversity at permanent monitoring quadrats located at impact sites adjacent to operations and at replicate remote control sites (see PEPR Appendix A-8) through an assessment tool developed specifically for the Middleback Ranges mines based on ecosystem function analysis monitoring | Compliant | All clearance of native vegetation to comply with approved clearance area of 334ha under the <i>Native Vegetation Act 1991</i> | Compliant | Not applicable | No change to native vegetation abundance or diversity Refer to Arrium Mining six-monthly vegetation dust impact reports MI204, MI225c and MI229 Annual vegetation monitoring report (Bebbington 2014) | Continue to develop and implement improved dust control strategies Review project definition statement and design for crushing and screening plant prior to purchase and construction of plant |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|---|---|-----------------------|---|--------------------------|------------------------------|--|-------------------|
| | demonstrates no permanent loss of abundance or diversity on or off the tenements | | | | | | |
| Fauna | | | | | | | |
| Ensure that there is no permanent loss of native fauna abundance or diversity in the lease area and adjacent areas caused by mining operations | Records demonstrate that incidents of drill collars not being capped immediately following exploration activities are logged and investigated and all corrective actions are closed out within 24 hours of receiving notification of the incident | Compliant | All incidents of drill collars not being capped immediately following exploration activities are logged and investigated and all corrective actions are closed out within 24hrs of receiving notification of the incident | Compliant | Not applicable | No incidents of drill collars not being capped were recorded during 2014 | |
| Weeds, pests and pathogens | | | | | | | |
| No introduction of new species of weeds, plant pathogens or pests (including feral animals), nor a sustained increase in abundance of existing weed or pest species within the IKMA, compared to adjoining land | Biannual weed inspections reports and continuous weed mapping demonstrate that new weed and existing weeds are managed by control measures as per the Arrium Mining Pest Plant and Animal Control Strategy QP50_62 within six months of documenting the presence of new weed incursions or increase in abundance of existing weeds in the licence | Compliant | No introduction of new declared weeds, plant pathogens or pest (including feral animals), species nor a sustained increase in abundance of existing weed or pest species and pest plants within the tenements | Compliant | Not applicable | Weed map completed Weeds and pests were managed in accordance with the Pest Plant and Animal Control Strategy QP50_62 | |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|--|--|-----------------------|---|--------------------------|------------------------------|--|-------------------|
| | area compared to baseline flora and fauna surveys (Bebbington 2012 and Ecological Horizons 2012) | | | | | | |
| Soil | | | | | | | |
| Existing soil quality and quantity (in terms of topsoil) is maintained | <p>Records maintained on site demonstrate that topsoil has been stripped, stockpiled and maintained in accordance with Arrium Mining's Soil Management Plan (QP50_66) and that all corrective actions from audits logged and closed out within 60 days or as otherwise agreed with the Regulator</p> <p>Six month inspection records demonstrate that the soil quality parameters of no disturbance or compaction, no sheet or gully erosion, weeds controlled, stockpile heights are correct and good regeneration of native plants species has occurred at all IKMA topsoil stockpiles</p> | Compliant | Zero outstanding action items after 60 days from audits | Compliant | Not applicable | <p>All topsoil harvested in 2014 was completed in compliance with QP50_66 and the Outcome Measurement Criteria.</p> <p>In the CY2013 report Arrium Mining reported a non-compliance (some topsoil had been stripped using a land plane during construction activities resulting in that soil being compacted). That topsoil will remain in those stockpiles until utilized for rehabilitation.</p> | |
| Stormwater | | | | | | | |
| No water contaminated as a result of mining | All drainage channels and silt traps in place as per approved design, | Compliant | All drainage channels and silt traps installed as | Compliant | N/A | Audits demonstrated that all silt traps were in place and maintained. Corrective | |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|---|--|-----------------------|---|--------------------------|---|---|--|
| <p>operations leaves the tenement areas or results in loss of or contamination of soil on or off the tenement/s</p> <p>Ensure that no water runoff from the tenements results in flooding of adjacent areas to an extent greater than that could reasonably be expected to occur prior to mining operations being established</p> | <p>(Appendix A-7 of PEPR2014/038), as determined by audit of inspection records maintained on site</p> <p>Records demonstrate that inspections are carried out within five days of rainfall events that result in flows of stormwater, or every three months, whichever is the lesser, and that all corrective actions from inspections are logged and closed out within 30 days or as otherwise agreed with the Regulator</p> | | <p>per Appendix A-7 (PEPR2014/038), and reactive maintenance and corrective actions closed out within 30 days of assignment</p> | | | <p>actions are closed.</p> | |
| Air Quality | | | | | | | |
| <p>No public health and/or nuisance impacts to local residents or highway users from dust generated by mining activities</p> | <p>Primary:</p> <p>Environment and/or safety incident reporting system records show that no incidents occurred where dust emissions from activities associated with mining activities on tenements exceeded the FDR standard (QP50_68) ranking level of FDR2 without implementing adequate controls or postponing the activity</p> <p>Secondary:</p> <p>Complaints of dust impacts to residents of</p> | Compliant | <p>No incidents resulting in exceedances of FDR2</p> <p>Complaints closed out within 30 days</p> | Triggered | <p>On occasions when dust emissions could not be contained at FDR2, all dust emitting activities were postponed as per BSS records.</p> | <p>The BSS incident reporting tool has recorded all incidents of FDR exceedances and the resultant corrective actions including postponement of dust emitting activities.</p> | <p>Continue to develop and implement dust control strategies</p> |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|--|--|-----------------------|--|--------------------------|------------------------------|---|-------------------|
| | Iron Knob are logged and investigated and all corrective actions are closed out within 30 days of notification of an incident or complaint, or as otherwise agreed with the impacted party or the Regulator | | | | | | |
| Visual amenity, nuisance noise/light | | | | | | | |
| The contrasting and reflective aspects of WRDs and infrastructure are visually softened to blend in with the surrounding landscape | Annual audits against the staged rehabilitation strategy, with the use of annual aerial and ground surveys of the landform development and biennial flora monitoring surveys demonstrate progressive rehabilitation undertaken in accordance with staged rehabilitation strategy for Iron Knob Mining Area (see Section Error! Reference source not found. of PEPR2014/038) | Compliant | Timing and rehabilitation outcomes are achieved in accordance with the Mine Plan closure and rehabilitation (see Section Error! Reference source not found. , PEPR2014/038 for full details of the Mine Plan) | Compliant | Not applicable | In line with Section 8 of PEPR2014/038 progressive rehabilitation of completed faces will occur as they become available. No rehabilitation of faces was feasible during calendar year 2014 however at the time of writing the report rehabilitation of a portion of the northern slope of the Central waste rock dump had been completed | |
| Blasting (and vibration) | | | | | | | |
| No public health, safety and nuisance impacts from air blast overpressure, vibrations, fumes, dust or fly rock caused by blasting undertaken on site | Records show that an independent investigation of recorded incidents relating to blasting activities on site, demonstrates that an incident could not have been reasonably prevented through implementation of | Compliant | No public health, safety and nuisance impacts as a result of blasting that could have been reasonably prevented by Arrium Mining | Compliant | Not applicable | No incidents related to blasting activities were recorded in 2014. Ground vibration monitoring records demonstrate that blasting was undertaken in accordance with AS 2187.2 2006 A ground vibration speed | |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|--|---|-----------------------|--|--------------------------|------------------------------|---|-------------------|
| | <p>precautionary measures and that all incidents as a result of blasting, including fly rock occurrences outside of the blast management zone, or complaints related to blasting are investigated and corrective actions closed out within 30 days or as otherwise agreed with the Regulator</p> <p>Records of audits, observations and ground vibration monitoring on blasting activities show that blasting is undertaken in accordance with AS 2187.2 2006</p> | | Fly rock found outside of the blast management zone | | | <p>exceedence recorded in October 2104 was investigated and found to be the result of a vibration measurement instrument malfunction.</p> <p>A complaint related to blasting has been recorded, investigated and closed (see Table 14 in Section 5)</p> | |
| Eyre Highway diversion | | | | | | | |
| No incidents or accidents involving vehicle traffic associated with the Eyre Highway diversion or IKMA operational traffic that could have been reasonably prevented | Records of independent investigation of all recorded incidents and accidents involving the Eyre Highway diversion and IKMA operational traffic demonstrates that the incident or accident could not have been reasonably prevented through implementation of precautionary measures and that all corrective actions are closed out within 30 days or as otherwise agreed by the Regulator | Compliant | No incidents or accidents involving vehicle traffic associated with the Eyre Highway diversion or IKMA operational traffic that could have been reasonably prevented | Compliant | Not applicable | No incidents involving the Eyre Highway diversion and operational traffic occurred in 2014 | |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|--|--|-----------------------|---|--------------------------|---|--|---|
| Public safety | | | | | | | |
| No public injuries or death resulting from unauthorised entry to the site that could be reasonably prevented | Records show that an independent investigation of recorded injuries from unauthorised access to the site, demonstrates that an incident could not have been reasonably prevented through implementation of precautionary measures and that 100% of incidences of unauthorised access are investigated and corrective actions closed out within 30 days or as otherwise agreed with the Regulator | Compliant | No public injuries or deaths as a result of unauthorised entry to site that could have been reasonably prevented by Arrium Mining | Compliant | Not applicable | <p>Although not non-compliant to the outcome measurement criteria or the target value, the BSS recorded that in January 2014 a tourist entered the site near the office and infrastructure area to take photos. The tourist was immediately escorted from site and signage improved.</p> <p>In June 2014 a car accidentally drove off the public road coming out of Iron Knob and damaged the Iron Princess security fence. The fence has been repaired.</p> <p>An independent audit of public safety procedures was conducted by SAI Global in June 2014 some opportunities for improvement were identified around alignment of documentation. All actions have been closed out</p> | <p>Maintain the perimeter security fence, signage and the IKMA public safety procedures</p> |
| Adjacent land use and third party property | | | | | | | |
| <p>No unauthorised damage to adjacent public or private property or infrastructure from mining operations</p> <p>No adverse impacts to</p> | Records demonstrate that complaints of unauthorised damage are logged and investigated and all corrective actions are closed out within 30 days of receiving a | Compliant | No confirmed damage to adjacent property or infrastructure | Triggered | <p>Staining of vegetation is visible on the neighbouring pastoral property, monitoring locations have</p> | <p>No complaints were received concerning damage to adjacent public or private property in 2014 (first complaint received in February 2015)</p> <p>Vegetation dust impact score</p> | <p>Continue to monitor the impact to vegetation from dust.</p> <p>Co-locate vegetation monitoring</p> |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|---|---|-----------------------|---|--------------------------|--|--|---|
| adjacent land use | <p>complaint, or as otherwise agreed with the affected party or the Regulator</p> <p>Six monthly internal assessment and annual vegetation dust impact assessment (by external consultant) at the vegetation monitoring quadrats (see Figure A-8, PEPR2014/038) and on neighbouring pastoral properties at locations to be determined as required in consultation with the landholders, demonstrate that impact assessment scores do not exceed an impact score of 4 (from mine derived dust), compared to the replicate control sites, the baseline flora survey report (Bebbington 2012) and previous vegetation monitoring reports</p> | | | | been established in consultation with the land holder. | currently = impact score 2 | <p>quadrats and dust monitoring equipment at established photo monitoring locations as required.</p> <p>Continue to develop and implement dust control strategies</p> |
| Heritage | | | | | | | |
| No disturbance to Aboriginal artefacts, sites of significance or European heritage unless prior approval under the relevant legislation is obtained | Records demonstrate that discoveries of suspected Aboriginal or European artefacts or remains were left without further disturbance, reported to the authorities and investigated and that work recommenced only | Compliant | All discoveries of suspected Aboriginal or European artefacts are left without further disturbance, reported to the authorities and investigated with | Compliant | Not applicable | <p>No incidents of discovery of suspected Aboriginal or European artefacts were recorded.</p> <p>Heritage clearances are in place</p> <p>Significant rocks from the Princess pit that had previously been identified</p> | |

