

LEGISLATIVE COUNCIL
Question On Notice

be tabled paper.

Tuesday, 16 February 2016

3814. Hon Robin Chappie to the Minister for Agriculture and Food representing the Minister for Mines and Petroleum

(1) How many of the projects that had bonds released for their tenements have been put into administration since the bonds were released, and please specify:

- (a) which companies and projects; and
- (b) what is the expected liability of rehabilitation for those sites?

(2) How many projects that had bonds released for their tenements have been put into Care and Maintenance since the bonds were released, and please specify:

- (a) which companies and projects; and
- (b) what is the expected liability of rehabilitation for those sites?

(3) What is the current total fiscal liability to the State for mine rehabilitation, and please specify:

- (a) what is the liability for abandoned mine rehabilitation;
- (b) what is the liability for mines now in administration; and
- (c) what is the possible liability for mines in Care and Maintenance?

Answer

The Department of Mines and Petroleum advises:

1. Five

(a) Four companies had bonds retired into the MRF and are now in administration:

- Kimberley Diamond Company NL (operator of the Ellendale Diamond Project)
- GMK Exploration Pty Ltd (operator of the Meekatharra Gold Project and a subsidiary of Reed Resources Ltd, now Neometals Ltd)
- Pluton Resources Limited (operator of the Cockatoo Island Iron Ore Project, on its own account and for Pelican Resources Ltd)
- Midwest Vanadium Pty Ltd (operator of the Windimurra Vanadium Project for Atlantic Ltd).

In addition, Swan Gold Mining Limited (now Eastern Goldfields Ltd, operator of the Carnegie Gold Project) was placed in administration but this arrangement has since ended.

- (b) Under the *Mining Rehabilitation Fund Act 2012* (MRF Act), rehabilitation liability is estimated on a tenement basis, rather than a project basis. These are reported annually.
- Kimberley Diamonds NL – the Rehabilitation Liability Estimate (RLE) for the Ellendale tenements was \$40.18m at 30 June 2015.
 - GMK Exploration Pty Ltd – project assets were sold to Metals X Ltd in 2014. RLE of these tenements was \$3.8m at 30 June 2015.
 - Pluton Resources Ltd - RLE of Cockatoo Island tenements was \$3.52m at 30 June 2015.
 - Midwest Vanadium Pty Ltd – RLE of Windimurra tenements was \$16.15m at 30 June 2015.
2. Sixty Four (64) mining projects have been put into Care and Maintenance since they entered the Mining Rehabilitation Fund and their bonds were retired.

- (a) [See Tabled Paper no.] Attachment 1 containing 60 Projects, excluding the four projects identified in Q1.

Please note that placing areas of mining activity on Care and Maintenance is a standard management tool and it is common for components of projects to be put into (and taken out of) Care and Maintenance at different times. Attachment 1 shows only the earliest date that a Project entered Care and Maintenance.

However of the 60 Projects listed in Attachment 1, all but the following 5 Projects remain in Care and Maintenance on at least one site or tenement. These 5 Projects are now operating:

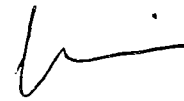
- Leinster;
- Pippingarra Mica-Feldspar;
- Port Hedland /BGC;
- British King; and
- Mt Webber.

- (b) Attachment 1 includes the sum of the Rehabilitation Liability Estimate (RLE) as at 30 June 2015 for all tenements attached to each project. Under the *Mining Rehabilitation Fund Act 2012* (MRF Act), rehabilitation liability is estimated on a tenement basis, rather than a project basis. For projects under Care and Maintenance, the responsibility for meeting rehabilitation obligations remains with the mining tenement holders.

3. For *Mining Act 1978* tenures, the State's liability for mine rehabilitation costs is

limited to those mines that have been determined to be abandoned and where efforts to recover costs from the operator have been exhausted. One of the purposes of the Mining Rehabilitation Fund is to cover this liability.

- (a) A rehabilitation liability has not been calculated for all abandoned mines in Western Australia, as this is not a regulatory requirement under either the MRF Act or the Mining Act.
- (b) Companies in administration retain responsibility for the rehabilitation of their tenement holdings.
- (c) There are currently 144 mining projects that are on Care and Maintenance. The intention of the Mining Rehabilitation Fund is to cover any liability from any project being abandoned.

