



Koolyanobbing Iron Ore Project

EPBC 2001/174 ANNUAL COMPLIANCE ASSESSMENT REPORT 2020

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1. INTRODUCTION

1.1 Project Overview

Mining has occurred at Koolyanobbing since the 1960's. Formally known as Portman Iron Ore, Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs) recommissioned the operations following closure by BHP Pty Ltd in the early 1980's and operated the mine from 1994 until 2018.

Cliffs ceased mining operations at Koolyanobbing in early 2018 and entered into an Asset Sale Agreement with Mineral Resources Limited (MRL) on 12 June 2018. The transaction was completed in August 2018 and included the transfer of legal title in Cliffs mining tenements to MRL and ownership of all remaining iron ore, fixed plant, equipment and non-process infrastructure in the Yilgarn and at the Port of Esperance. All assets were transferred to the wholly owned MRL subsidiary Yilgarn Iron Pty Ltd (YIPL).

YIPL commenced mining at Koolyanobbing in September 2018. Iron ore is mined from a number of open pits, blended, crushed and screened to make products that meet export market specifications. Ore from the northern operations of Deception, Mt Jackson and Windarling is transported via a private haul road to Koolyanobbing or Carina where it is selectively blended with ore, crushed, and screened to meet market specifications. The final product is transported from Koolyanobbing or Carina to Esperance Port by rail.

1.2 Approvals History

From 2003 to 2012, the Yilgarn Operations were regulated by seven Statement approvals issued by the Western Australian Minister for Environment under s45 (5) under the EP Act and two Approvals issued by the Department of Environment and Energy (DoEE) under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). In September 2012, Cliffs was approached by the Office of the Environmental Protection Authority (OEPA) to investigate the potential of consolidating the above seven Statements into a single document. This approach by OEPA was prompted by an enquiry from the Minister for Environment as a result of a number of Statement approvals for connected mine operations being issued in late 2012.

Cliffs was granted environmental approval for the consolidation of previous statements under both s45C and s46 of the EP Act on 24 September 2014 through *Ministerial Statement 982* (MS982).

Negotiations then began between Cliffs and the DoEE to consolidate conditions under approvals EPBC 2001/174 and 2008/4449. The main aim was to reduce duplication of conditions that are covered at a State level under MS982. The variation to the conditions of EPBC 2008/4449 was granted under section 143 of the EPBC Act on 19 September 2016. A number of redundant conditions were revoked and the remaining conditions were amended to reflect the current operating status.

YIPL assumed responsibility for these approvals in the third quarter of 2018, following the Asset Sale Agreement between Cliffs and MRL.

1.3 EPBC 2001/174

EPBC 2001-174 outlines conditions regulating the mining of iron ore at Windarling Range and Mt Jackson Range (J2-J3), which are located approximately 70 and 100 km north of Koolyanobbing respectively.

The approved action for EPBC 2001/174 is: *'to construct, develop and operate iron ore mines and associated infrastructure and activities at Mt Jackson and Windarling.'* Figure 2 – Figure 3 highlight the locations of operations relating to this EPBC Approval.