| Outcome | Outcome measurement criteria (OMC) | OMC compliance status | Target Value | Leading indicator status | Target Value actions summary | Evidence | Forward work plan |
|--|--|-----------------------|---|--------------------------|------------------------------|--|--|
| | after being authorised by the appropriate authority | | work recommended only after authorisation from the appropriate authority | | | and recorded are to be moved and protected in 2014 as per agreement | |
| Traffic | | | | | | | |
| <p>No incidents or accidents resulting from road/rail traffic accidents associated with IKMA operations that could have been reasonably prevented</p> <p>No public impacts offsite are caused by drag-out to and from the mine site associated with mine related traffic</p> | <p>Records of independent investigation of all recorded incidents and accidents involving IKMA operational traffic, or IKMA road/rail traffic demonstrates that the incident or accident could not have been reasonably prevented through implementation of precautionary measures and that all corrective actions are closed out within thirty days or as otherwise agreed by the Regulator</p> | Compliant | <p>No incidents or accidents resulting from IKMA operational traffic or IKMA road/rail that could have been reasonably prevented by Arrium Mining</p> | Triggered | Closed | <p>Incidents of road traffic interactions with kangaroos on the public highway have been reported investigated and closed in the BSS.</p> <p>No incidents of operational vehicle collisions were recorded in the BSS.</p> <p>No incidents related to drag-out were recorded in 2014.</p> | <p>Continue to record all road traffic fauna interactions as safety and environmental incidents.</p> |

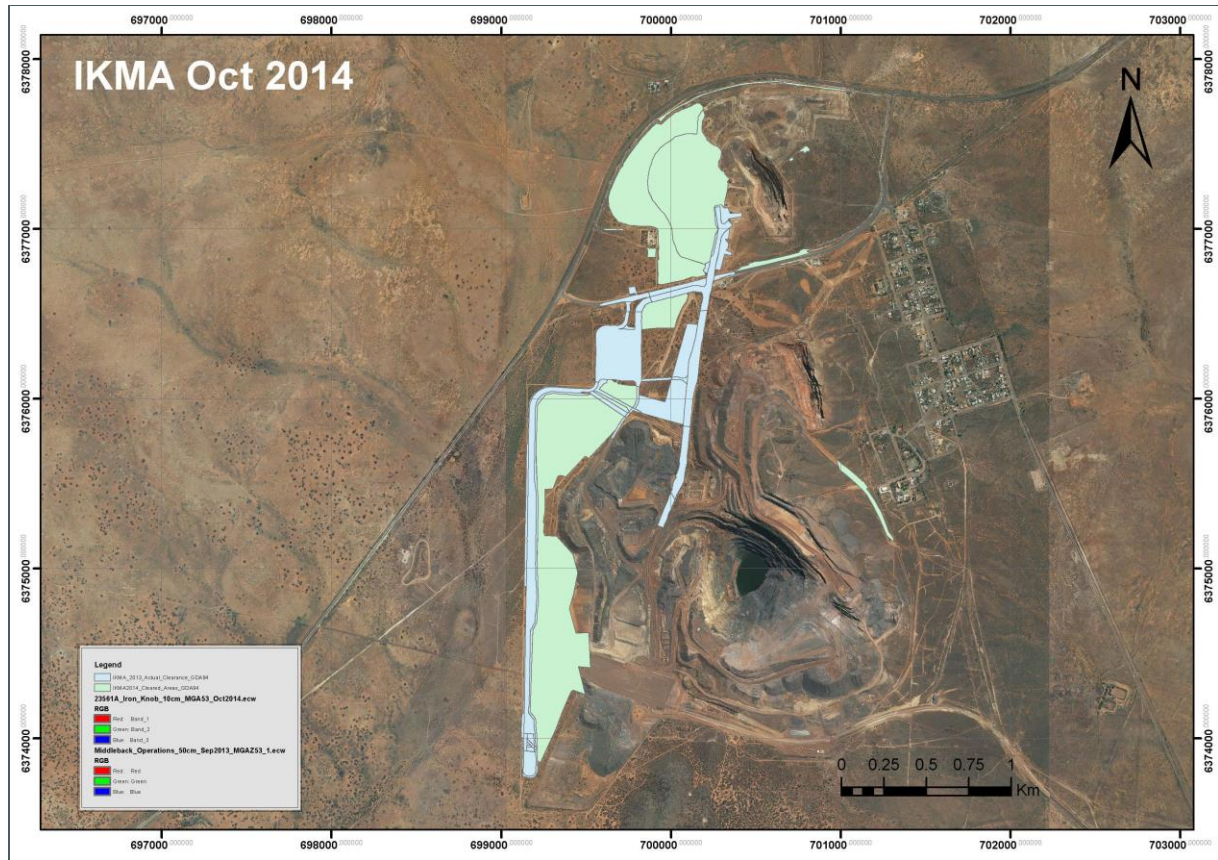


Figure 6 Vegetation clearance in the IKMA to October 2014

7 CLOSURE

Activities associated with rehabilitation in the IKMA during 2014 is summarised in Table 16. See Section **Error! Reference source not found.** for information for planned rehabilitation in other closure domains.

Table 16 Rehabilitation and environmental activities in the IKMA - 2014

| Closure domain | Previous reporting period | | Current reporting period | | Forecast over next reporting period | | Outcome | Outcome measurement criteria | Description of progressive rehabilitation works and evidence | Associated lease status | Forward work plan |
|--------------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------------------|--------------------|---|--|--|-------------------------|--|
| | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | | | | | |
| Waste Rock Dumps | 0 | 0 | 182.21 | 0 | 57.7 | 64.59 | Integrate and harmonise final landforms and vegetation with surrounding landscape | Annual Progressive Rehabilitation Compliance Audit and final landform profile and revegetation audit demonstrates WRDs constructed and remediated to integrate and harmonise the final landform and vegetation with surrounding landscape in accordance with design, closure and rehabilitation strategy described in Section Error! Reference source not found. (PEPR2014/038) | No progressive rehabilitation was undertaken in 2014 as no areas of WRD construction had been completed during the period. | | Rehabilitation of 64 ha of completed WRD planned for 2015. |
| Construction areas | 74.64 | 0 | 0 | 0 | 0 | 0 | | | | | |

| Closure domain | Previous reporting period | | Current reporting period | | Forecast over next reporting period | | Outcome | Outcome measurement criteria | Description of progressive rehabilitation works and evidence | Associated lease status | Forward work plan |
|----------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------------------|--------------------|---------|---|--|-------------------------|-------------------|
| | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | | | | | |
| | | | | | | | | Final landform profile and revegetation audit via ground and flora survey demonstrates that all constructed haul roads and open areas are remediated in accordance with design, closure and rehabilitation strategy described in Section Error! Reference source not found. (PEPR2014/038) | Not applicable until mine closure | | |
| | | | | | | | | Records indicate that stakeholders are consulted on for WRD design | Completed prior to construction. | | |

| Closure domain | Previous reporting period | | Current reporting period | | Forecast over next reporting period | | Outcome | Outcome measurement criteria | Description of progressive rehabilitation works and evidence | Associated lease status | Forward work plan |
|----------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------------------|--------------------|---|--|--|-------------------------|---|
| | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | | | | | |
| | | | | | | | Reestablishment of the ecosystem and landscape function where practicable | Annual assessment by internal specialist or external consultant and a final report from a suitably qualified person confirms that Landscape Function Analysis (LFA) indicates that LFA curve has moved above, or is likely to move above the critical threshold of sustainability on remediated WRDs, haul roads and operational and fixed plant areas. This criteria to remain open until the target is met | No rehabilitation conducted to 31 December 2014 | | Rehabilitation of 64 ha of completed WRD planned for 2015 |

| Closure domain | Previous reporting period | | Current reporting period | | Forecast over next reporting period | | Outcome | Outcome measurement criteria | Description of progressive rehabilitation works and evidence | Associated lease status | Forward work plan |
|----------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------------------|--------------------|---|---|--|-------------------------|-------------------|
| | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | | | | | |
| | | | | | | | <p>Risk to health and safety of the public and fauna are as low as reasonably practicable</p> | <p>Final landform profile and revegetation audits demonstrates that WRDs, quarry pit and operational areas are constructed and remediated and that the safety bunds, fencing and signage are in place in accordance with the design, closure and rehabilitation strategy described in Section Error! Reference source not found. (PEPR2014/038)</p> <p>A suitable fence will be maintained by Arrium Mining until such time that it is agreed with DMITRE and the State that Arrium Mining will relinquish the mine back to the state of South Australia</p> | <p>Not applicable until mine closure</p> <p>The site is fully fenced</p> | | |