A handwritten signature in black ink, consisting of a stylized, cursive-like script that is difficult to decipher but appears to be a personal name or initials.

Bond Retirement Date	Date on Care and Maintenance	Project Title	Owners at Care and Maintenance Date	Current Owners	Rehabilitation Liability Estimate 30 June 2015
08/07/2013	29/01/2015	Hyden East	Ronald William BROWN	Ronald William BROWN	\$ 58,640.00
10/07/2013	6/11/2013	Kirkalocka	Mount Magnet South NL	Minjar Gold Pty Ltd	\$ 6,444,424.80
24/07/2013	28/01/2015	Burbanks Mill / Ramelius	Ramelius Resources	Barra Resources Ltd, Kidman Resources Limited, Ramelius Resources Ltd	\$ 514,260.00
30/07/2013	11/03/2014	Bald Hill Tantalite	HRM Resources Australia Ltd	Alliance Mineral Assets Limited	\$ 132,580.00
31/07/2013	22/08/2014	Minjar - Mt Mulgine	Falcon Minerals Limited, Minjar Gold Pty Ltd	Falcon Minerals Limited, Minjar Gold Pty Ltd	\$ 21,552,340.00
15/08/2013	2/02/2015	Coolgardie North	Blue Tiger Mines Pty Ltd	Kidman Resources Limited	\$ 404,220.00
16/09/2013	10/02/2016	Port Hedland / Stirling-Swan	DH Macpherson	Stirling Bay Holdings Pty Ltd, Swan Bay Holdings Pty Ltd, WA Limestone Co	\$ 895,020.00
03/10/2013	11/11/2013	Central Tanami JV	Northern Star Resources Ltd, Tanami Gold NL	Northern Star Resources Ltd, Tanami Gold NL	\$ 4,097,720.00
22/10/2013	15/11/2013	Comet / Metals X	Metals X Ltd, Silver Lake Resources Ltd	Metals X Ltd, Silver Lake Resources Ltd	\$ 767,860.00
22/10/2013	24/04/2014	Cue – Moyagee	Musgrave Minerals Ltd, Silver Lake Resources Ltd	Franco-Nevada Australia Pty Ltd., Musgrave Minerals Ltd, Silver Lake Resources Ltd	\$ 0
22/10/2013	24/10/2013	Murchison / Silver Lake	Silver Lake Resources Ltd	Silver Lake Resources Ltd	\$ 10,789,780.00
22/10/2013	25/07/2014	Randalls - Mt Manger	Silver Lake Resources Ltd	Golden Mile Milling Pty Ltd, Silver Lake Resources Ltd	\$ 3,626,320.00
19/12/2013	13/01/2014	Central Norseman	Norseman Gold pic	Norseman Gold pic	\$ 3,170,086.40
03/01/2014	4/06/2015	Paynes Find / Paynes Find Gold	Paynes Find Gold Limited	Paynes Find Gold Limited	\$ 162,620.00
19/02/2014	6/05/2014	Lake Goorly Gypsum / Bywaters	C.A. Bywaters & P.J. Bywaters	C.A. Bywaters & P.J. Bywaters	\$ 293,100.00
04/03/2014	13/11/2015	Tarmoola - King of the Hills	St Barbara Mines	Saracen Mineral Holdings Ltd	\$ 10,227,874.00

