

MINES AND PETROLEUM — BONDS RELEASE — SITE REHABILITATION

3814. Hon Robin Chapple 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?

Hon Ken Baston replied:

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 3923.] 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.