| Closure domain | Previous reporting period | | Current reporting period | | Forecast over next reporting period | | Outcome | Outcome measurement criteria | Description of progressive rehabilitation works and evidence | Associated lease status | Forward work plan |
|----------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------------------|--------------------|--|--|--|-------------------------|---|
| | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | | | | | |
| | | | | | | | The site is physically stable | Annual and final landform profile compliance audits demonstrates WRDs, Iron Monarch pit, Iron Princess pits and infrastructure areas are constructed and remediated in accordance with design, closure and rehabilitation strategy set out in Section Error! Reference source not found. (PEPR2014/038) | No rehabilitation conducted to 31 December 2014 | | Rehabilitation of 64 ha of completed WRD planned for 2015 |
| | | | | | | | The site will be rehabilitated to a stable condition that supports a resilient, self-sustaining natural ecosystem suitable for the post mining land use that will be determined in consultation with relevant stakeholders | Site audit at mine closure by an independent professional to demonstrate that the site is rehabilitated as per the closure domain objectives (see Section Error! Reference source not found. , PEPR2014/038) and in accordance with stakeholder consultation outcomes | Not applicable until mine closure | | |

| Closure domain | Previous reporting period | | Current reporting period | | Forecast over next reporting period | | Outcome | Outcome measurement criteria | Description of progressive rehabilitation works and evidence | Associated lease status | Forward work plan |
|----------------|---------------------------|--------------------|--------------------------|--------------------|-------------------------------------|--------------------|--|--|--|-------------------------|-------------------|
| | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) | | | | | |
| | | | | | | | All infrastructure is removed from the site prior to mine closure | Final closure and divestment audit report demonstrates that all fixed mine infrastructure is demolished, disposed of or removed from site within two years of mine closure | Not applicable until mine closure | | |
| | | | | | | | All equipment is removed from site prior to mine closure | Final closure and divestment audit report demonstrates that all mobile machinery and equipment is removed from site within 12 months (or as otherwise agreed with DMITRE) of completion of rehabilitation of all WRDs, haul roads and impacted areas | Not applicable until mine closure | | |
| | | | | | | | All mine waste materials left on site are chemically and physically stable | At cessation of mining records demonstrate all industrial and domestic wastes are disposed of in accordance with the <i>Environment Protection Act 1993</i> , as determined by a compliance audit | Not applicable until mine closure | | |

8 NON-OUTCOME BASED LEASE CONDITIONS

A review of compliance against non-outcome based lease conditions for IKMA is provided in Table 17.