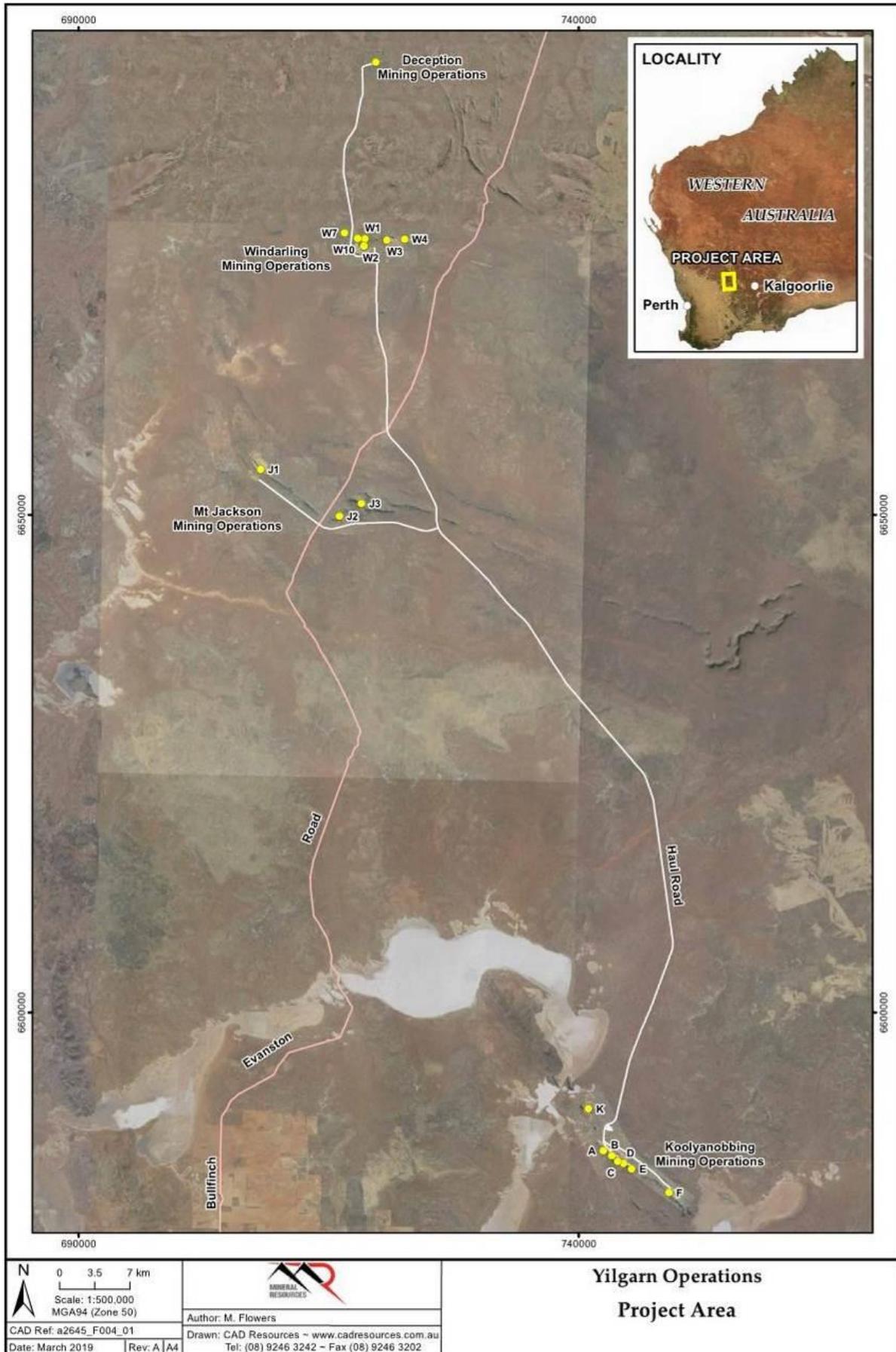


Figure 1: YIPL Yilgarn Operations

1.4 Annual Compliance Assessment Report

This Annual Compliance Assessment Report was prepared in accordance with EPBC 2001/174 conditions for the period between 1 January and 31 December 2020. The report is endorsed by Aaron Maurer, General Manager Manager. YIPL's Australian Company Number (ACN) is 626 035 078.

2. PROJECT STATUS

The Windarling operations continued during the reporting period. No mining operations were conducted at the Mt Jackson Range (J2-J3). Mining of J1 re-commenced in late 2018 following the Asset Sale Agreement between Cliffs and MRL.

3. COMPLIANCE

3.1 Non-compliance and Corrective Actions

No non-compliances were recorded during the 2020 reporting period. Trigger criteria were exceeded under the *Yilgarn Operations Fauna Management Plan*.

