



中钢澳洲中西矿业公司

SINOSTEEL MIDWEST CORPORATION LIMITED

Environmental Officer
Minerals Environment Branch
Environment Division
Department of Mines & Petroleum
100 Plain Street
EAST PERTH WA 6004

Dear Sir/Madam:

RE: Programme of Work Application ID 48073 – Tenement M59/596 (Mungada East Extension Project)

Proposed RC Drilling programme – Blue Hills Iron Ore Project- Mungada East Extension)

Please find attached a Programme of Work application for a proposed Resource definition RC drilling programme by Sinosteel Midwest Corporation Limited at our Blue Hills Iron Ore Project area.

An A3 map is attached to this POW application, showing actual locations of drilling pads (yellow dots) and new tracks (shown as light orange lines) required to gain access to these planned drilling sites.

Although vegetation in the area is sparse to dense, all access tracks to individual drill pads are designed to be as direct as possible and parallel to local topographic contour (thereby keeping vegetation clearance required and potential erosion to a minimum). Any stands of vegetation or trees will be avoided. Any sumps required will be within the boundaries of the specified drill pad.

The proposed RC drilling programme will be undertaken by a track-mounted rig, which is manoeuvrable and fit-for-purpose for this style of exploratory drilling. Access to the area is via the Koolanooka – Blue Hills Mine haul Road and secondary dirt tracks.

The Company is currently mining at Mungada East which falls within M59/595 tenement. As soon as this operation is completed, it intends to move the mining operations to Mungada East Extension area. SMC is in discussion with EPA on obtaining mining approval. In the meanwhile, SMC has proposed this drilling program to define the resource more accurately.

Sinosteel Midwest Corporation has produced an Environmental Management Plan (EMP) to ensure all potential environmental impacts are managed appropriately. A copy of this Plan (Version 8) has been submitted to the DMP and the DEC and applies to all proposed ground disturbance areas under Sinosteel Midwest Corporation control. Under the EMP, Sinosteel has and will carry out more Flora & Fauna surveys before earthworks to document all priority species that will be impacted. Earthworks will be carried out to minimise the disturbance of all Flora and Fauna (Shield back spiders- *Idiosoma nigrum* included) by avoiding populations where alternative access is possible.

I have attached the DIA Search of Registered Aboriginal Sites within the two tenements. This presently indicates that no Registered Sites will be impacted by the drilling programme.

An extensive heritage survey has been conducted on behalf of Sinosteel Midwest Corporation in the past over and above what has been stipulated for the proposed drilling programme in Mungada

SINOSTEEL MIDWEST CORPORATION LIMITED • ACN: 009 224 800

HEAD OFFICE: 7 RHEOLA ST WEST PERTH WESTERN AUSTRALIA 6005 | PO BOX 529 WEST PERTH WESTERN AUSTRALIA 6872
TELEPHONE: + 61 8 9429 4888 | FACSIMILE: + 61 8 9226 3388 | EMAIL: info@sinosteelmidwest.com.au | WEB: www.sinosteelmidwest.com.au

East Extension. The company will adhere to and stay away from any heritage exclusion zones. If you have any further queries regarding this POW Application, please do not hesitate to contact me on 08 9429 4839 or 0437 296 336.

Sincerely yours,

Deep Shankar
Senior Exploration Geologist
Sinosteel Midwest Corporation Limited



Registration ID: 48073

User ID: EX53127

Operator Reference:

PROGRAMME OF WORK - EXPLORATION (MINING ACT 1978)

Applicant/Company Name: SINOSTEEL MIDWEST CORPORATION LIMITED		Contact Person: Mr. Deep Shankar	
Address:	PO BOX 529 WEST PERTH WA 6872	Position: Senior Exploration Geologist	
Email: dshankar@smcl.com.au		Tel: 08 9429 4839	
Mob:		Fax:	
Tenement Details			
Tenement No/s.	Registered Holder?	Holder (Name and Address)	Tenure Types*
M 59/596-I	Yes	SINOSTEEL MIDWEST CORPORATION LIMITED C/- HETHERINGTON EXPLORATION & MINING TITLE SERVICES PTY LTD PO BOX 8249 PERTH BUSINESS CENTRE WA 6849	UCL/VCL

*Landowner consent and Surface Rights are required (Section 29, Mining Act). Please check your tenement conditions.