Table 17 Non-outcome based leased conditions - IKMA

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|---|--|
| ML3147–3151, ML3176–3177, ML3481, ML3789–3792, ML4037–4039, ML4429–4434, ML4490, ML4762–4769 | | | |
| The Lessee will during the said term pay or cause to be paid to the Minister of Mines (hereinafter referred to as 'the Minister') at the office of the Department of Mines in the City of Adelaide on behalf of the Governor the rent and other sum hereby reserved at the times and in the manner hereinbefore appointed for payment thereof free and clear of all rates taxes impositions outgoings and deductions whatsoever | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the Lessee will pay and discharge all rates taxes assessments impositions and outgoings which during the said term shall become payable in respect of the said land and premises | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will maintain in position during the said term the posts and trenches or piles of stone required by the said regulations to be erected or put on the said land when the same was pegged out as a claim and in addition thereto will paint legibly on such posts the number of this lease | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will during the said term make construct and work all mines and so and perform all things authorised by this lease in a fair orderly, skillful and workmanlike manner | Compliant | PEPR2014/038 conditionally approved on 15 May 2014 (DMITRE Letter Ref:MO6332.001, A1970223) and final approval on the 20 October 2014 (DSD Letter Ref:MO6332.001, A2171549) | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will during the said term employ and keep constantly employed not less than one man for every ten acres or portion of ten acres except as provided by Regulation No. 125 in mining or prospecting for all metals and mineral except gold in or upon the said land and will whenever thereunto requires by the Minister furnish him with satisfactory evidence that such number of men have been and are so employed due allowance being made by the Minister for machinery or horses employed at the rate of two men for each horse or horsepower of machinery | Not relevant | | |
| The Lessee will make such provision for the disposal of silt sludge dirt waste or refuse which may be brought out by the said mines and premises so that the same will not flow or find its way into any stream brook river or water channel or so as to | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|---|--|
| injure or interfere with any land set apart for water supply purposes | | | |
| That the lessee will build and keep in proper repair a sufficient and substantial stone wall or other fence around all the pits and shafts which may at any time during the said term be open in any part of the said land and premises for the purpose of this lease so as effectually to prevent all access thereto by all kinds of cattle | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will whenever lawfully required do to for at the lessee's own cost and in manner required by any regulations for the time being in force in that behalf cause to be made a survey of the said land and cause to be forwarded to the said Department of Mines a map or plan of such survey | Not relevant | No request for survey received from the Department of Mines | |
| That the lessee will at all times during the said term keep and preserve the said mines and premises in good order repair and condition and in such good order repair and condition at the end or other sooner determination of the said term deliver peaceable possession thereof and of all and singular the premises hereby leased unto the Governor or the Minister or to some officer authorised by him or them to receive possession thereof | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will permit the pastoral lessee (if any) of the said land at all times to have free access and user for domestic purposes and for the purposes of watering stock to and of any surface water on the said land which shall not have been provided or stored by artificial means by the lessee | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will report to a warden when gold precious stones coal shale oil salt gypsum or other minerals other than iron ore or iron bearing substances are found in payable quantities in or upon the said land | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will not during the continuance of the said term without the written consent of the Minister first hand and obtained use or occupy or permit to be used or occupied the said land except for the purpose of exercising the rights and liberties hereinbefore granted | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will not prevent any person who holds a right privilege or authority under the said Acts and regulations or any amendment thereof from exercising the same: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That it shall be lawful for the Governor or the Minister or any person authorized by him or them at all proper and reasonable times during the said term without any interruption from the lessee or the lessee's agents, servants or workmen to enter into and upon the said land and into and upon any mines or works that may be found therein to view and examine the condition thereof and whether the same be worked in a proper skillful and workmanlike manner and for such purpose to make use of any of the railroads or other roads or ways machinery and works belonging to the said mines and to examine and take extracts from all books accounts vouchers and documents relating thereto | Compliant | PEPR2014/038 conditionally approved on 15 May 2014 (DMITRE Letter Ref:MO6332.001, A1970223) and final approval on the 20 October 2014 (DSD Letter Ref:MO6332.001, A2171549) | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|----------|-------------------|
| That if the said rent be not paid on or before the day hereinbefore appointed for payment thereof a penalty of five pounds per centum shall be added to the said rent and if the said rent and penalty be not paid within one calendar month after the said day a further penalty of ten pounds per centum shall be added and if the said rent and penalties be not paid within one calendar month after the said first month the same shall be recoverable by the Minister by action in any court of competent jurisdiction | Not relevant | | |
| That if the lessee shall during the said term commit any breach of or shall fail to comply with any covenant, condition or proviso herein contained this lease shall be liable to forfeiture in manner hereinafter provided: | Not relevant | | |
| That if the Minister has reason to believe that there has been a breach of or non-compliance with any of the covenants conditions or provisos herein contained the Minister shall give written notice to the lessee specifying the covenants conditions or provisos which he has reason to believe are not being complied with and notifying the lessee that this lease will be liable to forfeiture at the expiration of one month from the date of such notice unless in the meantime such covenants conditions or provisos are duly complied with and if at the expiration of such notice such covenants conditions or provisos are still not being complied with by the lessee the Governor may cancel this lease notwithstanding that the rent payable under this lease for the period during which such breach is committed may have been paid and notwithstanding any implied waiver of such breach by the Governor and the Minister shall thereupon insert a notice in the Government Gazette declaring this lease to be forfeited | Not relevant | | |
| That a notice of forfeiture so published in the Government Gazette shall be taken to be conclusive evidence that this lease has been legally cancelled and forfeited | Not relevant | | |
| That in case this lease shall become liable to forfeiture the Minister may extend the period during which the lessee may perform the covenants conditions and provisos of this lease for such time and subject during such period of extension to such terms and conditions as the Minister may think fit | Not relevant | | |
| That the lessee shall be at liberty to surrender this lease by giving to the Minister three calendar months' notice in writing of the lessee's desire or intention so to do and upon payment of all arrears of rent up to the date of surrender | Not relevant | | |
| And lastly that the lessee shall be at liberty to remove from the said land at any time within- (a) three months after the date of forfeiture or surrender of this lease any improvements plant machinery engines or tools ; (b) six months after the date of forfeiture or surrender of this lease any metals and minerals except gold won by the lessee stacked upon the said land but shall not remove or interfere with any timber in any mine upon the said land. | Not relevant | | |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|----------|-------------------|
| ML1659–1667, ML2238–2239, ML2240–2242, ML2383–2384, ML2612–2614 | | | |
| ALSO with liberty for the said Lessee and the Lessees agents and workmen in and upon the said land hereby demised to dig sink drive make and use all such pits shafts levels watercourses and other works which it may be necessary to use in seeking for finding winning working and obtaining the metals and minerals not being gold coal or mineral oil therein contained and also to appropriate and use such part of the said lands either underground or on the surface as may be proper and requisite as well for depositing and laying down ores and placing and keeping the waste, refuse and rubbish which may be worked along with them from time to time as for washing and obtaining ores and for effectually separating ores from the soil and other substances mixed with them and for smelting and reducing ores into metal and also for supplying the said mines and works with water or with good and fresh air and for freeing the same from water or foul air and for the purposes aforesaid to erect, make and employ all such fire steam water or other engines, buildings, smelting works, furnaces, women's houses, shops, crushing mills, sheds or hovels machinery and works as may be proper and reasonable together also with liberty for him and them to erect upon the said lands hereby demised smelting works and furnaces hovels and other offices belonging to or necessary for the said works and all other necessary or convenient powers authorities privileges and advantages for all or any of the purposes aforesaid subject to the provisions of 'The Mining Act 1893' and the regulations made in pursuance thereof | Not relevant | | |
| EXCEPT NEVERTHELESS AND ALWAYS RESERVED out of this demise all gold lying upon within under and throughout the said land reservations hereby demised with full liberty power and authority to Her said Majesty Her Heirs and Successors and to the Governor for the time being of the Province aforesaid and all other persons authorised by him to enter upon the said land or any part or parts thereof and there to break the surface to search for work win and obtain the said gold and for that purpose to dig sink drive and make pits shafts drifts headways levels adits soughs trenches huddles fences and sluices and to build and make storehouses huts and stables and other erections and to do all other things tor refining the gold and carrying off and removing all the water slag rubbish and other annoyances and troubles from the works and for the accommodation of the persons employed therein with allowance also of sufficient heap room and ground room for laying placing washing ordering and dressing the gold ores and minerals and that upon the most convenient parts of the said premises and also liberty to make and set up necessary water engines and to turn change or alter the course of water or rivulets on the said land | Not relevant | | |
| TO HAVE AND TO HOLD the said lands hereby demised with all metals and minerals (except and subject as aforesaid) and all and singular the premises with their appurtenances unto the said Lessee from the 13th of June 1899 | Not relevant | | |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|---|--|
| AND PAYING therefor yearly and every year unto Her Majesty Her Heirs and Successors by payments at Her Majesty's Treasury in the City of Adelaide in the said Province rent or sum of two pounds by equal half-yearly payments on the twenty-eighth day of February and the thirty-first day of August in each year | Not relevant | | |
| SECONDLY YIELDING AND PAYING therefor unto Her Majesty Her Heirs and Successors ' on every the twenty-eighth day of February and the thirty-first day of August in each year a further sum equal to Sixpence in the Pound sterling on the net profits obtained from the occupation and working of all mines and the sale of all metal and minerals which shall be obtained from the land hereby demised | Not relevant | | |
| AND the said Lessee doth hereby covenant with Her Majesty Her Heirs and Successors and to and with the said Governor and his assigns and with and to the Governor for the time being of the said Province that the said Lessee Not to use land for other purposes than leased will during the said term pay or cause to be paid to the Treasurer of South Australia for the time being on behalf of Her Majesty Her Heirs and Successors the reserved rent as and when the same shall become due free of all taxes rates impositions and outgoings whatsoever | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND will not without the permission of the Minister of Mines in writing during the continuance of the said term use the demised land for any other purpose than that of mining and smelting or otherwise winning from the soil and rendering marketable any metals or minerals other than gold therein contained | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND will during the continuance of the term work and carry on such mines in a fair orderly skillful and workmanlike manner. | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND ALSO during the term of the lease employ and keep continuously employed not less than one man for every ten (10) acres or portion of ten (10) acres of the land here by demised in mining or prospecting for metals and minerals not being gold coal or mineral oil upon the said land and will whenever thereunto required by the said Minister furnish him with satisfactory evidence that such number of men have been and also employed due allowance being made by the said Minister for machinery or horses employed at the rate of two men for each horsepower | Not relevant | | |
| AND ALSO will whenever lawfully required so to do at the Lessees own cost and in manner required by any regulations for the time being in force in that behalf cause to be made a survey of the area included in this lease and cause to be forwarded to the Department of Mines a map or plan of such survey | Not relevant | No request for survey received from the Department of Mines | |
| AND ALSO that it shall be lawful for Her Majesty Her Heirs and Successors and for the Governor for the time being of the said Province and his and their agents and workmen at all proper and seasonable times during the term without any interruption from the said Lessee or the Lessees agents servants or workmen to enter into and upon the premises and into and upon any mines or works that may | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|---|--|
| be found therein to view and examine the condition thereof and whether the same be worked in a proper skillful and workmanlike manner and for such purpose to make use of any of the railroads or other roads or ways machinery and works belonging to such mines and premises | | | |
| AND ALSO that the Lessee will not at any time during the continuance of the term place or leave any waste or dead heaps refuse or rubbish which may be brought out of the said mines and premises near to any river brook or channel of water whereby such waste or dead heaps refuse or rubbish may reasonably be supposed to be liable to be disturbed or carried away by floods or other natural causes | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND ALSO will build and keep in proper repair a sufficient and substantial stone wall or other fence round all the pits and shafts which may at any time during the term be open in any part of the demised premises or elsewhere for the purpose of this demise so as effectually to prevent all access thereto by all kinds of cattle | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND ALSO will at all times during the continuance of the term keep and preserve the said mines and premises from all unnecessary injury and damage and also all the levels and drafts drifts shafts pits sumps watercourses, houses erections sheds washing-places puddles and other conveniences roads and ways in good order repair and condition and in such state and condition at the end or other sooner determination of the said term deliver peaceable possession thereof | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND ALSO that the Lessee will permit the pastoral Lessee of the lands hereby demised at all times to have free access and user for domestic purposes and for the purpose of watering stock to and of any surface water upon the said land which shall not have been provided or stored by artificial means by the lessee | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| THAT the Lessee will half yearly in the months of January and July furnish to the Warden of the mining district in which the said demised land is situated a full and true return showing the quantity of stone or ore treated and the quantity of metals and minerals (other than gold or coal) taken from such lands during the preceding half-year | Compliant | Submission of 2014 Compliance Report (Doc. Ref:WPC-151) Submission of 2013 Compliance Report (Doc. Ref: WPC-140) Submission of 2012 Mining and Rehabilitation Compliance Report (MARCR) (Doc. Ref: WPC-118) | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| AND ALSO will when metals minerals coal or oil are found in paying quantities on the demised land report such finding to a Warden and will observe all the provisions of 'The Mining Act 1893' and will observe and conform to and hold the demised premises according to the several orders and regulations from time to time in force regulating the tenure of Crown lands in South Australia for mineral purposes | Not relevant | | |
| PROVIDED ALWAYS that this lease shall be liable to forfeiture upon breach of any covenant herein contained to be performed by the said Lessee | Not relevant | | |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|----------|---|
| PROVIDED ALWAYS that if the rent hereby reserved be not paid on or before the days whereupon the same is hereby made payable a penalty of Five Pounds per centum shall be added to such rent and if the said rent and penalty be not paid within one calendar month thereafter a further penalty of Ten Pounds per centum shall be added and if the said rent and such penalties be not paid within one calendar month after such first month the same shall be recoverable by the Minister of Mines by action in any Court of competent jurisdiction | Not relevant | | |
| PROVIDED ALWAYS that if the said rent shall be in arrear and unpaid for more than three calendar months after the day on which the same is payable under this demise it shall be lawful for the Governor to cancel this demise and the said Minister may thereupon insert a notice in the Government Gazette declaring this demise to be forfeited | Not relevant | | |
| PROVIDED ALWAYS that if the Minister has reason to believe that there has been a breach of any of the covenants or conditions herein contained other than a breach of the covenants for payment of rent or non-compliance with the labor conditions the Minister shall give written notice the said Lessee specifying the covenants or conditions which he has reason to believe are not being complied with and notifying the said Lessee that such lease will be liable to forfeiture at the expiration of one month from the date of sue notice unless in the meantime such covenants or conditions are duly complied with and if at the expiration of such notice such covenants or conditions are not being complied with by the said Lessee the Governor may cancel this demise and the Minister shall thereupon insert a notice in the Government Gazette declaring this demise to be forfeited | Not relevant | | |
| PROVIDED ALWAYS that a notice of forfeiture so published in the Government Gazette shall be taken to be conclusive evidence that this present demise has been legally cancelled and forfeited | Not relevant | | |
| PROVIDED ALSO that it shall be lawful for the Governor from time to time to resume any part of the land hereby demised for the purpose of making roads for public utility and convenience | Not relevant | | |
| PROVIDED LASTLY that the said Lessee shall be at liberty to surrender this lease by giving to the said Minister three calendar months' notice in writing of the Lessees desire or intention so to do and upon payment of all arrears of rent up to the date of such surrender and shall also have power to remove any plant machinery engines or tools from the land so leased at any time prior to the expiry of such notice but shall not nor will remove or interfere with any timber in any mine then upon the demised land. | Not relevant | | |
| MPL45 | | | |
| IT IS HEREBY FURTHER AGREED AND DECLARED between the parties hereto that the licence is granted upon the further conditions set out hereunder: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|----------|--|
| <p>The Licensee shall pay to the Minister the licence fee at the offices of the Department of Mines and Energy in the State of South Australia:</p> <p>The Licensee may enter upon the land and do all things effective in pursuance or ancillary to the purpose for which this licence is granted and do such things in a fair, orderly, skillful and workmanlike manner:</p> <p>The Licensee will pay and discharge all rates, taxes, assessments, impositions and outgoings which shall become payable in respect of the land:</p> <p>The Licensee shall comply with the provisions of the Act and the Regulations, and the provisions of any other Act and regulations for the time being in force relating to the use, enjoyment or occupation of mineral lands:</p> <p>The Licensee shall do such things in pursuance of this licence in such a manner so as (a) to prevent pollution to or contamination of surface or underground waters, and (b) to minimise surface damage to the land:</p> <p>The Licensee shall ensure that, in drilling or other underground investigations, no interconnection between groundwater aquifers occurs:</p> <p>The Licensee shall permit the Minister or the Director, or any person duly appointed by either of them at all reasonable times to enter upon the land and survey and examine the condition thereof:</p> <p>The Licensee shall, in using and exercising the licence hereby granted, take all necessary action to afford adequate protection against detriment resulting from the conduct of operations in pursuance of the licence:</p> <p>The Licensee shall perform and comply with all of the conditions set out in Schedule C attached hereto.</p> | | | Regulations and Licence Conditions |
| Any notice to be given to or demand to be made upon the Licensee by or on behalf of the Minister shall be deemed to be duly given or made if the same be left at or sent through the post in a prepaid envelope addressed to the Licensee at the address of the Licensee shown in the Mining Register and any such mode of service shall in all respects be valid and effectual and any such notice or demand if sent through the post as aforesaid shall be deemed to have been received by the Licensee within three days following the day on which the envelope containing such notice or demand is posted. | Not relevant | | |
| In the construction of these presents each and every word, term or expression defined in the Act shall have the same meaning where used in this licence, the masculine shall include the feminine, words importing persons shall include corporations, and the singular shall include the plural when the context or circumstances require and unless inconsistent with or repugnant to the context the following words shall have the meanings set opposite to them respectively: | Noted | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|----------|--|
| (i) 'amendment' includes an addition, excision or substitution; (ii) 'the Act' means the Mining Act, 1971, as amended, together with any amendment thereof; (iii) 'the Director' means the Director of Mines; (iv) 'the land' includes any part thereof; (v) 'the Licensee' means and includes: (aa) in the case of a natural person the executors, administrators and assigns of that person; (bb) in the case of a body corporate the successors, administrators or permitted assigns thereof; (vi) 'the Minister' means the Minister of Mines and Energy, being a corporation sole pursuant to the provisions of the Act; (vii) 'the Regulations' means the Regulations under the Act in force for the time being; (viii) 'the term' includes any renewal or extension thereof | | | |
| ML2647, ML2670–2673, ML2700 | | | |
| That the lessee will during the said term pay or cause to be paid to the Minister of Mines (hereafter referred to as 'the Minister') at the office of the Department of Mines in the city of Adelaide on behalf of the Government the rent and other sum hereby reserved at the times and in the manner herein before appointed for payment thereof free and clear of all rates taxes impositions outgoings and deductions whatsoever: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will pay and discharge all rates taxes assessments impositions and outgoings which during the said term shall become payable in respect of the said land and premises: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will maintain in position during the said term the posts and trenches or piles of stone required by the said regulations to be erected or cut on the said land when the same was pegged out as a claim and in addition thereto will paint legibly on; such posts the number of this lease: | Compliant | | |