Bond Retirement Date	Date on Care and Maintenance	Project Title	Owners at Care and Maintenance Date	Current Owners	Rehabilitation Liability Estimate 30 June 2015
06/03/2014	20/07/2015	Victoria Highway - Kununurra	Plant Hire Services Pty Ltd	Plant Hire Services Pty Ltd	\$ 9,000.00
22/04/2014	16/09/2014	Cutler Rd - Carabooda / Limestone Resources	Limestone Resources Australia Pty Ltd	Limestone Resources Australia Pty Ltd	\$ 185,600.00
01/05/2014	5/11/2014	Pippingarra Mica-Feldspar	North West Quarries Pty Ltd	North West Quarries Pty Ltd	\$ 1,241,523.20
15/07/2014	12/11/2015	Hines Hill / Smith	Mervyn Grenfell BLAKE, Ronald James SMITH	Mervyn Grenfell BLAKE, Ronald James SMITH	\$ 9,000.00
16/07/2014	27/08/2014	Mooka Chalcedony (Mookaite) / Butler	A Butler Investment Trust	A Butler Investment Trust	\$ 0
01/08/2014	2/02/2015	Kununurra / Guerinoni	Guerinoni Nominees Pty Ltd	Guerinoni Nominees Pty Ltd	\$ 225,000.00
06/08/2014	20/08/2015	Yandal / Metaliko 2	Navigator Mining NL	Metaliko Resources Ltd	\$ 50,700.00
07/08/2014	12/06/2015	Silver Swan - Black Swan	MPI Mines Ltd	Harmony Gold (Australia) Pty Ltd, Indago Resources Ltd, Poseidon Nickel Ltd, Western Areas Ltd	\$ 10,051,917.20
08/08/2014	22/01/2016	Tabba Tabba - Strelley	Pilbara Minerals Limited	Pilbara Minerals Limited	\$ 206,508.00
15/08/2014	10/12/2015	Cape Range Limestone / Exmouth Lst	Exmouth Limestone Pty Ltd	Exmouth Limestone Pty Ltd	\$ 141,840.00
15/08/2014	5/09/2014	Lake Johnston / Poseidon	Norilsk Nickel	Poseidon Nickel Ltd	\$ 2,264,559.80
19/08/2014	20/04/2015	Mt Webber	Atlas Iron Limited	Altura Mining Limited, Atlas Iron Limited	\$ 2,995,841.80
21/08/2014	9/11/2015	Forrestania Nickel / Western Areas	Western Areas Ltd	Great Western Exploration Limited, Western Areas Ltd	\$ 985,280.00
22/08/2014	6/11/2014	Port Hedland / BGC	BGC Contracting Pty Ltd	BGC Contracting Pty Ltd	\$ 1,067,040.00
28/08/2014	29/01/2015	Lancelin / Rule	THE TRUSTEE FOR GF & SA RULE FAMILY TRUST	THE TRUSTEE FOR GF & SA RULE FAMILY TRUST	\$ 54,608.20
29/08/2014	22/02/2016	Mt Minnie Granite / Pilbara Rock	Stirling Bay Holdings Pty Ltd, Swan Bay Holdings Pty Ltd, WA	Stirling Bay Holdings Pty Ltd, Swan Bay Holdings Pty Ltd, WA Limestone Co	\$ 53,879.40

Bond Retirement Date	Date on Care and Maintenance	Project Title	Owners at Care and Maintenance Date	Current Owners	Rehabilitation Liability Estimate 30 June 2015
03/09/2014	9/04/2015	Mulga Downs	Hancock Prospecting Pty Ltd	Hancock Prospecting Pty Ltd	\$ 448,980.00
08/09/2014	26/06/2015	Donnybrook Sandstone / Cosmic	Cosmic Resources Pty Ltd	Cosmic Resources Pty Ltd, Irishtown Sandstone Pty Ltd	\$ 48,437.40
11/09/2014	26/03/2015	Thunderbox Gold	Dalrymple Resources Pty Ltd	Saracen Mineral Holdings Ltd	\$ 12,162,020.00
19/09/2014	20/05/2015	Koolanooka & Blue Hills - Mungada / Sinosteel	Sinosteel Midwest Corporation Limited	Sinosteel Midwest Corporation Limited	\$ 3,299,980.00
19/09/2014	28/01/2016	Savannah Nickel	Panoramic Resources Ltd	Panoramic Resources Ltd	\$ 4,827,048.20
22/09/2014	20/04/2015	Mt Webber	Atlas Iron Limited	Altura Mining Limited, Atlas Iron Limited	\$ 679,033.00
25/09/2014	5/02/2015	Turner River Dune Sand / Holcim	Holcim (Australia) Pty Ltd	Holcim (Australia) Pty Ltd	\$ 0
26/09/2014	19/01/2015	Paroo Station	Magellan Metals	Ivernia Inc.	\$ 12,298,720.20
07/10/2014	6/11/2015	Duketon / Regis	Regis Resources Ltd	Regis Resources Ltd	\$ 183,600.00
07/10/2014	13/11/2015	Jundee – Nimary	Newmont Yandal	Northern Star Resources Ltd	\$ 9,783,646.00
08/10/2014	2/02/2015	Kambalda - St Ives	Gold Fields Limited	Gold Fields Limited	\$ 20,839,674.00
09/10/2014	9/11/2015	Brightstar / Stone - MHM Metals	Stone Resources Australia	MHM Metals Ltd, Stone Resources Australia Limited	\$ 3,977,164.00
15/10/2014	2/02/2015	Castle Hill / Phoenix	Phoenix Gold Limited	Cazaly Resources Ltd, Evolution Mining Limited, FMR Investments Pty Limited	\$ 209,040.00
16/10/2014	6/08/2015	Mt Seabrook Talc	IMI Fabi (Australia) Pty Ltd	IMI Fabi (Australia) Pty Ltd	\$ 2,002,060.00
17/10/2014	17/08/2015	Lawlers Gold	Gold Fields Limited	Gold Fields Limited	\$ 1,971,287.00
20/10/2014	8/02/2016	Gregory West - Andover / WA Limestone	Stirling Bay Holdings Pty Ltd, Swan Bay Holdings Pty Ltd, WA	Stirling Bay Holdings Pty Ltd, Swan Bay Holdings Pty Ltd, WA Limestone Co	\$ 22,915.80

