

Background to the sealed shipment transport process

- The sealed shipment proposal was initially submitted to the Environmental Protection Authority (EPA) for assessment in October 2007, following some seven months of development by Magellan with regulatory agencies, transport and environmental consultants and contractors.
- In late 2007 the EPA formally recommended to then Minister for Environment, Hon. David Templeman, that the sealed shipment proposal was safe and should be allowed to proceed.
- In January 2008 Minister Templeman gave conditional approval to the sealed shipment proposal and imposed a range of stringent conditions that had to be met before final approval could be provided.
- To obtain final approval Magellan has now met the requirements of the conditions imposed by Government and regulators which included:
 - Development of Comprehensive Health, Hygiene and Environmental Management and Monitoring Programs to the requirements of the Minister, on advice from the Department of Health, the Department of Consumer and Employment Protection, the Department of Industry and Resources and the Department of Environment and Conservation.
 - Development of an Emergency Response Plan to cover the entire Wiluna to Fremantle transport route, which was reviewed and approved by FESA (Government agency).
 - Provision for lodgement of a \$5 million bond.
 - Commitment to and development of a scope for an independent auditor approved by the Minister and funded by Magellan to inspect the sealed process at the mine and the port, and to install dust monitors in randomly selected containers at the mine and check them at the port.
 - Baseline testing conducted along the route completed, as required prior to the first movement of lead, and then regularly after that.
 - Commitment to monitoring reports and independent auditor reports being published and reported to the Fremantle Port Authority's Inner Harbour Community Liaison Group.
- Magellan was required to extensively consult with stakeholders along the entire transport route, including all relevant Government agencies.
- Magellan has not exported any lead carbonate concentrate from Western Australia since operations were suspended at Esperance in March 2007.
- The 2007 report of the Parliamentary inquiry into lead contamination at Esperance supported the sealed shipment process as the preferred way of transporting lead carbonate concentrate. The sealed shipment process is completely different to that previously used in Esperance, which involved transporting bulk concentrate to a storage shed at the Port and then loading the concentrate onto a bulk carrier via a conveyor system. During this previously approved process dust was unfortunately allowed to escape into the surrounding environment during the vessel loading procedure.
- Magellan has agreed with the State Government to make a \$9 million contribution to past, present and future clean up activities at the Port of Esperance and in the town. It has also established a \$1 million fund to support local community projects.
- Next week Magellan will begin the bagging and containerizing necessary to remove its approximately 8,500 wet metric tonne stockpile at Esperance. This will use the same two tonne sealed bagged and containerised process as will be used for export through Fremantle. For the Esperance stockpile, the locked containers will be loaded on to a vessel at Esperance and exported to China. The Esperance stockpile removal is expected to be completed by the end of April this year.