△Ground disturbing activities within Reserves (e.g. Water Reserves, Road Reserves) may require consent from the vested authority, and/or Ministerial consent. Please check your tenement conditions.

Please note the following:

- Please ensure your PoW is complete and that you have checked and complied with tenement conditions prior to lodging your PoW with the Department of Mines and Petroleum (DMP). **Incomplete applications will be rejected.**
- **Requests** for further information will have a time limit of **10 working days** to **respond to the Department.**
- **All bond requests will remain valid for a period of 3 months.** This PoW will be rejected 3 months after the date of issue of the bond request letter.
- Please allow sufficient time for this proposal to be assessed (at least 30 business days). If all required information is not supplied, or if consultation with other agencies is required, then the assessment time frame may increase.
- The *Mines Safety and Inspections Act 1994* requires an Exploration Operation Notification form to be submitted to Resources Safety Division of DMP prior to the proposed activities (see section 6) taking place. <http://www.dmp.wa.gov.au/6711.aspx#7074>
- DMP have a Memorandum of Understanding (MoU) with the EPA, certain criteria may trigger DMP to seek advice from other agencies. The MoU document is available at: <http://www.dmp.wa.gov.au/documents/MOU.PDF>
- All tenement holders will be notified of the approval.
- Please do not modify this form.
- This application will be made available to other government agencies as required.

1. Tenement Conditions:

- If exploring for Iron Ore, have you checked your conditions to see if you have Iron Ore endorsement?
- I have addressed all relevant tenement conditions for this Programme of Work application.

2. Proposed Dates: Approval will be valid for 48 months from date on Approval letter*

Commencement Date: 08-Sep-14

Completion Date: 06-Oct-14

***NOTE** "If approved, the programme will be granted for 48 months from the date shown on the approval letter. Application for an extension to timeframe can be made to an Environmental Officer prior to the expiry of the approval. A PoW is only valid on live tenure. Rehabilitation is to be undertaken within 6 months of the date the ground disturbance occurred to comply with tenement conditions. Justified extensions require written approval from DMP.

3. Aboriginal Heritage Management:



I have completed a query of the Register of Aboriginal Sites at <http://www.daa.wa.gov.au> for the area subject to this application.

Does your proposal partly or wholly intersect the boundary of a registered site?



Yes



No

DAA Advice Filename:

Prior to submitting this Programme of Work to DMP, you must seek advice from the Department of Aboriginal Affairs (DAA) to ensure that you are aware of your obligations under the *Aboriginal Heritage Act 1972* and that suitable arrangements can be put in place to comply with that Act. If your Programme does not have DAA advice attached, it will be rejected. The Programme of Work will need to be resubmitted with the advice attached.

Further referrals may be required under the *Environmental Protection Act 1986*.

NOTE 1: To facilitate advice, DAA will require (i) a description and map (GDA94 co-ordinates) showing the proposed activities and the affected mining tenements, (ii) the title, author and date of any Aboriginal heritage survey conducted over the area, and (iii) a copy of this survey if not already provided to DAA. If the survey is more than 10 years old DAA may require a new survey. The survey should aim to identify places and objects of heritage significance that are currently known or unknown.

NOTE 2: The Programme, if approved, does not remove the need to obtain any approvals required under the *Aboriginal Heritage Act 1972*.

4. Minerals Being Explored:

Mineral	Brief Description
IRON ORE	

5. Proposed Activities:

Tenement Number: M 59/596-I				
Activity Type: Drilling				
Type of Drilling Rig: RC Drilling				
# Drill holes proposed: 16	Max Depth of holes (m): 1895	Spacing (m): 60	Is this infill / resource drilling?: ^{*1} Y	
# Drill pads: 9	Length (m): 20	Width (m): 15		
Line / Track Clearing Length (m): 450		Width (m): 2.5		
Is the drilling likely to encounter groundwater? ^{*3} Y				
# Sumps: 16	Length (m): 4	Width (m): 2.5	Depth(m): 1.5	
Cut & fill pad construction required?: Y				
# Cut & fill Pads: 7	Length: 12	Width 15 (m):	Slope (°): 10	S.G: 2
Cut & fill tracks construction required?: ^{*2} N				
# Cut & fill tracks:	Length:	Width (m):	Slope (°):	S.G:
Total Area Disturbed (Ha)	0.53	Total Tonnage Disturbed	3333	

