WESTERN MINING

PTY LTD

Annual Audit Compliance Report

30 September 2017

License Details

License Number	L8958/2016/1
Licence Holders Name	Western Mining Pty Ltd
ACN	142 351 899
Registered Address	206B Cape St TUART HILL WA 6060

Statement of Compliance

Condition	Compliance
2.2.1	There have been no deposits to date
2.3.1	No Ambient Environmental Quality Monitoring completed due to vat leach not in use
4.1.3	As per this document
4.1.4	No complaints to date
1.3.1 and 2.3.1	No breaches to be reported
2.1.2	Not yet required
3.1.1	Hard stand to be completed 30 days prior to commencement of operation. Operation commencement date yet to be confirmed.
IR1	Please see attached
IR2	Hardstand to be completed once commencement date is confirmed.

Statement of Actual Production

No production has commenced in this facility to date. We expect commencement to be closer to December 2017.

Statement of Actual Waste Discharge Quantity

No waste discharge to date.

Details of Non Compliance

No non compliance issues to report to date.

Declaration

SIGNATURE AND CERTIFICATION

This Annual Audit Compliance Report (AACR) may only be signed by a person(s) with legal authority to sign it. The ways in which the AACR must be signed and certified, and the people who may sign the statement, are set out below.

Please tick the box next to the category that describes how this AACR is being signed. If you are uncertain about who is entitled to sign or which category to tick, please contact the licensing officer for your premises.

If the licence holder is		**The Annual Audit Compliance Report must be signed and certified:**
An individual	□	by the individual licence holder, or
	□	by a person approved in writing by the Chief Executive Officer of the Department of Environment Regulation to sign on the licensee's behalf.
A firm or other unincorporated company	□	by the principal executive officer of the licensee; or
	□	by a person with authority to sign on the licensee's behalf who is approved in writing by the Chief Executive Officer of the Department of Environment Regulation.
A corporation	□	by affixing the common seal of the licensee in accordance with the *Corporations Act 2001*; or
	x	by two directors of the licensee; or
	□	by a director and a company secretary of the licensee, or
	□	if the licensee is a proprietary company that has a sole director who is also the sole company secretary – by that director, or by the principal executive officer of the licensee; or

	□ □	by a person with authority to sign on the licensee's behalf who is approved in writing by the Chief Executive Officer of the Department of Environment Regulation.
A public authority (other than a local government)	□ □	by the principal executive officer of the licensee; or by a person with authority to sign on the licensee's behalf who is approved in writing by the Chief Executive Officer of the Department of Environment Regulation.
a local government	□ □	by the chief executive officer of the licensee; or by affixing the seal of the local government.

It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular. There is a maximum penalty of $50,000 for an individual or body corporate.

I/We declare that the information in this annual audit compliance report is correct and not false or misleading in a material particular.

SIGNATURE: [redacted]

NAME:

(printed) Janet Lee Wicks

POSITION: Director

DATE: 30/09/2017

SEAL (if signing under seal)

SIGNATURE: [redacted]

NAME:

(printed) Anthony Marston Wicks

POSITION: Director

DATE: 30/09/2017

IR1 Compliance

A review of existing geological information from the site to establish groundwater pathways around the leach dam.

Geology

The Murchison Region is characterised by an arid, sub-tropical climate regime with hot summers and warm winters. The area isl typified by a low topography, with remnant laterite breakaways and low outcrop ridges. Broad ephemeral alluvial sheet wash plains feed into extensive playa lake systems.

The dominant vegetation is open Acacia woodland interspersed with perennial and annual grasslands. Spinifex grassland is common on ridges, breakaways and on plains underlain by granitoid. Mean maximum temperatures range between approximately 20°C in July and 34°C during February. Rainfall occurs primarily as thunderstorms and rare sub-tropical depressions in summer and as sporadic winter rains. Tracks may be impassable for days to weeks following significant rain events.

The geology of the Murchison Province is typical of Western Australia Archaean granite-greenstone terrain. Greenstone belts through the region are dominated by two associations; a lower succession comprising ultramafic, mafic and felsic volcanic rocks and banded iron formation (BIF) assigned to the c.3.0 billion year old (3.0Ga) Luke Creek Group, and an upper succession of mafic and felsic volcanic rocks and volcanogenic sediments assigned to the c.2.75Ga Mount Farmer Group.

Pegmatitic banded gneiss, ranging in composition from granodiorite to monzogranite, intrudes only the Luke Creek Group, whereas an extensive suite of foliated monzogranite and compositionally diverse post-folding granite intrudes both the lower and upper greenstone successions. Syn- or post-tectonic granitoids typically form circular to ovoid intrusions internal to the greenstone belts, around which the greenstone succession is deformed and typically attenuated. Porphyry dykes and masses are widely distributed throughout the greenstone stratigraphy. East northeast trending Proterozoic dolerite dykes occur throughout the region.

The greenstone succession is predominantly metamorphosed to greenschist or lower amphibolite facies, although locally to granulite facies. A complex structural evolution with at least five phases of deformation is recognised. Early recumbent folding, and possibly thrusting, was followed by two phases of upright folding forming fold-interface patterns. Extensive systems of shear zones and faults cut all earlier structures and are intimately associated with gold mineralisation.