| That the lessee will during the said term make construct all mines and do and perform all things authorised by this; lease in a fair orderly skillful and workmanlike manner: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will during the said term employ and keep constantly employed not less than 1 man for every ten acres or portion of 10 acres except as provided by Regulation No. 125 in mining or prospecting for all metals and minerals except | Not applicable | | |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|--|--|
| gold in or upon the said land and will whenever thereunto required by the Minister furnish him with satisfactory evidence that such number of men have been and are so employed due allowance being made by the Minister for machinery or horses employed at the rate of two men for each horse or horsepower of machinery: | | | |
| That the lessee will make such provision for the disposal of the silt sludge dirt waste or refuse which may be brought out of the said; mines and premises so that the same will not flow or find its way into any stream brook river or water channel or so as to injure or interfere with any land set apart for water supply purposes | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will build and keep in proper repair a sufficient and substantial stone wall or other fence around all the pits and shafts which may at any time during the said term be open in any part of the said land and premises for the purpose of this lease so as effectually to prevent all access thereto by all kinds of cattle: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will whenever lawfully required so to do at the lessee's own cost and in manner required by any regulations for the time being in force in that behalf cause to be made a survey of the said land and cause to be forwarded to the said Department of Mines a map or plan of such survey | Not relevant | No request for survey received from the Department of Mines | |
| That the lessee will at all times during the said term keep and preserve the said mines and premises in good order repair and condition and in such good order repair and condition at the end or other sooner determination of the said term deliver peaceable possession thereof and of all and singular the premises hereby leased unto the Governor or the Minister or to some officer authorised by him or them to receive possession thereof | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will half-yearly in the months of January and July furnish to the Warden of the mining district in which the said land is situated a full and true return showing in respect of the preceding half-year the quantity of stone or ore treated the quantity of metals and minerals taken from the said land and the working expenses incurred in and the gross proceeds and net profits received from the occupation: and working of the said land and the sale of all metals and minerals and if called upon so to do by the Warden will furnish, in addition to the particulars required in the said return a true and faithful copy of the balance-sheet and trading and profit and loss accounts and any other information relative to the occupation and working of the said land; | Compliant | Submission of 2014 Compliance Report (Doc. Ref: WPC-151) Submission of 2013 Compliance Report (Doc. Ref: WPC-140) Submission of 2012 Mining and Rehabilitation Compliance Report (MARCR) (Doc. Ref: WPC-118) | |
| That the lessee will permit the pastoral lessee (if any) of the said land at all times to have free access and user for domestic purposes and for the purposes of watering stock to and of any surface water on the said land which shall not have been provided or stored by artificial means by the lessee: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will report to a Warden when payable gold is struck or metals precious stones minerals coal shale oil salt or gypsum are found in payable quantities in or upon the said land | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|----------|--|
| That the lessee will not during the continuance of the said term without the written consent of the Minister first had and obtained use or occupy or permit to be used or occupied the said land and premises other than for the purpose of exercising the rights and liberties hereinbefore granted | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will not prevent any person who holds a right privilege or authority under the said Acts and regulations or any amendment thereof from exercising the same | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee will not during the said term transfer assign sublet or otherwise dispose of or part with the possession of mortgage charge or encumber the said land and premises or any part thereof or do or permit or suffer to be done any act matter or thing whereby the said land and premises or any part thereof shall or may be transferred assigned sublet or otherwise disposed of or the possession thereof parted with or mortgaged charged or encumbered to any person or persons for the whole or any part of the said term without the consent in writing of the Minister first had and obtained for every such purpose | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| Provided always and it is hereby agreed and declared in manner following:- That it shall be lawful for the Governor or the Minister or any person authorised by him or them at all proper and reasonable times during the said term without any interruption from the lessee or the lessee's agents servants or workmen to enter into and upon the said land and premises and into and upon any mines or works that may be found therein to view and examine the condition thereof and whether the same be worked in a proper skillful and workmanlike manner and for such purpose to make use of any of the railroads or other roads or ways machinery and works belonging to the said mines and premises and to examine and take extracts from all books accounts vouchers and documents relating thereto | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That so far as applicable the provisions of the said Act and all regulations made thereunder or any amendment of the said Acts are embodied and incorporated herein and the lessee hereby covenants to observe fulfill and perform the same | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That the lessee shall on due performance and observance of the covenants conditions and provisos herein contained be entitled to a renewal from time to time of this lease for any period at each renewal not exceeding twenty-one years from the expiration of this lease or any renewal thereof at the rent for the time being chargeable by law in respect of leases of the same class as this lease and shall be subject to the covenants conditions and provisos prescribed by any Act or regulations for the time being in force relating to leases of the same class as this lease | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That if the said rent be not paid on or before the day hereinbefore appointed for payment thereof a penalty of five pounds per centum shall be added to the said rent and if the said rent and penalty be not paid within one calendar month after the said day a further penalty of ten pounds per centum shall be added and if the | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|----------|--|
| said rent and penalties be not paid within one calendar month after the said first month the same shall be recoverable by the Minister by action in any court of competent jurisdiction | | | |
| That if the lessee shall during the said term commit any breach of or shall fail to comply with any covenant condition or proviso herein contained this lease shall be liable to forfeiture in manner hereinafter provided | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That if the said rent shall be in arrear and unpaid for more than three calendar months after the day on which the same is payable under this lease it shall be lawful for the Governor to cancel this lease and the Minister may thereupon insert a notice in the Government Gazette declaring this lease to be forfeited | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That if the Minister has reason to believe that there has been a breach of or non-compliance with any of the covenants conditions or provisos herein contained other than a breach of the covenant for payment of the said rent or non-compliance with the labour conditions of this lease the Minister shall give written notice to the lessee specifying the covenants conditions or provisos which he has reason to believe are not being complied with and notifying the lessee that this lease will be liable to forfeiture at the expiration of one month from the date of such notice unless in the meantime such covenants conditions or provisos are duly complied with and if at the expiration of such notice such covenants conditions or provisos are still not being complied with by the lessee the Governor may cancel this lease notwithstanding that the rent payable under this lease for the period during which such breach is committed may have been paid and notwithstanding any implied waiver of such breach by the Governor and the Minister shall thereupon insert a notice in the Government Gazette declaring this lease to be forfeited. In case of a breach of the covenant for payment of the said rent or the non-compliance with the said labour conditions the Governor may exercise the power of cancellation without giving the written notice hereinbefore mentioned: | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| That a notice of forfeiture as hereinbefore mentioned in the last two preceding provisos so published in the Government Gazette shall be taken to be conclusive evidence that this lease has been legally cancelled and forfeited: | Compliant | | |
| That in case this lease shall become liable to forfeiture the Minister may (except as to any case coming under the operation of section 70 of the said Acts) extend the period during which the lessee may perform the covenants conditions and provisos of this lease for such time and subject to such terms and conditions as the Minister may think fit and the terms and conditions so imposed by the Minister shall bind the lessee and all transferees mortgagees assignees and other persons claiming through or under him and this lease shall thereafter be construed as if the said terms and conditions were inserted therein: | Compliant | | |
| That the lessee shall be at liberty to surrender this lease by giving to the Minister three calendar months' notice in writing of the lessee's desire or intention so to do and upon payment of all arrears of rent up to the date of surrender: | Compliant | | |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|----------|-------------------|
| And lastly that the lessee shall be at liberty to remove from the said land at any time within- (a) three months of the date of forfeiture or surrender of this lease any plant machinery engines or tools (b) six months from the date of forfeiture or surrender of this lease any ore or other substance mined by virtue of this lease and stacked upon the said land but shall not remove or interfere with any timber in any mine upon the said land. | Compliant | | |
| ML6429, ML6430 | | | |
| <i>First Schedule</i> | | | |
| 1. Mining operations authorised by this lease must only be for the recovery of Iron Ore from this lease as outlined in the mining lease proposal document WPC-102 dated 25 September 2013. | Compliant | | |
| 2. Processing of ore from other authorised tenement(s) associated with the mining operation known as Iron Knob mining area is permitted on this lease. | Compliant | | |
| 3. The Lessee agrees to the approved PEPR (section 70B(5)) and the Compliance report (regulation 86) and any reportable incident reports (Regulation 87) being made available for public inspection. | Compliant | | |
| 4. In accordance with Regulation 90(1) the Lessee must, prior to commencing operations under this Lease and for the duration of the lease maintain public liability insurance to cover all operations under the Lease in the name of the Lessee for a sum not less than \$50 million per occurrence and unlimited in annual aggregate or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may require. | Compliant | | |
| 5. In requesting a review of the bond required under the Mining Act 1971, the Minister may request that written quotes from an independent third party approved by the Minister are obtained by the Lessee for the cost of rehabilitating the site to the requirements specified in the approved Program under Regulation 65(2). | Compliant | | |
| 6. The Lessee must meet all the charges and costs in obtaining and maintaining the Bond. | Compliant | | |
| <i>Other Environmental Conditions</i> | | | |
| 2. Progressive rehabilitation The Lessee must undertake rehabilitation of mining operations in accordance with an integrated mining and rehabilitation plan as approved in the PEPR | Compliant | | |
| 3. Landholder liaison | Compliant | | |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|---|--|
| The Lessee must ensure that the occupier of the land is fully advised of their program of activities, particularly in regard to the impact of operations on the land and rehabilitation progress. | | | |
| <p>4. Other legislation</p> <p>The above environmental outcomes do not derogate from the operation of any other Acts that may be applicable to this operation including (but not limited to):</p> <ul style="list-style-type: none"> • Aboriginal Heritage Act 1988 • Environment Protection Act 1993 • Natural Resources Management Act 2004 | Compliant | | |
| MPL142 | | | |
| <i>First Schedule</i> | | | |
| <p>1. The Miscellaneous Purposes Licence (MPL) is granted for the purpose of:</p> <p>Iron Princess waste rock dumps and bunds, environmental monitoring, access roads, perimeter fencing, stormwater management infrastructure, Eyre Highway traffic management, water infrastructure and operations ancillary to mining in association with mining operations at the Iron Knob Mining Area authorised under mining tenement(s) ML 4762, ML 4765, ML 3148, ML 1660, ML 4039, ML 1666, ML 2241, ML 2612, ML 4430, ML 3149, ML 2239, ML 4037, ML 2384, ML 2647, ML 4766, ML 3481, ML 3792, ML 4763, ML 4432, ML 1662, ML 1665, ML 2242, ML 3790, ML 2614, ML 2238, ML 2240, ML 3150, ML 3177, ML 4764, ML 4429, ML 3147, ML 3151, ML 1664, ML 4431, ML 2672, ML 4769, ML 2613, ML 2700, ML 1659, ML 2383, ML 4490, ML 3791, ML 4433, ML 1663, ML 4768, MPL 45, ML 2670, ML 3789, ML 4038, ML 1667, ML 4767, ML 3176, ML 2671, ML 1661, ML 2673, ML 4434, as outlined in the miscellaneous purposes licence proposal document dated 25 September 2013</p> | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 2. In accordance with Regulation 86(1)(a) the Licensee must provide a Compliance report every year, within 2 months after the anniversary of the date the Licence was granted, or at some other time agreed with the Minister. | Compliant | <p>Submission of the 2014 Compliance Report (Doc. Ref: WPC-151)</p> <p>Submission of 2013 Compliance Report (Doc. Ref: WPC-140)</p> <p>Submission of 2012 Mining and Rehabilitation Compliance Report (MARCR) (Doc. Ref: WPC-118)</p> | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 3. The Licensee agrees to the approved PEPR (section 70B(5)) and the Compliance report (Regulation 86) and any reportable incident reports (Regulation | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|---|---|
| 87) being made available for public inspection | | | Regulations and Licence Conditions |
| 4. In accordance with Regulation 90(1) the Licensee must, prior to commencing operations under this Licence and for the duration of the lease maintain public liability insurance to cover all operations under the Licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than \$20 million or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may require | Compliant | Public liability insurance maintained to a value stipulated by the Director of Mines not less than \$20 million Certificate of Currency can be made available upon request | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 5. In requesting a review of the bond required under the <i>Mining Act 1971</i> the Minister may request that written quotes from an independent third party approved by the Minister are obtained by the Licensee for the cost of rehabilitating the site to the requirements specified in the approved Program under Regulation 65(2). | Not relevant | The Minister has made no request for independent quotes for rehabilitation costs to date | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions and any request from the Minister for an independent quote for the cost of rehabilitating the site in accordance with Regulation 65(2) |
| 6. The Licensee must meet all the charges and costs in obtaining and maintaining the Bond. | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <i>Other Environmental Conditions</i> | | | |
| 2. Progressive rehabilitation The Licensee must undertake rehabilitation of mining operations in accordance with an integrated mining and rehabilitation plan as approved in the PEPR | Compliant | See Section 6.2 and Section 10 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 3. Landholder liaison The Licensee must ensure that the occupier of the land is fully advised of their program of activities, particularly in regard to the impact of operations on the land and rehabilitation progress. | Compliant | See Section 3.12 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 4. DPTI (Transport Services) Deed of Agreement The Licensee must, prior to commencing operations under this Licence and for the duration of the Licence maintain a Deed of Agreement with the Commissioner of Highways (<i>Highways Act 1926</i>). | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|---|--|
| <p>5. Other legislation</p> <p>The above environmental outcomes do not derogate from the operation of any other Acts that may be applicable to this operation including (but not limited to):</p> <ul style="list-style-type: none"> Aboriginal Heritage Act 1988 Environment Protection Act 1993 Natural Resources Management Act 2004 | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| MPL143 | | | |
| <i>First Schedule</i> | | | |
| <p>1.The Miscellaneous Purposes Licence (MPL) is granted for the purpose of:</p> <p>Perimeter fencing, access tracks, environmental monitoring and operations ancillary to mining</p> <p>in association with the mining operation known as Iron Knob Mining Area authorised under mining tenement(s) ML 4762, ML 4765, ML 3148, ML 1660, ML 4039, ML 1666, ML 2241, ML 2612, ML 4430, ML 3149, ML 2239, ML 4037, ML 2384, ML 2647, ML 4766, ML 3481, ML 3792, ML 4763, ML 4432, ML 1662, ML 1665, ML 2242, ML 3790, ML 2614, ML 2238, ML 2240, ML 3150, ML 3177, ML 4764, ML 4429, ML 3147, ML 3151, ML 1664, ML 4431, ML 2672, ML 4769, ML 2613, ML 2700, ML 1659, ML 2383, ML 4490, ML 3791, ML 4433, ML 1663, ML 4768, MPL 45, ML 2670, ML 3789, ML 4038, ML 1667, ML 4767, ML 3176, ML 2671, ML 1661, ML 2673, ML 4434, as outlined in the miscellaneous purposes licence proposal document dated 25 September 2013</p> | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <p>2. In accordance with Regulation 86(1)(a) the Licensee must provide a Compliance report every year, within 2 months after the anniversary of the date the Licence was granted, or at some other time agreed with the Minister.</p> | Compliant | <p>Submission of 2014 Compliance Report (Doc. Ref: WPC-151)</p> <p>Submission of 2013 Compliance Report (Doc. Ref: WPC-140)</p> <p>Submission of 2012 Mining and Rehabilitation Compliance Report (MARCR) (Doc. Ref: WPC-118)</p> | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <p>3.The Licensee agrees to the approved PEPR (section 70B(5)) and the Compliance report (Regulation 86) and any reportable incident reports (Regulation 87) being made available for public inspection</p> | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <p>4.In accordance with Regulation 90(1) the Licensee must, prior to commencing operations under this Licence and for the duration of the lease maintain public liability insurance to cover all operations under the Licence (including sudden and</p> | Compliant | <p>Public liability insurance maintained to a value stipulated by the Director of Mines not less than \$20 million</p> | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|--|--|
| accidental pollution) in the name of the Licensee for a sum not less than \$20 million or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may require | | Certificate of Currency can be made available upon request | |
| 5. In requesting a review of the bond required under the <i>Mining Act 1971</i> the Minister may request that written quotes from an independent third party approved by the Minister are obtained by the Licensee for the cost of rehabilitating the site to the requirements specified in the approved Program under Regulation 65(2). | Noted | The Minister has made no request for independent quotes for rehabilitation costs to date | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 6. The Licensee must meet all the charges and costs in obtaining and maintaining the Bond. | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <i>Other Environmental Conditions</i> | | | |
| 2. Progressive rehabilitation The Licensee must undertake rehabilitation of mining operations in accordance with an integrated mining and rehabilitation plan as approved in the PEPR | Compliant | See Section 6.2 and Section 10 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 3. Landholder liaison The Licensee must ensure that the occupier of the land is fully advised of their program of activities, particularly in regard to the impact of operations on the land and rehabilitation progress. | Compliant | See Section 3.12 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 4. Other legislation The above environmental outcomes do not derogate from the operation of any other Acts that may be applicable to this operation including (but not limited to): <ul style="list-style-type: none"> Aboriginal Heritage Act 1988 Environment Protection Act 1993 Natural Resources Management Act 2004 | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| MPL144 | | | |
| <i>First Schedule</i> | | | |
| 1. The Miscellaneous Purposes Licence (MPL) is granted for the purpose of: Access roads and tracks, services corridor including rail, environmental monitoring, perimeter fencing, haul roads, water infrastructure and operations ancillary to mining in association with the mining operation known as Iron Knob Mining Area authorised under mining tenement(s) ML 4762, ML 4765, ML 3148, ML 1660, ML 4039, ML 1666, ML 2241, ML 2612, ML 4430, ML 3149, ML 2239, ML 4037, ML | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|--|--|
| 2384, ML 2647, ML 4766, ML 3481, ML 3792, ML 4763, ML 4432, ML 1662, ML 1665, ML 2242, ML 3790, ML 2614, ML 2238, ML 2240, ML 3150, ML 3177, ML 4764, ML 4429, ML 3147, ML 3151, ML 1664, ML 4431, ML 2672, ML 4769, ML 2613, ML 2700, ML 1659, ML 2383, ML 4490, ML 3791, ML 4433, ML 1663, ML 4768, MPL 45, ML 2670, ML 3789, ML 4038, ML 1667, ML 4767, ML 3176, ML 2671, ML 1661, ML 2673, ML 4434 as outlined in the miscellaneous purposes licence proposal document dated 25 September 2013 | | | |
| 2. In accordance with Regulation 86(1)(a) the Licensee must provide a Compliance report every year, within 2 months after the anniversary of the date the Licence was granted, or at some other time agreed with the Minister. | Compliant | Submission of 2014 Compliance Report (Doc. Ref: WPC-151) Submission of 2013 Compliance Report (Doc. Ref: WPC-140) Submission of 2012 Mining and Rehabilitation Compliance Report (MARCR) (Doc. Ref: WPC-118) | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 3.The Licensee agrees to the approved PEPR (section 70B(5)) and the Compliance report (Regulation 86) and any reportable incident reports (Regulation 87) being made available for public inspection | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 4.In accordance with Regulation 90(1) the Licensee must, prior to commencing operations under this Licence and for the duration of the lease maintain public liability insurance to cover all operations under the Licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than \$20 million or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may require | Compliant | Public liability insurance maintained to a value stipulated by the Director of Mines not less than \$20 million Certificate of Currency can be made available upon request | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 5.In requesting a review of the bond required under the <i>Mining Act 1971</i> the Minister may request that written quotes from an independent third party approved by the Minister are obtained by the Licensee for the cost of rehabilitating the site to the requirements specified in the approved Program under Regulation 65(2). | Noted | The Minister has made no request for independent quotes for rehabilitation costs to date | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 6.The Licensee must meet all the charges and costs in obtaining and maintaining the Bond. | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <i>Other Environmental Conditions</i> | | | |
| 2. Progressive rehabilitation The Licensee must undertake rehabilitation of mining operations in accordance with an integrated mining and rehabilitation plan as approved in the PEPR | Compliant | See Section 6.2 and Section 10 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