Tenement Number: M 59/596-I
Activity Type: Core / Sample Farm

Child Activity:	Core / Sample Farm		
# Number: 16	Length: 12	Width (m): 10	
Total Area Disturbed (Ha)	0.19	Total Tonnage Disturbed	0

- *1 *If proposing infill / resource drilling, it is recommended you conduct waste characterisation to assist in mine planning. Waste characterisation is required when seeking approval to mine. Please refer to the ["Guidelines for Mining Proposals in Western Australia"](#) on the DMP website.*
- *2 *Please ensure the additional information includes the number of pads, pad dimensions (length x width) and specific gravity, specific for each gradient. If you are having difficulties please contact an Environmental Officer (EO), DMP for assistance. The [Departmental Hillside Tonnage Calculator](#) (used as a guide to calculate tonnage estimates for cut and fill activities associated with exploration/prospecting activities) is available on the DMP website.*
- *3 *Refer to the ["Guidelines for the protection of surface and groundwater resources during exploration drilling"](#). If the proposed drilling has potential to intercept artesian aquifers, consultation and permitting from the Department of Water (DoW) may also be required.*
- *4 *If yes, please provide a covering letter detailing; camp facilities (number of dongas, size of camp etc), environmental management (e.g. waste disposal, surface water management, etc), other relevant approvals (e.g. Shire), rehabilitation procedures of the facility and an additional map illustrating the site layout.*
- *5 *Note that tonnage limits on P's and E's apply to tonnage disturbed for excavations (costeans, test pits, etc), cut and fill pads, access tracks and larger than normal sumps. If unsure, please consult the Regional EO, DMP.*

6. Summary of Areas and Tonnage Disturbed:

M 59/596-I			
Total Disturbance Area (Ha)	0.72	Total Disturbance Tonnage	3333
Previous Disturbance (Ha)	0	Cumulative Tonnage Disturbed	3333.000
Excess Tonnage Approval	N/A		
Comments	<p>With regards to the previous disturbance, a value of "0" has been shown because it is a mining lease and SMC currently has a mining operation within this tenement.</p> <p>A proposal to mine the area in question (drilling program PoW) has been submitted to EPA. However, no level of assessment has been set so far.</p>		

Note that tonnage limits on P's and E's apply to tonnage disturbed for excavations (costeans, test pits, etc), cut and fill pads, access tracks and larger than normal sumps. If unsure, please consult the Regional EO, DMP.

*Disturbance exceeding 500 tonnes on a Prospecting Licence (Section 48c Mining Act 1978) or 1,000 tonnes on an Exploration Licence (Section 66c Mining Act) requires delegated approval from the Director, Mineral Titles Division (MTD). Please note that disturbed tonnage is cumulative for the life of the tenement. Any excess over 50,000 tonnes requires Ministerial approval. The tenement holder is required to contact (MTD).

7 Maps:

The plan should clearly show the location of the following:

Number of Map Files Uploaded : 4	Map File Name :	2076_BH.pdf AboriginalHeritageSiteSearch100419 (1).pdf Proposed holes ME_Ext_2014.xlsx M59_596_48073 Cover Letter.docx
----------------------------------	-----------------	---

NOTE: plans using a topographical map or aerial photo are required, with GDA94 co-ordinates.

- Proposed activities and disturbance (showing drill holes and/or lines)
- Line and track clearing
- Major landforms and topographical features
- Existing tracks / route onto tenement and route to proposed drill holes/costeans
- Tenement boundaries and labels
- Freehold land / Reserve location boundaries and relevant cadastral information
- Legend

8 Environment Protection Authority (EPA)

Are the activities proposed in this Programme of Work located within an **area currently under formal assessment by** the EPA under Part IV of the *Environmental protection Act 1986*?:

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
------------------------------	--	--

Has the **area subject to this PoW ever previously been assessed** by the Environmental Protection Authority (EPA) under Part IV of the *Environmental Protection Act 1986*?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
------------------------------	--	--

9 Clearing of native vegetation:

Does your proposal involve the clearing of native vegetation?