Bond Retirement Date	Date on Care and Maintenance	Project Title	Owners at Care and Maintenance Date	Current Owners	Rehabilitation Liability Estimate 30 June 2015
21/10/2014	5/02/2016	Nullagine / Millennium	Millennium Minerals Limited	Livestock Marketing Pty. Ltd, Millennium Minerals Limited, RSI (Royalty Stream Investments) Pty Ltd, Simba Holdings Pty Ltd	\$ 595,080.00
29/10/2014	14/12/2015	Nullagine CID	BC Iron Ltd, Fortescue Metals Group Ltd	BC Iron Ltd, Fortescue Metals Group Ltd	\$ 11,906,220.00
29/10/2014	12/11/2014	Radio – Bullfinch	Brightsun Enterprises Pty Ltd	Resources & Energy Group Limited, St Barbara Ltd	\$ 568,540.00
30/10/2014	3/12/2014	Gnangara (Tick Road) / Boral-Rocla	Boral Resources (WA) Ltd, Rocla Pty Ltd	Boral Resources (WA) Ltd, Rocla Pty Ltd	\$ 684,960.00
05/11/2014	17/06/2015	Leinster	BHP Billiton Ltd	BHP Billiton Ltd	\$ 5,407,383.60
10/11/2014	20/07/2015	East Pilbara Iron Ore / FMG	Fortescue Metals Group Ltd	Fortescue Metals Group Ltd	\$ 1,012,086.00
01/12/2014	6/07/2015	Nicholas Downs Manganese	Hancock Prospecting Pty Ltd	Hancock Prospecting Pty Ltd, Process Minerals International Pty Ltd	\$ 1,731,040.00
04/12/2014	30/04/2015	Koolyanobbing Iron	Cliffs Natural Resources Pty Ltd	Cliffs Natural Resources Pty Ltd, Polaris Metals Pty Ltd	\$ 13,879,440.00
10/12/2014	27/01/2016	Widgiemooltha / Mincor	Mincor Resources NL	Mincor Resources NL	\$ 2,553,690.00
22/12/2014	18/06/2015	British King	International Gold Mining Ltd	BK Gold Mines Pty Ltd, Central Iron Ore Limited	\$ 274,880.00
19/01/2015	5/01/2016	Woodie Woodie / CML	Consolidated Minerals Pty Ltd	Consolidated Minerals Pty Ltd, Process Minerals International Pty Ltd	\$ 18,634,480.00
20/01/2015	3/02/2015	Collins Lagoon	McCorry Brown Earthmoving Pty Ltd	McCorry Brown Earthmoving Pty Ltd	\$ 54,140.00