Notification letters and copies of the report were provided to DWER within 21 days of receiving the final reports.

3.2 Statement of Compliance

YIPL was in full compliance with all conditions of EPBC 2001/174 for the 2020 reporting period. Refer to **Attachment 1**, Declaration of Accuracy – EPBC 2001/174.

4. DETAILS OF DECLARED COMPLIANCE STATUS

Assessment of Compliance – EPBC 2001/174 Audit Table (**Attachment 2**) provides the evidence for the compliance status of each implementation condition for this reporting period.

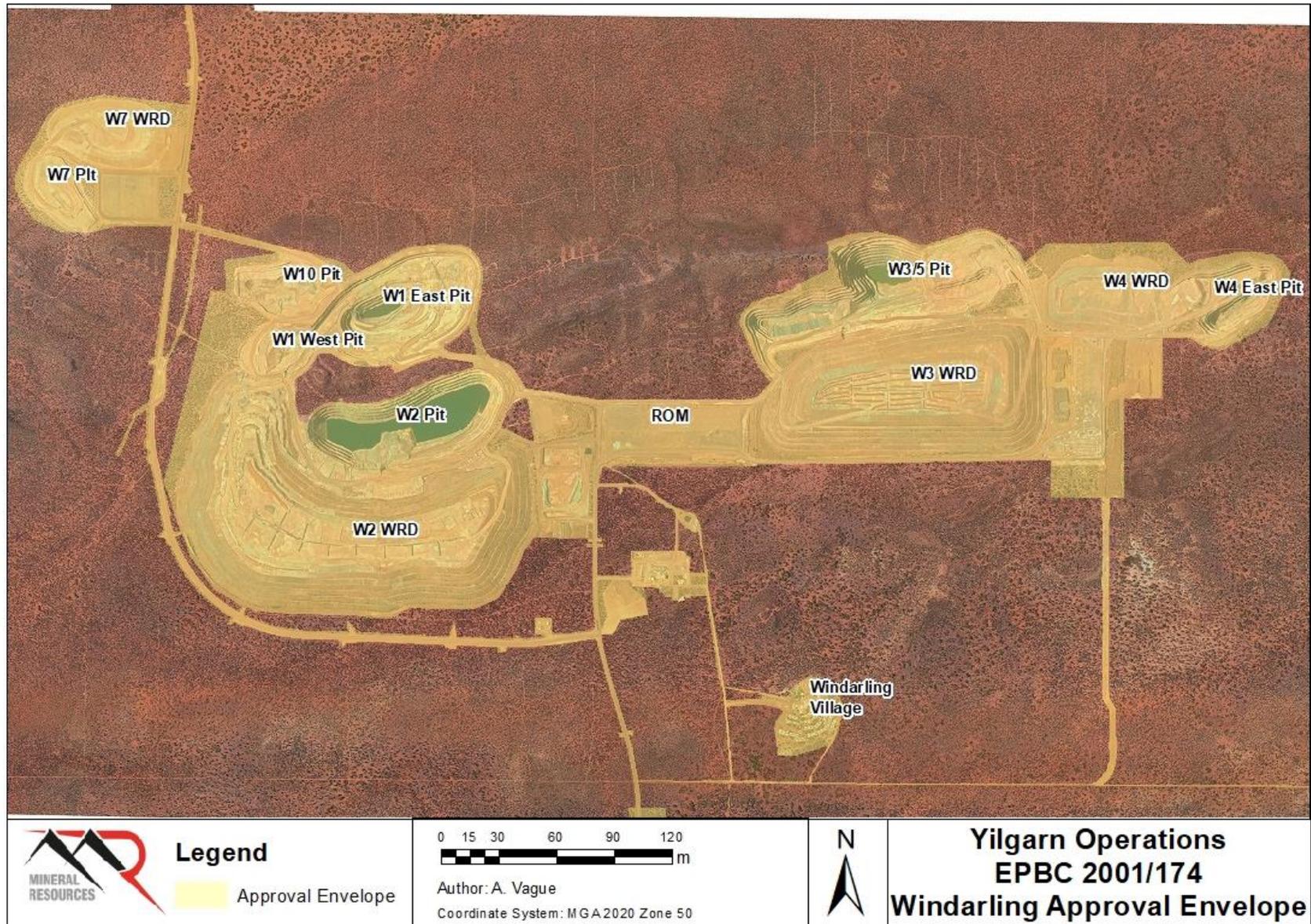


Figure 2: EPBC 2001/174 Windarling Range

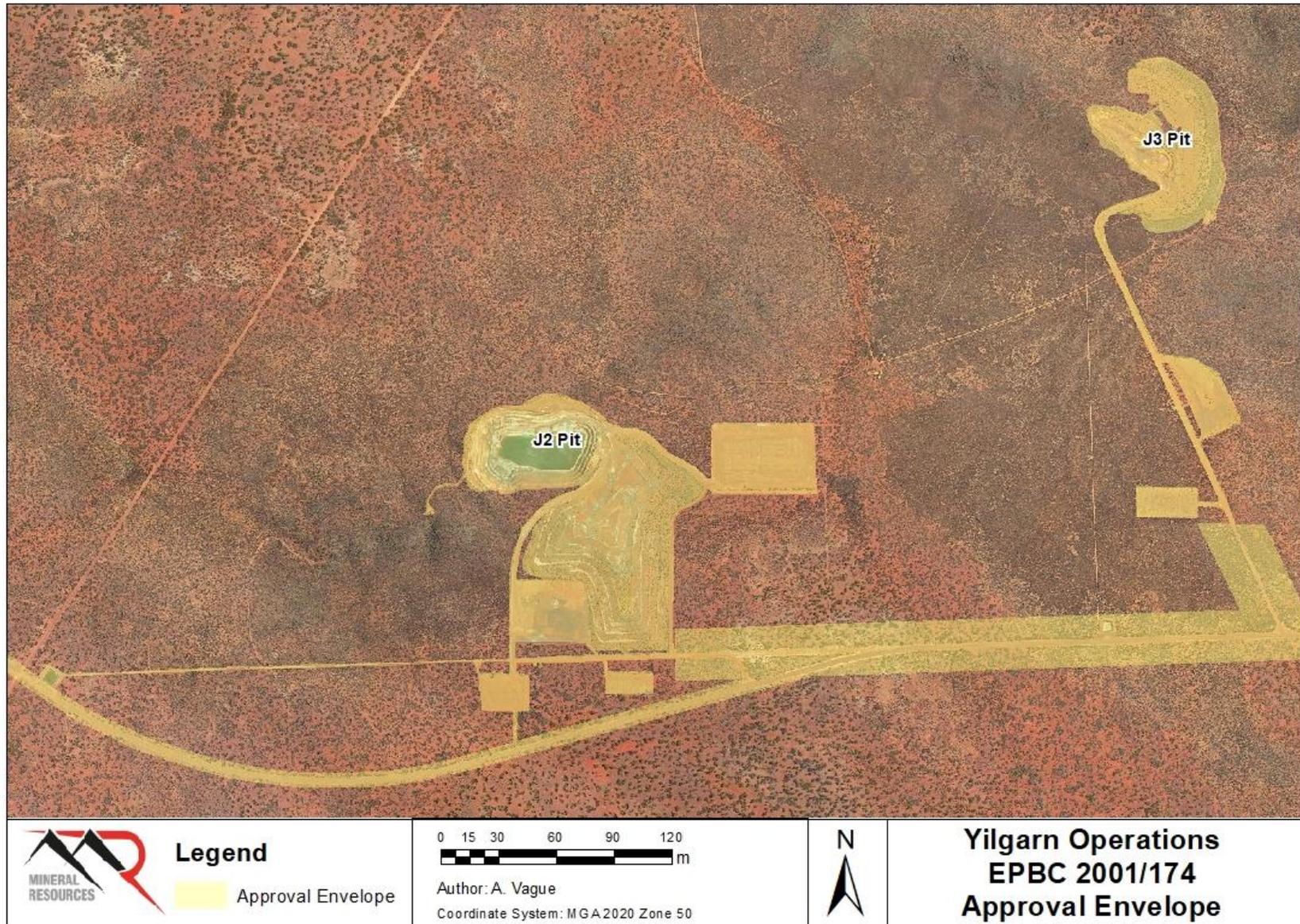


Figure 3: EPBC 2001/174 Mt Jackson Range

Attachment 1: Declaration of Accuracy

Declaration of Accuracy – EPBC 2001/174

In making this declaration, I am aware that sections 490 and 491 of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) make it an offence in certain circumstances to knowingly provide false or misleading information or documents. The offence is punishable on conviction by imprisonment or a fine, or both. I declare that all the information and documentation supporting this compliance report is true and