Yes No

Clearing for exploration purposes is exempt from requiring a clearing permit provided it is not within an Environmentally Sensitive Area (ESA), and is conducted under an authority granted under the *Mining Act 1978* (e.g. an approved Programme of Work). This exemption is found at item 25 of the Environmental Protection (Clearing of Native Vegetation) Regulations 2004.

The Native Vegetation Map Viewer provides a guide to the locations of ESA's. <http://maps.dec.wa.gov.au/idelve/nv/index.jsp>. Instructions on using the Map Viewer can be found on the DMP website at <http://www.dmp.wa.gov.au/17202.aspx>

Environmentally Sensitive Areas are defined in regulation 6 of the Environmental Protection (Clearing of Native Vegetation) Regulations 2004. *Some examples of ESA's are Bush Forever Sites, areas listed on the Register of National Estate for natural values, the area within 50 m of Declared Rare Flora, and the area covered by a Threatened Ecological Community*

If you have any queries regarding clearing permits please contact the DMP – Native Vegetation Assessment Branch (9222 3570)

j) Is the clearing of native vegetation that you propose within an Environmentally Sensitive Area?

<input type="checkbox"/> Yes	<i>If known, please state the type of ESA (e.g. Bush Forever Site, Threatened Ecological Community etc);</i>	<input checked="" type="checkbox"/> No (Please go to Section 10)
------------------------------	--	--

10 Environmental Management:

Note: If relevant Environmental Management and Rehabilitation Practices for all activities selected under section 5 “Proposed Activities” are not selected, this may extend the assessment timeframe as further information will be sought.

10.1 Environmental Management and Methods of Minimising Disturbance

- Use of raised blade for clearing tracks & drill pads
- Using existing tracks where available
- Avoiding significant vegetation e.g. large trees, thickets, mulga groves
- Vegetation stockpiled separately for use in rehabilitation when constructing drill pads
- Topsoil and vegetation stockpiled separately for use in rehabilitation when constructing sumps and/or costeans
- Excavations (sumps, costeans etc.) appropriately ramped to allow fauna egress
- Use of liners and drip trays under rigs to minimise risk of hydrocarbon spillage
- Use of sumps of appropriate size to contain all water and sediment encountered during drilling (sump to be located away from significant vegetation, and water courses)
- Use of appropriate machinery to minimise impacts (excavator instead of bulldozer, wheeled machinery instead of tracked, specialist drill rig etc...)
- Vehicle hygiene maintained to prevent the spread of plant pathogens (e.g. *Phytophthora sp.*) and/or invasive species. (check requirements of tenement conditions for specific management, e.g. Dieback Management Plan)
- Other (please specify):

10.2 Rehabilitation Practices and Timing

- Drill holes secured immediately after drilling (capped/plugged)
- Drill holes securely plugged below ground at minimum depth of 400mm within 6 months of drilling (If not using concrete, conical plugs, please specify type in Other)
- Scarifing/Ripping of compacted areas on the contour
- Blocking access to tracks
- Drill sample piles rehabilitated or buried
- Sample bags removed within 6 months of drilling
- All rubbish removed from site (including any hydrocarbon spills)
- Excavations (e.g. sumps, costeans etc.) backfilled and respread with topsoil and cleared vegetation
- Other (please specify):

Tenement conditions require that all rehabilitation must be completed within 6 months of drilling. **Any extension of this timeframe requires the written approval of an Environment Officer before the six month period expires.**

10.3 Describe Existing Environment and Vegetation

(E.g. Mulga scrublands, Eucalypt / saltbush woodland, Spinifex grassland, Jarrah forest, Farmland, etc.)

low to open woodlands of Eucalyptus, Acacia and Callitris species

10.4 Describe Landform

(E.g. flat alluvial plain, greenstone, range, creek/drainage lines, hillsides etc.)

prominent ridges of banded ironstone, dolerite and sedimentary rocks

10.5 Do the proposed activities occur on isolated hills / ranges in the Midwest or Yilgarn (banded iron formations) (BIF)?