| Lease condition | Compliance status | Evidence | Forward work plan |
|---|-------------------|---|--|
| <p>3. Landholder liaison</p> <p>The Licensee must ensure that the occupier of the land is fully advised of their program of activities, particularly in regard to the impact of operations on the land and rehabilitation progress.</p> | Compliant | See Section 3.12 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <p>4. Other legislation</p> <p>The above environmental outcomes do not derogate from the operation of any other Acts that may be applicable to this operation including (but not limited to):</p> <ul style="list-style-type: none"> Aboriginal Heritage Act 1988 Environment Protection Act 1993 Natural Resources Management Act 2004 | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| MPL145 | | | |
| <i>First Schedule</i> | | | |
| <p>The Miscellaneous Purposes Licence (MPL) is granted for the purpose of:</p> <p>Waste rock dumps, environmental monitoring, perimeter fencing, access tracks, water infrastructure, stormwater management infrastructure and operations ancillary to mining</p> <p>in association with the mining operation known as Iron Knob Mining Area authorised under mining tenements ML 4762, ML 4765, ML 3148, ML 1660, ML 4039, ML 1666, ML 2241, ML 2612, ML 4430, ML 3149, ML 2239, ML 4037, ML 2384, ML 2647, ML 4766, ML 3481, ML 3792, ML 4763, ML 4432, ML 1662, ML 1665, ML 2242, ML 3790, ML 2614, ML 2238, ML 2240, ML 3150, ML 3177, ML 4764, ML 4429, ML 3147, ML 3151, ML 1664, ML 4431, ML 2672, ML 4769, ML 2613, ML 2700, ML 1659, ML 2383, ML 4490, ML 3791, ML 4433, ML 1663, ML 4768, MPL 45, ML 2670, ML 3789, ML 4038, ML 1667, ML 4767, ML 3176, ML 2671, ML 1661, ML 2673, ML 4434, as outlined in the miscellaneous purposes licence proposal document dated 25 September 2013</p> | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <p>2. In accordance with Regulation 86(1)(a) the Licensee must provide a Compliance report every year, within 2 months after the anniversary of the date the Licence was granted, or at some other time agreed with the Minister.</p> | Compliant | <p>Submission of 2014 Compliance Report (Doc. Ref: WPC-151)</p> <p>Submission of 2013 Compliance Report (Doc. Ref: WPC-140)</p> <p>Submission of 2012 Mining and Rehabilitation Compliance Report (MARCR) (Doc. Ref: WPC-118)</p> | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| <p>3. The Licensee agrees to the approved PEPR (section 70B(5)) and the Compliance report (Regulation 86) and any reportable incident reports (Regulation</p> | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, |