correct in every particular. I am authorised to bind the approval holder to this declaration and that I have no knowledge of that authorisation being revoked at the time of making this declaration.

Signed:



Full name:

Aaron Maurer

Position:

General Manager – Yilgarn, MRL

Organisation:

Yilgarn Iron Pty Ltd. (ACN: 626 035 078)

Date:

19 / 04 / 2021

Attachment 2: Assessment of Compliance – EBPC 2001/174 Audit Table
STATUS OF COMPLIANCE WITH CONDITIONS OF APPROVAL EPBC 2001/174

Condition No.	Condition	Status	Evidence
1.	For the purposes of protecting <i>Tetratheca paynterae</i> , the person taking the action must not undertake ground disturbing activity in the area designated as 'Area A' on the map at provided at Attachment 1.	Compliant	<p>No ground disturbing activity has been undertaken in 'Area A'. 'Area A' is signposted with restricted access.</p> <p>Refer to Attachment 3: Restricted areas Windarling Range.</p>
4.	To manage the impacts on <i>Tetratheca paynterae</i> and <i>Tetratheca harperi</i> , the person taking the action must implement the Flora and Vegetation Management Plan approved in accordance with condition 6 of the Western Australian Ministerial Statement 982.	Compliant	<p>The Flora and Vegetation Management Plan (Revision G) was submitted to the Department of Parks and Wildlife (DPaW) and the Office of the Environmental Authority (OEPA) on 29 April 2015. OEPA approval of the Flora and Vegetation Management Plan (Revision G) was granted 22 September 2016 (OEPA Ref: 16-030655).</p> <p>Minor updates were made to convert the Plan to YIPL/MRL format and provide up to date project information. These included changes to: The Proponent; project background; legislation and government departments (where applicable); YIPL's current operating areas (relevant to MS982); titles of persons responsible for management actions; scientific names and conservation status of conservation significant species listed in Attachment 1 of the original plan; and internal supporting document numbers. No material changes were made to the approved Plan.</p> <p>On 27th of July 2020, YIPL submitted a revised Flora and Vegetation Management Plan (Revision 1), requesting a change to reporting Trigger Criteria.</p> <p>YIPL continues to implement the approved Flora and Vegetation Management Plan (Revision 0). This document was submitted to DWER on 15/11/2019.</p>