Yes No

Advice from the DEC may be sought and a flora survey may be required.

10.6 Is your exploration program likely to encounter Radioactive Material?

Yes No

10.7 Is your exploration program likely to encounter fibrous materials such as asbestos?

Yes No

10.8 Does the proposed activity interfere with the Beds and/or Banks of a watercourse?

Yes No

All statements made and information given in this certified application is true and correct. I acknowledge that this application will be rejected if I have not addressed all relevant tenement conditions and/or sufficient information is not supplied.

Yes

Name: Deep Shankar

Position: Senior Exploration Geologist

Date: 21-May-14



Search Criteria

3 Registered Aboriginal Sites in Mining Tenement - M 59/595

Disclaimer

The *Aboriginal Heritage Act 1972* preserves all Aboriginal sites in Western Australia whether or not they are registered. Aboriginal sites exist that are not recorded on the Register of Aboriginal Sites, and some registered sites may no longer exist.

Copyright

Copyright in the information contained herein is and shall remain the property of the State of Western Australia. All rights reserved.

Coordinate Accuracy

Accuracy is shown as a code in brackets following the coordinates.

Terminology (NB that some terminology has varied over the life of the legislation)

Place ID/Site ID: This a unique ID assigned by the Department of Aboriginal Affairs to the place

Status:

- o **Registered Site:** The place has been assessed as meeting Section 5 of the *Aboriginal Heritage Act 1972*
- o **Other Heritage Place which includes:**
 - **Stored Data / Not a Site:** The place has been assessed as not meeting Section 5 of the *Aboriginal Heritage Act 1972*
 - **Lodged:** Information has been received in relation to the place, but an assessment has not been completed at this stage to determine if it meets Section 5 of the *Aboriginal Heritage Act 1972*

Access and Restrictions:

- o **File Restricted = No:** Availability of information (other than boundary) that the Department of Aboriginal Affairs holds in relation to the place is not restricted in any way.
- o **File Restricted = Yes:** Some of the information that the Department of Aboriginal Affairs holds in relation to the place is restricted if it is considered culturally sensitive. This information will only be made available if the Department of Aboriginal Affairs receives written approval from the informants who provided the information. Download the [Request to Access Restricted Information](#) letter and form.
- o **Boundary Restricted = No:** place location is shown as accurately as the information lodged with the Registrar allows.
- o **Boundary Restricted = Yes:** place location is shown as accurately as one or more two-kilometre-square boxes.