| Lease condition | Compliance status | Evidence | Forward work plan |
|--|-------------------|---|--|
| 87) being made available for public inspection | | | Regulations and Licence Conditions |
| 4. In accordance with Regulation 90(1) the Licensee must, prior to commencing operations under this Licence and for the duration of the lease maintain public liability insurance to cover all operations under the Licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than \$20 million or such greater sum as specified by the Minister, and make such amendments to the terms and conditions of the insurance as the Minister may require | Compliant | Public liability insurance maintained to a value stipulated by the Director of Mines not less than \$20 million Certificate of Currency can be made available upon request | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 5. In requesting a review of the bond required under the <i>Mining Act 1971</i> the Minister may request that written quotes from an independent third party approved by the Minister are obtained by the Licensee for the cost of rehabilitating the site to the requirements specified in the approved Program under Regulation 65(2). | Noted | The Minister has made no request for independent quotes for rehabilitation costs to date | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 6. The Licensee must meet all the charges and costs in obtaining and maintaining the Bond. | Compliant | | |
| <i>Other Environmental Conditions</i> | | | |
| 2. Progressive rehabilitation The Licensee must undertake rehabilitation of mining operations in accordance with an integrated mining and rehabilitation plan as approved in the PEPR | Compliant | See Section 6.2 and Section 10 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Condition |
| 3. Landholder liaison The Licensee must ensure that the occupier of the land is fully advised of their program of activities, particularly in regard to the impact of operations on the land and rehabilitation progress. | Compliant | See Section 3.12 | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |
| 4. Other legislation The above environmental outcomes do not derogate from the operation of any other Acts that may be applicable to this operation including (but not limited to): <ul style="list-style-type: none"> Aboriginal Heritage Act 1988 Environment Protection Act 1993 Natural Resources Management Act 2004 | Compliant | | Continue to implement and comply with PEPR2014/038, applicable Legislation, Regulations and Licence Conditions |

9 RECTIFICATION OF NON-COMPLIANCE

Details of actions associated with non-compliances in 2014 for IKMA is provided in Table 18.

Table 18 Rectification of non-compliances IKMA

| PEPR Compliance Criteria | Date of incident | Detected by operator | Reportable under Regulation 87? | Date initially reported to Minister | Date written report to Minister | Non-compliance | Status | Further work plan |
|--|---------------------------|---------------------------|---------------------------------|-------------------------------------|---------------------------------|------------------------------------|-----------|---|
| No incidents or accidents resulting from vehicle traffic accidents associated with IKMA operations using the Iron Knob – Whyalla Road or from rail traffic that could have been reasonably prevented | Multiple incidents (2013) | Multiple incidents (2013) | No | Not required | Not required | Traffic interaction with kangaroos | Rectified | <p>Continue to record all fauna road kill events inside mine haulage and exploration areas as an environmental incident</p> <p>Investigate alternative road traffic strategies if necessary</p> <p>Implement environmental awareness training for all staff and contractors</p> <p>Continue to implement speed limits on internal roads and prohibition of off-road driving</p> |

10 DISTURBANCE AND REHABILITATION

In 2014 construction works and commencement of mining in the Iron Princess commenced. No rehabilitation was planned for 2014.

Areas of disturbance and areas that have been rehabilitated in the IKMA during the calendar year to 31 December 2014 and areas anticipated to be disturbed in CY 2015 are provided in Table 19. Vegetation clearance in the IKMA during 2014 is shown in Figure 6.

Table 19 Disturbance and Rehabilitation IKMA (2014)

| Domain | Pit name* | Clearance during 2014 | | Proposed next twelve months | |
|----------------------------|-------------------|-----------------------|--------------------|-----------------------------|--------------------|
| | | Disturbed (ha) | Rehabilitated (ha) | Disturbed (ha) | Rehabilitated (ha) |
| Central WRD and Rail tail | Monarch | 62.42 | 0 | 20.96 | 19.17 |
| Princess West Pit | Princess West | 62.2 | 0 | 10.97 | 17.69 |
| Princess East Pit and WRDs | Princess East | 25.7 | 0 | 25.73 | 22.69 |
| Top soil storage | Princess | 6.17 | 0 | 0 | 0 |
| South WRD | Monarch/ Princess | 7.0 | 0 | 0 | 4.51 |
| North WRD | Monarch | 13.5 | 0 | 0 | 0 |
| Monarch Pit | Monarch | 1.8 | 0 | 0 | 0 |
| C-Quarry | Monarch | 1.0 | 0 | 0 | 0 |
| Pastoral pipe lines | N/A | 1.43 | 0 | 0 | 0 |
| Fencing | N/A | 1 | 0 | 0 | 0 |
| | | 182.22 | 0 | 57.66 | 64.59 |

*Pit name provided is adjacent pit

Arrium Mining's Significant Environmental Benefit (SEB) credit ledger to March 2015 is provided in Table 20.

Table 20 Arrium Mining SEB credit ledger to March 2015

| Arrium Mining SEB credit ledger | | | | | | |
|--|--|---------------------|------|--------------|---------------|--------------|
| Description | Reference: | Area disturbed (ha) | Date | Offset Ratio | SEB area (ha) | Credit (ha) |
| Whyalla Conservation Park | | | 2003 | | | 972 |
| Ironstone Hill Conservation Park (Shirrocoe) | | | 2007 | | | 19900 |
| Total SEB Credit | | | | | | 20872 |
| SMR Project Magnet | SMR MARP 2007 | 356.65 | 2007 | various | 3188.64 | 17683.36 |
| Transshipment Pad & Spurline | NVC2007/3063/010 07WLB06139 | 0.9 | 2007 | 10:1 | 9 | 17674.36 |
| BOS slag dumps | NVC 07WLB07865 | 10 | 2007 | 4:1 | 40 | 17634.36 |
| Rail passing loops | NVC2008/3164/850 | 1.275 | 2008 | various | 5.95 | 17628.41 |
| N-SMR (Chieftain-Knight) | N-SMR MARP 2010 | 335.7 | 2010 | various | 2641.08 | 14987.33 |
| Iron Baron OBP | Iron Baron Construction MARP (Jan) 2011 | 17 | 2011 | 8:1 | 136 | 14851.33 |
| NE WRD Ext | SMR MARP 2007 Addendum 2011 | 56 | 2011 | 10:1 | 560 | 14291.33 |
| SE WRD Ext | SMR MARP 2007 Addendum 2011 | 132 | 2011 | 10:1 | 1320 | 12971.33 |
| Iron Baron OBP (Update) | Iron Baron Construction MARP 2011 (update) | 8.48 | 2011 | various | 32.12 | 12939.21 |
| Iron Baron OBP surplus (credit) | WPC-056 approved 30ha for construction, (17+ 8.48 = 25.48 used = 4.52 remaining) | 4.52 | 2011 | 8:1 | 36.16 | 12903.05 |
| SMR Access Road realignment | PIRSA Notification 2011 | 6 | 2011 | 10:1 | 60 | 12843.05 |
| SMR Workshop Extension | Letter to PIRSA re MPL 34 activity 16/7/10 | 5 | 2011 | 10:1 | 50 | 12793.05 |
| N-SMR (Chieftain-Knight) update | WPC-081 SMR minor mine adjustments_PIRSA_7-10-11 | 35.29 | 2011 | various | 286.52 | 12506.53 |
| IBMA WRD's | IBMA PEPR WPC-059 (Eucalyptus Oleosa) | 36 | 2011 | 8:1 | 288 | 12218.53 |