Condition No.	Condition	Status	Evidence
5.	<p>The person taking the action must not undertake ground disturbing activity in the area designated as 'Area B' on the map provided in Attachment 1, unless the Minister has approved the <i>Tetratheca paynterae</i> Recovery Plan and the <i>Tetratheca paynterae</i> Research and Management Plan. The plans must be prepared in consultation with the Department of Parks and Wildlife (DPaW) and in accordance with the requirements under conditions 7-3 and 7-4 of the Western Australian Ministerial Statement Number 982.</p> <p>By the 30th of June of each year after the date of the ground disturbing activity in 'Area B', the person taking the action must submit to the Minister the results and outcomes of the <i>Tetratheca paynterae</i> Recovery Plan and the <i>Tetratheca paynterae</i> Research and Management Plan for the preceding year.</p>	Compliant	<p>YIPL did not seek to undertake ground disturbing activity within 'Area B' during the reporting period.</p> <p>The <i>Tetratheca paynterae</i> Research and Management Plan was prepared in draft form and submitted to the then Department of Environmental Regulation (DER) in 2006. The Recovery Plan was approved as an Interim Recovery Plan (No. 237) on 16 June 2006. The Interim Recovery Plan No. 237 was updated and approved in 2016 and will operate from October 2016 to September 2021. However, there is no obligation to finalise and implement the plan provided that mining access to 'Area B' is not being sought. YIPL does not propose to finalise the <i>Tetratheca paynterae</i> Research and Management Plan for implementation unless it is required for access to 'Area B'.</p> <p>Refer to Attachment 3: Restricted areas Windarling Range.</p>
8.	<p>To manage the impacts on the <i>Leipoa ocellata</i> (Malleefowl) the person taking the action must implement the Fauna Management Plan approved in the accordance with condition 9 of the Western Australian Ministerial Statement Number 982.</p>	Compliant	<p>The <i>Yilgarn Operations Fauna Management Plan June 2016 (Revision G)</i> was submitted to OEPA in June 2016. OEPA approval of the Plan was granted 22 September 2016 (OEPA Ref: 16-030656). YIPL continued to implement this Plan during the 2019 reporting period, following its takeover of Cliffs' Koolyanobbing operations in late 2018.</p> <p>In early 2019, minor updates were made to Fauna Management plan to meet Condition 4.2 of MS982 (preparing plans and reports for public availability). These included changes to: document format (converted to YIPL/MRL format so the Plan could be uploaded to the MRL website); the Proponent; project background; legislation and government department names (where applicable); YIPL's current operating areas; titles of persons responsible for management actions; scientific names and conservation status of conservation significant species listed in Attachment 1 (where applicable); and</p>

Condition No.	Condition	Status	Evidence
			<p>YIPL internal document numbers. No material changes were made to the Plan as a result of the update.</p> <p>Completion and submission of the annual fauna monitoring report demonstrates implementation of the Plan required by this condition. The most recent report, <i>Mt Jackson Malleefowl Nest Mound Annual Monitoring Report 2020</i>, has been included with this report.</p> <p>The decline of 85.7% in the number of known active mounds between 2019 and 2020, without a decline of similar magnitude in the ASR, exceeds the 35% Malleefowl trigger criterion in the FMP.</p> <p>The decline in active mounds between 2019 and 2020 is likely due to a combination of a change in monitoring procedures and poor breeding conditions (Phoenix, 2021).</p> <p>The final report was received in April 2021 and a notification letter & report copy was provided to DWER within the 21 day notice period.</p> <p>Refer to Attachment 4: <i>Mt Jackson Annual Malleefowl Nest Mound Monitoring Report 2020</i></p>