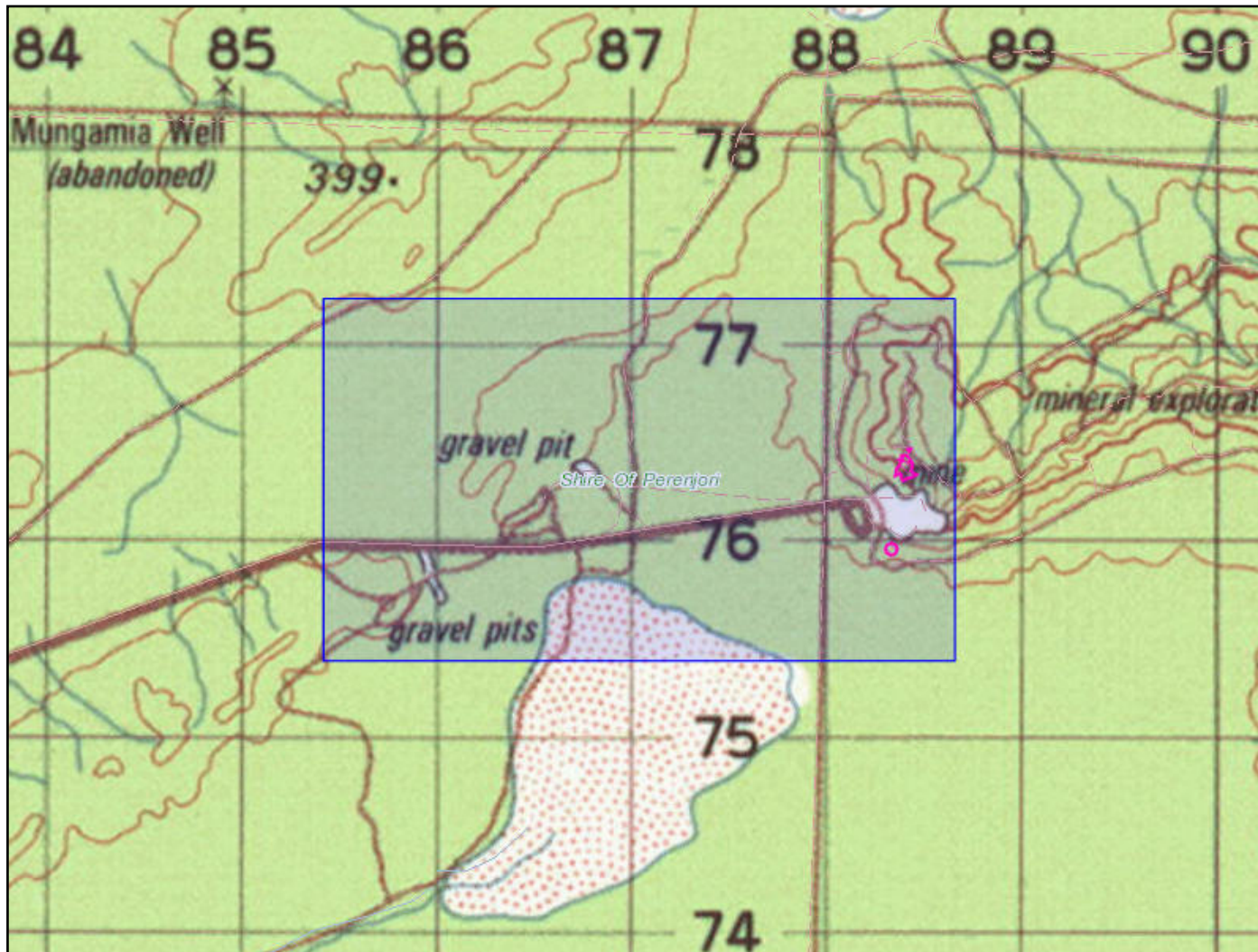
The Department of Aboriginal Affairs maps the locations of all sites and heritage places, including sites and heritage places where the boundary is restricted, as accurately as the information lodged with the Registrar allows. However, to preserve the confidentiality of sites and heritage places where the boundary is restricted their locations are published in reports from the Register and displayed on the Aboriginal Heritage Inquiry System within one or more two-kilometre-square boxes. These 2 km boxes act as indicators for the presence of sites or heritage places rather than the exact location of the place.
- o **Restrictions:**
 - **No Restrictions:** Anyone can view the information.
 - **Male Access Only:** Only males can view restricted information.
 - **Female Access Only:** Only females can view restricted information

Legacy ID: This is the former unique number that the former Department of Aboriginal Sites assigned to the place. This has been replaced by the Place ID / Site ID.








List of Registered Aboriginal Sites with Map

Site ID	Status	File Restricted	Boundary Restricted	Restrictions	Site Name	Site Type	Knowledge Holders	Coordinates	Legacy ID
31401	Registered Site	No	No	No Gender Restrictions	BH11-08	Artefacts / Scatter	*Registered Knowledge Holder names available from DAA	488559mE 6776602mN Zone 50 [Reliable]	
31402	Registered Site	No	No	No Gender Restrictions	BH11-09	Man-Made Structure	*Registered Knowledge Holder names available from DAA	488469mE 6776098mN Zone 50 [Reliable]	
31403	Registered Site	No	No	No Gender Restrictions	BH11-10	Artefacts / Scatter	*Registered Knowledge Holder names available from DAA	488539mE 6776506mN Zone 50 [Reliable]	



Legend

Selected Heritage Sites

-  Registered Sites
-  Aboriginal Community Occupied
-  Aboriginal Community Unoccupied
-  Town
-  Search Area

Copyright for base map information shall at all times remain the property of the Commonwealth of Australia, Geoscience Australia - National Mapping Division. All rights reserved.

