

Environmental Protection Act 1986

Section 43A

**NOTICE OF DECISION TO CONSENT TO CHANGE TO PROPOSAL DURING
ASSESSMENT**

PERSON TO WHOM THIS NOTICE IS GIVEN

MRC Graphite Pty Ltd
39-43 Murray Road North
Welshpool WA 6106

PROPOSAL TO WHICH THIS NOTICE RELATES:

Munglinup Graphite Project
Assessment No.2206

Pursuant to section 43A of the *Environmental Protection Act 1986* (EP Act), the Environmental Protection Authority (EPA) consents to the proponent making the following changes to the proposal during assessment without a revised proposal being referred -

1. Power Supply
2. Graphite Processing Circuit
3. Processing Reagents
4. Handling of Final Product

See Schedule 1 attached.

EFFECT OF THIS NOTICE:

1. The proponent may change the proposal as provided for in this notice.

RIGHTS OF APPEAL:

There are no rights of appeal under the EP Act in respect of this decision.



Dr Tom Hatton
CHAIRMAN

4 August 2019

Schedule 1

Change to Proposal

Element	Current Proposal	Changed Proposal
Development Envelope	650 ha	No change proposed
Disturbance Footprint	350 ha	No change proposed
Processing plant	Disturbance of 1ha within a 650ha development envelope. Ore will be scrubbed, followed by grinding, with graphite recovered by flotation.	Disturbance of 1.3ha within a 650ha development envelope. Ore will be crushed, scrubbed, followed by grinding, with graphite recovered by a multi-stage flotation circuit. Over size material will be temporarily stockpiled onsite and the graphic process reagent is hydrocarbon based.
Supporting infrastructure	Disturbance of 10ha within a 650ha development envelope. Other supporting infrastructure includes administration buildings, mine operations buildings, workshops, fuel storage, water storage, pipelines, landfill, borrow pits, power generation, solar field	Disturbance of 10ha within a 650ha development envelope. Other supporting infrastructure includes graphite container loading and short term storage area, administration buildings, mine operations buildings, workshops, fuel storage, water storage, pipelines, landfill, borrow pits, power generation.
Operational elements		
Processing plant	Processing 400kt per annum of ore.	No change proposed
Processing tailings	Disposal of up to 350Kt per annum in a lined facility	No change proposed
Graphite production	Peak of 80 – 85Kt of graphite per year.	No change proposed
Power supply	2MW power station comprising, comprising 2 x 1 MW diesel generator sets with a potential a solar field	4.2 MW power station comprising 4 x 1.05 MW including a black start diesel generator housed in shipping containers.

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STATEMENT OF REASONS

CONSENT TO CHANGE PROPOSAL DURING ASSESSMENT

Proposal: Munglinup Graphite Project

Proponent: MRC Graphite Pty Ltd

Decision

For the reasons outlined below, the EPA has determined to consent to the Proponent changing the Proposal outlined in Schedule 1 attached to this Statement of Reasons.

Background

On 12 November 2018 MRC Graphite Pty Ltd referred the Proposal to the Environmental Protection Authority (EPA) under section 38 of the *Environmental Protection Act 1986* (EP Act). The Proposal included the development of six open pits targeting graphite, a processing plant, tailings storage facility, waste rock landforms and associated supporting infrastructure.

On 17 March 2019, the Department of Environment and Energy decided that the proposed action was a controlled action, and that it requires assessment and a decision about whether approval should be given under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

On 14 May 2019, the EPA determined to assess the Proposal at the level of referral information with additional information required under section 40 (20(a) of the *Environmental Protection Act*, with a four-week public review of additional information.

On 11 July 2019, the Department of Environment and Energy determined that the proposed action is to be assessed by the Environmental Protection Authority under the *Environmental Protection Act 1986* (WA) as an accredited assessment.

In advance of the EPA preparing a report on the outcome of its assessment of the Proposal, the Proponent has sought the EPA's consent to the proponent changing the Proposal.

Relevant Statutory and Administrative Provisions

Section 3.8 of the *Environmental Impact Assessment (Part IV Divisions 1 and 2) Procedures Manual 2016* guides what information the EPA requires from a person wanting to change its proposal during assessment.

In considering the request for consent, the EPA considered the:

- details of the proposed change
- statement of the significance of the change and
- rationale for the change.