Condition No.	Condition	Status	Evidence
10.	<p>The person taking the action must implement the Mine Closure plan approved in accordance with the condition 11 of the Western Australian Ministerial Statement Number 982.</p>	Compliant	<p>The <i>Yilgarn Operations Mine Closure Plan (Revision 0)</i> April 2015 was originally submitted to the then Department of Mines and Petroleum, now Department of Mines, Industry Regulation and Safety (DMIRS) in April 2015. Since the initial submission, Cliffs undertook considerable consultation with regulatory agencies and other stakeholders. The consultation process has included general correspondence, meetings and the hosting of on-site visits.</p> <p>Formal regulatory approval of the <i>Yilgarn Operations Mine Closure Plan</i> had not been received prior to Cliffs ceasing mining operations at Koolyanobbing. Following the takeover of Koolyanobbing operations, YIPL subsequently submitted revised copies of the Plan to DMIRS and DWER – EPA Services (at the request of DMIRS). Comments from DMIRS were received in late 2020. The plan is currently undergoing updates to address DMIRS request for information and is due to be submitted 15th of March 2021.</p>
12.	<p>By the 30th of April of each year after the date of the approval, the person taking the action must publish a report on their website addressing compliance with the conditions of the approval over the previous 12 months, including implementation of any management plans as specified in the conditions. The approval holder must, when they first become aware of a non-compliance of any condition of this approval:</p> <ul style="list-style-type: none"> a) Report the non-compliance and remedial action to the Department within seven business days; and b) Bring the matter into compliance within a reasonable timeframe agreed in writing by the Department. 	Compliant	<p>YIPL's 2020 Annual Compliance Assessment Report and management plans specified in the conditions will be made available on the MRL website by April 30th 2021.</p> <p>No potential non-compliances with a condition of the approval were recorded during the 2020 reporting period.</p> <p>http://www.mineralresources.com.au</p>

Condition No.	Condition	Status	Evidence
13.	The person taking the action must maintain accurate records substantiating all activities associated with relevant to the conditions of approval, including measures taken to implement the management plans required by this approval, and make them available upon request to the Department. Such records may be subject to audit by the Department of an independent auditor in accordance with section 458 of the EPBC Act, of used to verify compliance with the conditions of approval. Summaries of audits will be posted on the Department's websites. The results of audits may also be publicised through the general media.	Compliant	All records relating to EPBC 2001/174 are maintained within YIPL's internal electronic and/or hard copy filing systems in line with YIPL's and statutory records management requirements.
14.	Within five years of the date of the approval, the approval holder must provide to the satisfaction of the Minister evidence that the action has been substantially commenced.	Compliant	The Project has substantially commenced as evidenced by submission of the annual Compliance Assessment Reports to the Department of the Environment and Energy (DoEE).
15.	<p>a) The person taking the action may choose to revise the plans approved by the Minister under condition 5 without submitting them for approval (including approval under section 143A of the EPBC Act), if the taking of the action in accordance with the revised plans would not be likely to have a new or increased impact. If the person taking the action makes this choice they must:</p> <p>i. Notify the Department in writing that the approved plan has been revised and provide the Department with:</p> <ul style="list-style-type: none"> • an electronic copy of the revised plan; • an explanation of the differences between the revised plan and the approved plan; and • the reasons the person taking the action considers that taking the action in accordance with the revised plan would not be likely to have a new or increased impact. <p>ii. Declare in writing a date on which the revised plan will first be implemented by the person taking the action. The date of</p>	Not applicable	YIPL did not seek to revise plans under Condition 5 during the reporting period.

Condition No.	Condition	Status	Evidence
	<p>first implementation must be at least 28 days after sub-condition 15 a) i) is satisfied.</p> <p>b) The person taking the action may revoke their choice under condition 15 a) at any time by giving written notice to the Department in which case, commencing on the day after giving such notice, the person taking the action must implement the plan approved by the Minister.</p> <p>c) If the Minister gives a notice to the person taking the action that the Minister is satisfied that the taking to the action in accordance with the revised plan would be a likely to have a new or increased impact, then:</p> <p>iii. Sub-condition 15 a) does not apply, or ceases to apply, in relation to the revised plan; and</p> <p>iv. The person taking the action must implement the plan approved by the Minister</p>		