Cadastre, Local Government Authority, Native Title boundary, Roads data copyright © Western Australian Land Information Authority trading as Landgate (2014).

Geothermal Application, Geothermal Title, Mining Tenement, Petroleum Application, Petroleum Title boundary data copyright © the State of Western Australia (DMP) (2014.5)

For further important information on using this information please see the Department of Aboriginal Affairs' Terms of Use statement at <http://www.daa.wa.gov.au/Terms-Of-Use/>

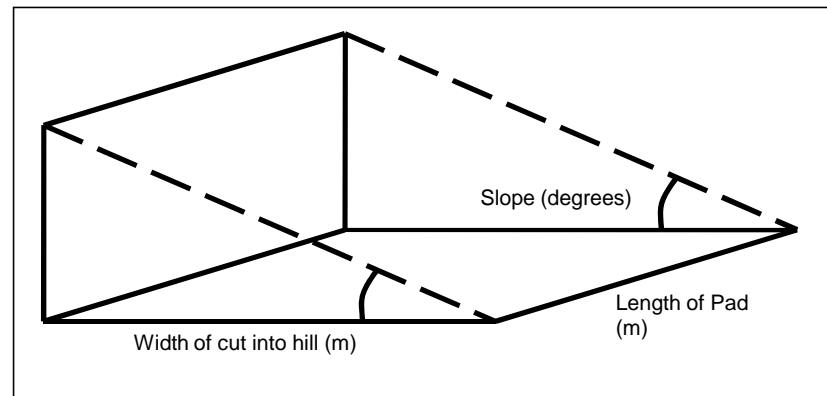
TONNAGE CALCULATIONS FOR PADS										
Hole I.D.	Pad length (m) *	Width of cut into hill (m) **	Specific gravity of material (tonnes/m ³)	Number of Pads	Hill slope (degrees)	Height of "cut" in hill (m)	Volume disturbed (m ³)	Tonnage per pad	Tonnage	
MEX_PH01	12	15	2	1	10	2.6	238	428	428	
MEX_PH02	12	15	2	1	10	2.6	238	428	428	
MEX_PH03	15	15	2	1	5	1.3	148	266	266	
MEX_PH05	12	15	2	1	10	2.6	238	428	428	
MEX_PH06	12	15	2	1	11	2.9	262	472	472	
MEX_PH07	12	15	2	1	12	3.2	287	517	517	
MEX_PH08	12	15	2	1	13	3.5	312	561	561	
							0	0	0	
							0	0	0	
							0	0	0	
							0	0	0	
TOTAL TONNAGE									3101	