Materials considered in making this decision

In determining whether to consent to the proponent changing the proposal the EPA has considered the following:

1. Munglinup Graphite Project s38 & EPBC referral: Supporting information and appendices (9 November 2018); and
2. Munglinup Graphite Project – Section 43A request to change proposal during assessment (4 July 2019).

Consideration

1. Nature of the proposed change

The proponent has continued to undertake studies to refine the Project since referral, identifying modifications necessary for the life of the project. These studies have identified changes including amendments to the power supply, graphite processing circuit, processing reagents and handling of the final product.

- The original referral included transport of the product to a third-party location in Esperance, with bulka-bags to be sorted and loaded into sea containers at this location. The change to proposal includes sorting and loading of the bulka-bags into sea containers onsite, eliminating the need for handling at a third-party location in Esperance.
- The original referral identified kerosene as the primary reagent to be used in the processing circuit. Further investigations have identified that a range of hydrocarbons are suitable for use as the primary processing reagent. The proponent requests that the primary processing reagent be changed from kerosene to liquid hydrocarbon, with the addition of flocculant to the thickener feed in the processing circuit.
- The proponent has requested four minor changes to the processing circuit comprising the removal of a scrubber stage, inclusion of additional floatation stage, and live coarse ore stockpile and a small stockpile for oversize material.
- The proponent proposes to increase the capacity of the power station from an onsite 2MW power station comprising 2 x 1MW diesel generator sets; to a 4.2MW natural gas-powered power station. The proponent still intends to investigate opportunities for including of a solar hybrid system as part of the long-term power supply for the project.

The additional activities will occur within the existing development envelope, with only minor additional clearing required. The impacts from the changes proposed are not expected to differ significantly from the original proposal.

2. Stage of the assessment process

The project has not yet been released for public comment. The proponent is currently undertaking discussion with relevant decision-making authorities on adequacy of referral information and additional survey work required to inform public review of the project.

3. Currency, relevance and reliability of the information, including submissions

The changes apply largely to the processing aspects of the Project, with disturbance limited to within the referred footprint. The change to packaging and loading of the product will reduce handling within the Town of Esperance.

The changes will be released for public comment over a four-week public review period.

4. Community engagement

Community concerns on the proposal will be identified during the four-week public review period. Submission received would need to be addressed by the proponent in its response to comments.

5. Level of public concern

Four submissions were received during the seven-day public comment period on the referral, which include concerns over the clearing extent (350 hectares) and impacts to matters of environmental significance, terrestrial fauna and inland waters. Two of the comments requested the project be not assessed, and two requested that the proposal be assessed at the level of Public environmental review (PER).

The EPA does not consider there to be an increased level of public interest in the proposal from the change.

Consideration of Whether the Change is Unlikely to Significantly Increase Any Impact that the Proposal May Have on the Environment

The following were considered:

a) Values, sensitivity and the quality of the environment which is likely to be impacted

The change to the proposal does not include new environmental factors or different impacts to the environment, than the proposal that was referred.

b) Extent (intensity, duration, magnitude and geographic footprint) of the likely impacts

The change to the proposal does not include an increase in duration or disturbance, than the proposal that was referred.

c) Consequence of the likely impacts (or change)

The change to the proposal does not significantly alter the impacts associated with the proposal.

d) Resilience of the environment to cope with the impacts or change

The resilience of the environment to cope with the change remains unchanged from that of the original proposal

e) Cumulative impacts with other projects

The change to the proposal does not significantly alter the impacts associated with the proposal, and hence there would be no additional cumulative impacts with other projects.

f) Connections and interactions between parts of the environment to inform holistic view of impacts of the whole environment

The change to the proposal does not alter any connections or interactions with the receiving environment.

g) Level of confidence in the prediction of impacts and the success of proposed mitigation

The proposed changes are minor and will occur within the referred development envelope. There is no new disturbance proposal as part of the change. There is no change in to the level of confidence in the predicted impacts and the success of the proposed mitigation.

h) Public interest about the likely effect of the proposal, if implemented, on the environment, and public information that informs the EPA's assessment

There is limited public interest in this proposal as evidenced in the response to seven-day public comment period on referral, however the public review period will allow for a thorough assessment of the impacts and for public involvement.

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