| Description | Reference: | Area disturbed (ha) | Date | Offset Ratio | SEB area (ha) | Credit (ha) |
|--|---|---------------------|------|--------------|---------------|-------------|
| IBMA WRD's | IBMA PEPR WPC-059 (Casuarina pauper) | 1.4 | 2011 | 6:1 | 8.4 | 12210.13 |
| IBMA Ext to Little Baron pit | IBMA PEPR WPC-059 | 0.2 | 2011 | 4:1 | 0.08 | 12210.05 |
| IBMA LGO temp out of spec | IBMA PEPR WPC-059 | 2.3 | 2011 | 2:1 | 4.6 | 12205.45 |
| IBMA surplus (credit) | IBMA PEPR WPC-059 | 10.9 | 2011 | 8:1 | 87.2 | 12118.25 |
| Iron Chieftain Go-Line adjustment | MI134_Iron Chieftain Go-Line_VCCA | 0.28 | 2011 | 2:1 | 0.56 | 12117.69 |
| IBMA surplus (credit) | IBMA PEPR WPC-083 (credit reduced from 059) | -0.9 | 2012 | 8:1 | -7.2 | 12124.89 |
| IBMA Out of spec LGO stockpile | IBMA PEPR WPC-083 | 6.4 | 2012 | 2:1 | 12.8 | 12112.09 |
| Reclamation of LGO dumps PC and IBDU07 | IBMA PEPR WPC-083 | 6 | 2012 | 2:1 | 12 | 12100.09 |
| IBMA boundary fence | IBMA PEPR WPC-083 | 2.4 | 2012 | 8:1 | 19.2 | 12080.89 |
| IBMA WRD's | IBMA PEPR WPC-083 (Eucalyptus Oleosa) Increase to WPC-059 line 19; 36+13.9=49.9 | 13.9 | 2012 | 8:1 | 111.2 | 11969.69 |
| Whyalla Steelworks Ports project rail construction | NVC 12NRM0198 | 2.2 | 2012 | 4:1 | 8.8 | 11960.89 |
| Whyalla Steelworks Ports project rail construction | NVC 12NRM0298 | 8.8 | 2012 | 4:1 | 35.2 | 11925.69 |
| Iron Baron OBP surplus (credit) | Ref; line 15, (4.52ha credit minus 1.74, Lucas workshops ref MI165 = 2.78 ha remaining) | 0 | 2012 | 8:1 | 0 | 11925.69 |
| Iron Princess ground water monitoring wells | IKMA PEPR WPC-084 | 1 | 2012 | 8:1 | 8 | 11917.69 |
| Whyalla Steelworks Ports project rail construction | NVC 12NRM0875 | 7.2 | 2012 | 4:1 | 28.8 | 11888.89 |
| Iron Knob Phase 1 | IKMA PEPR WPC-088 | 75.1 | 2013 | various | 515.5 | 11373.39 |
| Iron Knob Phase 2 tenements proposal | IKMA Proposal WPC-102 | 258.67 | 2013 | various | 1969.66 | 9403.73 |

| Description | Reference: | Area disturbed (ha) | Date | Offset Ratio | SEB area (ha) | Credit (ha) |
|--------------------------|--------------------------------|---------------------|------|--------------|-----------------|----------------|
| NE WRD reconciled credit | SMR MARP 2007 Addendum 2011 | -2.2 | 2014 | 10:1 | -22 | 9425.73 |
| SE WRD reconciled credit | SMR MARP 2007 Addendum 2011 | -18.4 | 2014 | 10:1 | -184 | 9609.73 |
| SMR Project Magnet | SMR MARP 2007 | -5.29 | 2014 | Various | -47.3 | 9657.03 |
| N-SMR (Chieftain-Knight) | N-SMR MARP 2010 | -32.36 | 2014 | Various | -254.6 | 9911.63 |
| SMR PEPR 2014 | WPC-108; Iron Chieftain Domain | 128 | 2014 | various | 1039.4 | 8872.23 |
| SMR PEPR 2014 | WPC-108; Iron Knight Domain | 61.8 | 2014 | 10:1 | 618 | 8254.23 |
| SMR PEPR 2014 | WPC-108; SMR Domain | 28 | 2014 | 10:1 | 280 | 7974.23 |
| SMR PEPR 2014 | WPC-108; TSF's Sub Domain | 58.4 | 2014 | 10:1 | 584 | 7390.23 |
| IBMA Ph2 PEPR 2015 | WPC-106; IBMA PEPR Ph2 | 77.5 | 2015 | Various | 467 | 6923.23 |
| Totals | | 1696.115 | | | 13948.77 | 6923.23 |

11 ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION ACT REPORTING

No tenements in the IKMA are subject to an approval under the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* and therefore no report has been provided to demonstrate compliance with this legislation.

12 AUDITS AND REVIEWS

Arrium Mining was subject to a re-certification audit in 2014 as part of their ISO AS/NZS 14001 certification program (certificate number C10317) with SAI Global (2014). The purpose of the audit was to determine the capability and effectiveness of Arrium Mining's management system in:

- ensuring continual compliance with customer, statutory and regulatory requirements
- meeting its specified objectives
- conformity of the management system to stated criteria.

SAI Global has recognised that the strength of the Arrium Mining Environmental Management System (EMS) has been the capacity to adapt to changes in the business environment, and that the EMS remains effective and relevant to the needs of the organisation, despite the significant increase in mining activities.

The surveillance audit undertaken in September 2014 included site visits to the IKMA. No non-conformances to the ISO14001 Standard were raised during the audit by SAI Global. Lower level Areas of Concern (AOC) and Opportunities are assigned corrective actions and placed in the Arrium Mining issues management system for tracking and close-out. No findings were made that identified a threat to Arrium Mining's ability to meet the approved environmental outcomes.

13 VERIFICATION OF UNCERTAINTIES

Assumptions of uncertainties related to IKMA operations in 2014 are provided in Table 21.

Table 21 **Uncertainties in relation to compliance for IKMA in 2014**

| Description of assumption of uncertainty | Estimated date to resolve | Progress in reporting period | Confirmed | Forward work plan |
|---|---------------------------|--|-----------|---|
| Extensive mine derived dust staining of vegetation has been recorded and is being monitored | Ongoing | <p>Photo monitoring points have been established in consultation with the land holder.</p> <p>The development of the daily fugitive dust report records, production activities, dust sources, mitigation actions and weather data. This enables comprehensive analysis of events and continual improvement</p> | No | One or more of the photo point monitoring locations will be utilised as vegetation monitoring quadrats for the 2015 external vegetation monitoring and considered for co-location with dust monitoring equipment. |

14 TECHNICAL REPORTS

A summary of technical data, studies and reports relevant to the IKMA that were generated during the reporting period 1 January – 31 December 2014 are listed in Table 22.

Table 22 IKMA technical data, studies and reports - 2014

| Report | Author |
|---|---|
| MI204 Vegetation Dust Impact Inspection Report (May 2014) | Arrium Mining |
| MI225(c) IKMA - Vegetation Dust Impact Report (December 2014) | Arrium Mining |
| MI229 Flora Monitoring Arrium Whyalla Middleback Range Mines December 2014 | Larry Bebbington Habitat and Land Management Consultant |
| WPC-140 IKMA 2013 Compliance Report | Arrium Mining |

15 FORWARD WORK PLAN

Table 23 provides the forward work plan for IKMA.

Table 23 IKMA Forward Work Plan 2015

| Action Number | Action description | Responsible department | Proposed completion date | Compliance report reference |
|---------------|--|--|--|-----------------------------|
| IKMA 2014-01 | Continue to develop and implement improved dust control strategies | Arrium Mining Environmental Assurance IKMA Mine Manager | Ongoing | Section 6.2 |
| IKMA 2014-02 | Continue to monitor the impact to vegetation from dust. Co-locate vegetation monitoring quadrats and dust monitoring equipment at established photo monitoring locations as required. Continue to develop and implement improved dust control strategies | Arrium Mining Environmental Assurance | Review of implemented actions by December 2015 | Section 6.2 |
| IKMA 2014-03 | Continue to record all road traffic fauna interactions as safety and environmental incidents. | Arrium Mining Environmental Assurance | Ongoing | Section 6.2 |
| IKMA 2014-04 | Maintain the perimeter security fence, signage and the IKMA public safety procedures | IKMAS Mine Manager | Ongoing | Section 6.2 |

Note: The Action Number is an assigned number specific to the reporting year

16 REFERENCES

- Arrium Mining 2012a, *Arrium Mining Soil Management Plan, QP50_66*, unpublished company plan
- Arrium Mining 2012b, *Arrium Mining Whyalla Pest Plant and Animal Control Strategy, QP50_62*, unpublished company procedure
- Arrium Mining 2012c, *Arrium Mining Fugitive Dust Ranking Procedure QP50_68*, unpublished company procedure
- Arrium Mining 2013a, *Iron Knob Mining Area Blasting Management Protocols* (Doc.Ref: WPC-121), unpublished company procedure, Whyalla
- Arrium Mining 2013b, *Iron Knob Mining Area (IKMA) Program for Environment Protection and Rehabilitation (PEPR)* (Doc.Ref:WPC-088, Revision B) (PEPR2013/001), South Australia
- Arrium Mining 2014a, *Iron Knob Mining Area (IKMA), Phase 2 Operations, Program for Environment Protection and Rehabilitation (PEPR)* (Doc.Ref:WPC-103, Revision 0) (PEPR2014/038), South Australia
- Arrium Mining 2014b, *Mines Vegetation Dust Impact Inspection Report MI204 (May 2014)*, unpublished company report, Whyalla, South Australia.
- Arrium Mining, 2014c, *IKMA 2013 Compliance Report, August 2014* (Doc.Ref:WPC-140 Rev0), Arrium Mining, Whyalla, South Australia.
- Arrium Mining 2014d, *Vegetation Dust Impact Inspection Report, Middleback Ranges Mines, MI225(c) - IKMA: Biannual Inspection (December 2014)*, unpublished company report, Whyalla, South Australia
- Bebbington, L 2012, *Vegetation Assessment of Proposed Mining Operations within Iron Knob Mining Area (IKMA) for OneSteel Whyalla* Unpublished report prepared for OneSteel Whyalla
- Bebbington, L 2014, *Flora Monitoring Arrium Whyalla Middleback Range Mines – December 2014 (MI229)*, unpublished report prepared for Arrium Mining, Whyalla, South Australia.
- Department for Manufacturing, Innovation, Trade, Resources and Energy 2014, *Guidelines for miners: preparation of a compliance report for non-extractive operations (Regulation 86) in South Australia, Minerals Regulatory Guidelines MG3*, Resources and Energy Group, V3, unpublished draft guidelines.
- Department of State Development 2014, Ministerial Determination (MD 009) under Regulation 86(1), (3), (4) and (7) of the Mining Regulations 2011 (effective from 6th September 2012) determining the reporting periods and minimum information required to be provided in a Compliance Report for a Mineral Lease (ML) and any associated Miscellaneous Purposes Licence (MPL) for metallic and industrial minerals, unpublished draft Ministerial Determination
- Ecological Horizons Pty Ltd 2012, *Fauna Survey of the proposed OneSteel Iron Knob extended Mining Area, unpublished report for OneSteel Whyalla, March 2012*, Ecological Horizons, Kimba, South Australia