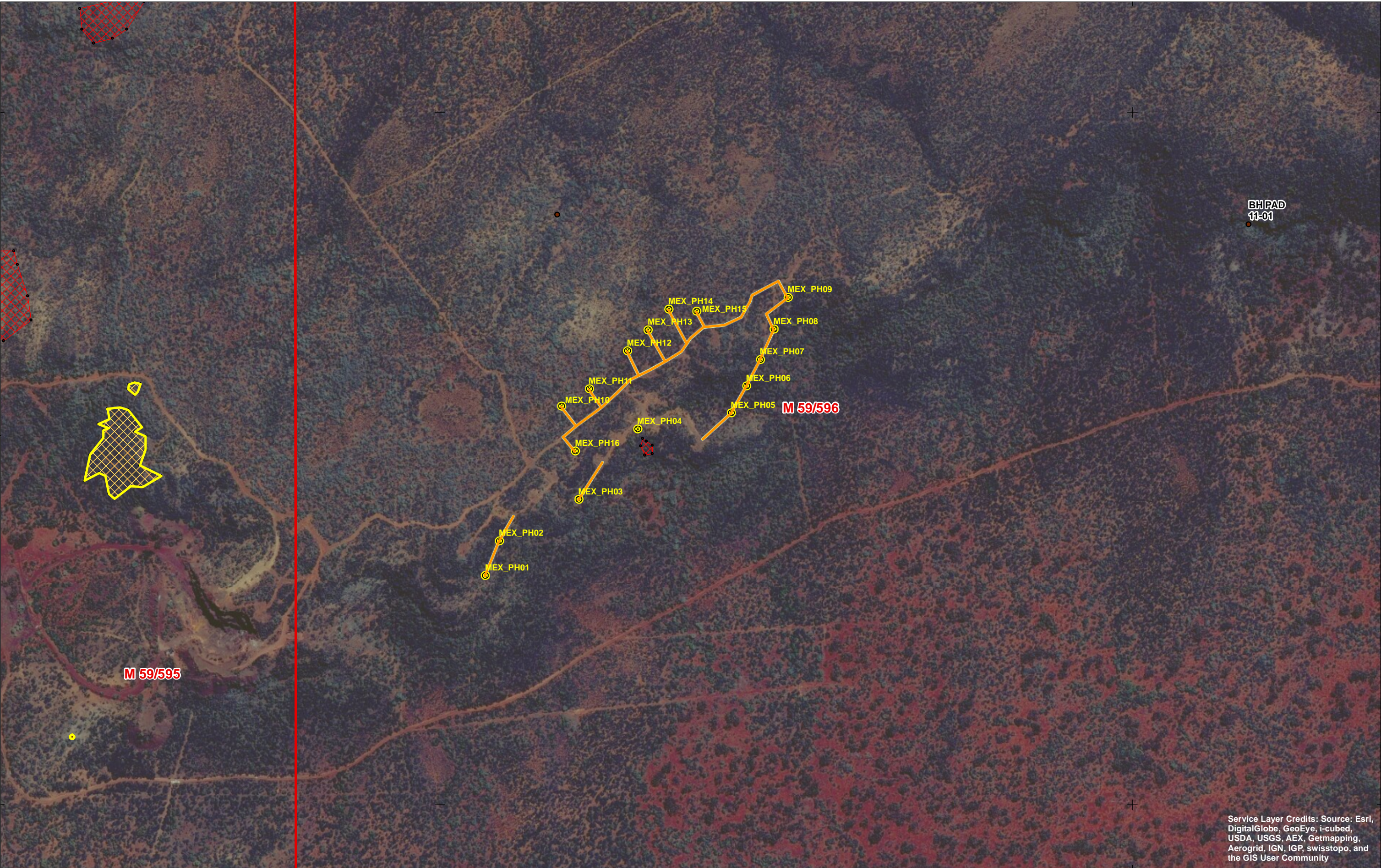
Some pads have may contain two holes drilled at different angles.

TONNAGE CALCULATIONS FOR TRACKS							
Track length (m) *	Width of track cut into hill (m) **	Specific gravity of material (tonnes/m ³)	Number of tracks at this slope	Hill slope (degrees)	Height of "cut" in hill (m)	Volume disturbed (m ³)	Tonnage
450	2.5	2	1	5	0.2	123	221
TOTAL TONNAGE							221

Notes:

- * Length is the dimension across the slope, perpendicular to the slope of the hillside.
- ** Width is the dimension at along the slope, parallel to the slope of the hillside.
- ** The 'width of cut into hill' does not include infill material which may be a component of the total pad width.
- Variable values are shown in bright blue on the left hand side of the table

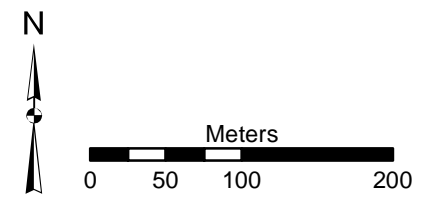




Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



Map Reference: 2076_BH
 Projection Details: MGA 50, GDA 94
 Date: 14 May 2014



Blue Hills Project (M59/596)
2014 April Proposed Tracks and Drill Holes

1:5,000 @A3

- Proposed_tracks
- ⊗ Proposed_Drilling
- SMCL Tenements
- DIA Sites with S18 Consent(34-17507), need monitors presence during initial ground disturbance
- Terra Rosa Archaeological Sites