Attachment 3: Restricted Areas Windarling Range EPBC 2001/174

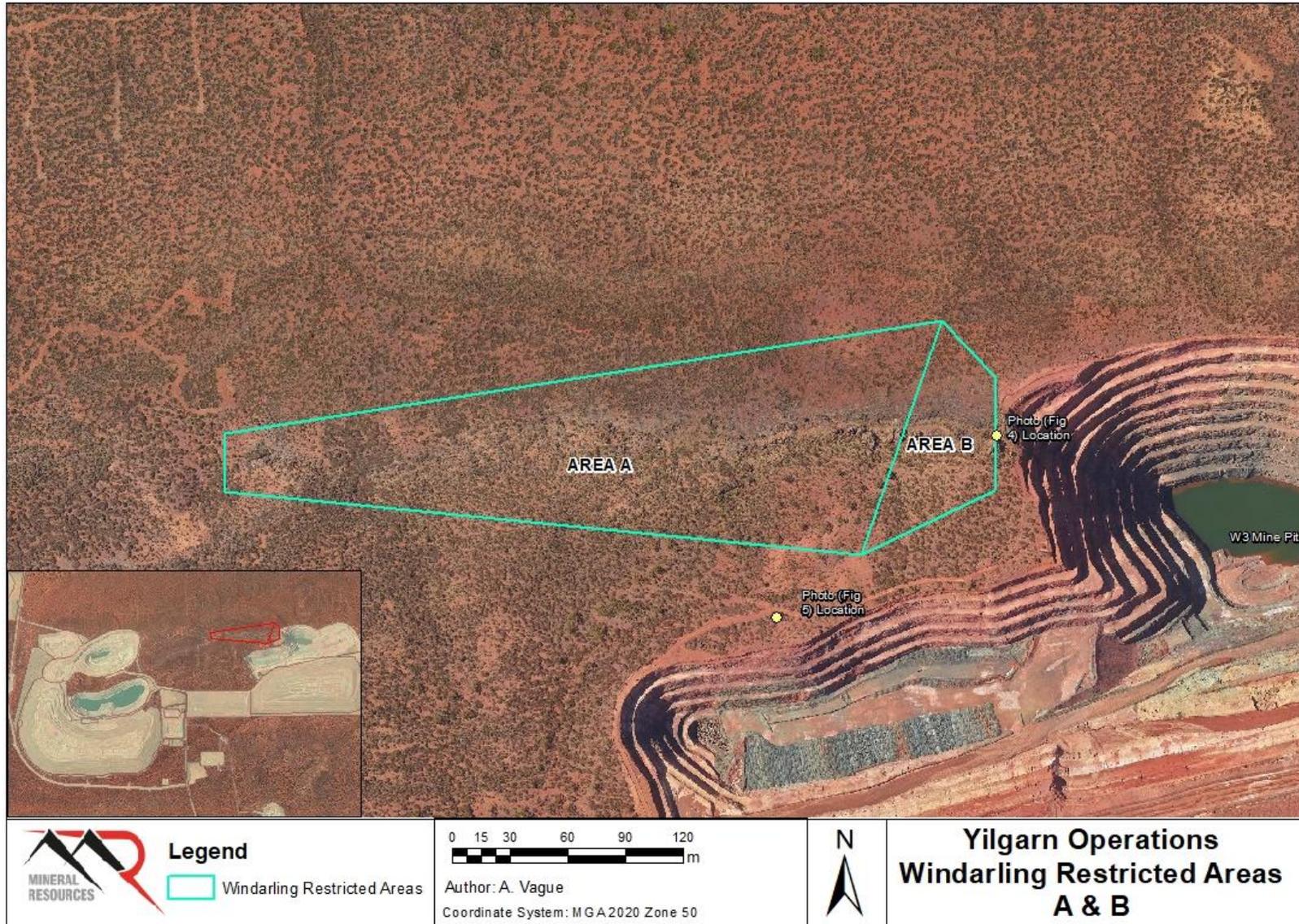




Figure 4: Area A Restricted Access Signage

Attachment 4: *2020 Annual Malleefowl Nest Mound Monitoring Report (EPBC 2001/174)*