Significant gold mines within the Murchison region include the Hill 50 operation at Mt Magnet, the Big Bell operation near Cue, and at the Yaloginda/Bluebird operation near Meekatharra. Historic production from the region over the past 100 years is in excess of 7Moz of gold. Near Cue, historic gold production is from the gold mining centres of Big Bell and Cuddingwarra, to the west of Cue, from workings surrounding the Cue townsite

including the Day Dawn group of mines, at Tuckanarra and Reedy to the northeast of Cue, and at Tuckabianna to the east of Cue.

The Murchison region has also been explored for base metals, with the significant Golden Grove copper-zinc Deposit located 170 kilometres southwest of Cue in the Yalgoo Greenstone Belt. A new copper-zinc discovery was recently reported from the Austin prospect, located approximately 70 kilometres northeast of Cue.

The project geology comprises northeast to east trending greenstone units intruded by granitoids. The greenstone sequence comprises interlayered andesite to dacite composition volcanic rocks, ultramafic rocks and komatiite, layered gabbro and sediment. A distinct intrusion of tonalite is interpreted to intrude the area surrounding and to the north of Cue town site. Northeast-trending strike parallel shears and faults cut the succession.

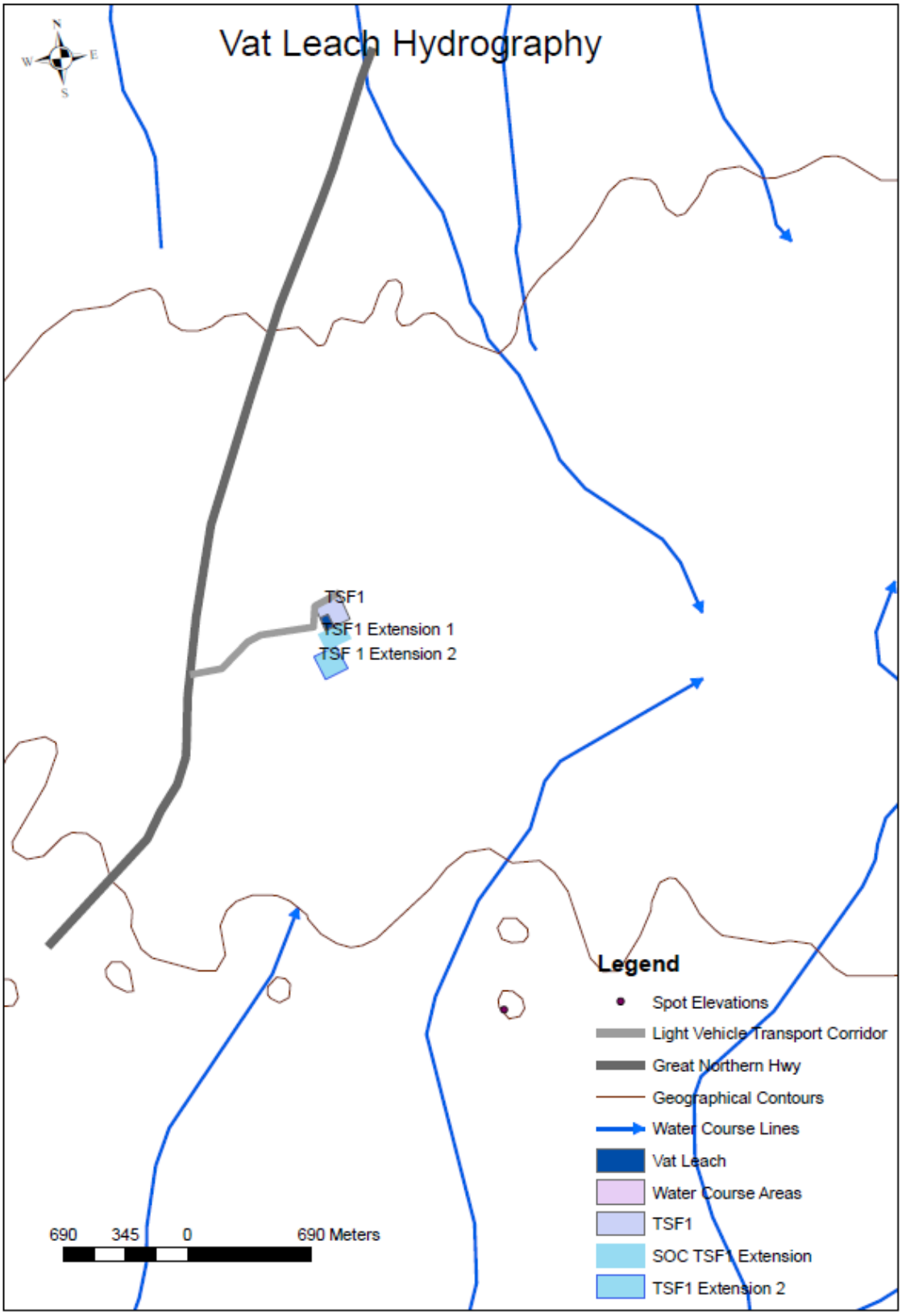
Remnant plateaux of laterite duricrust are preserved throughout the project area, particularly to the north of Cue town site.

The bedrock under the tailings facility is solid and almost inpermeable, evident by water remaining in the dam long after processing of material (with the gravity plant), and only reducing with evaporation.

Data taken from the Department of Mines, Industry Regulation and Safety shows there are no major water courses near the facility (see map 1)

Further approvals from the Department of Mines, Industry Regulation and Safety for future tailings facilities are also in place. These facilities are abutted to the current facility further minimising where any material could flow to in the event of a breach.

Map 1: Overview of Leach Facility

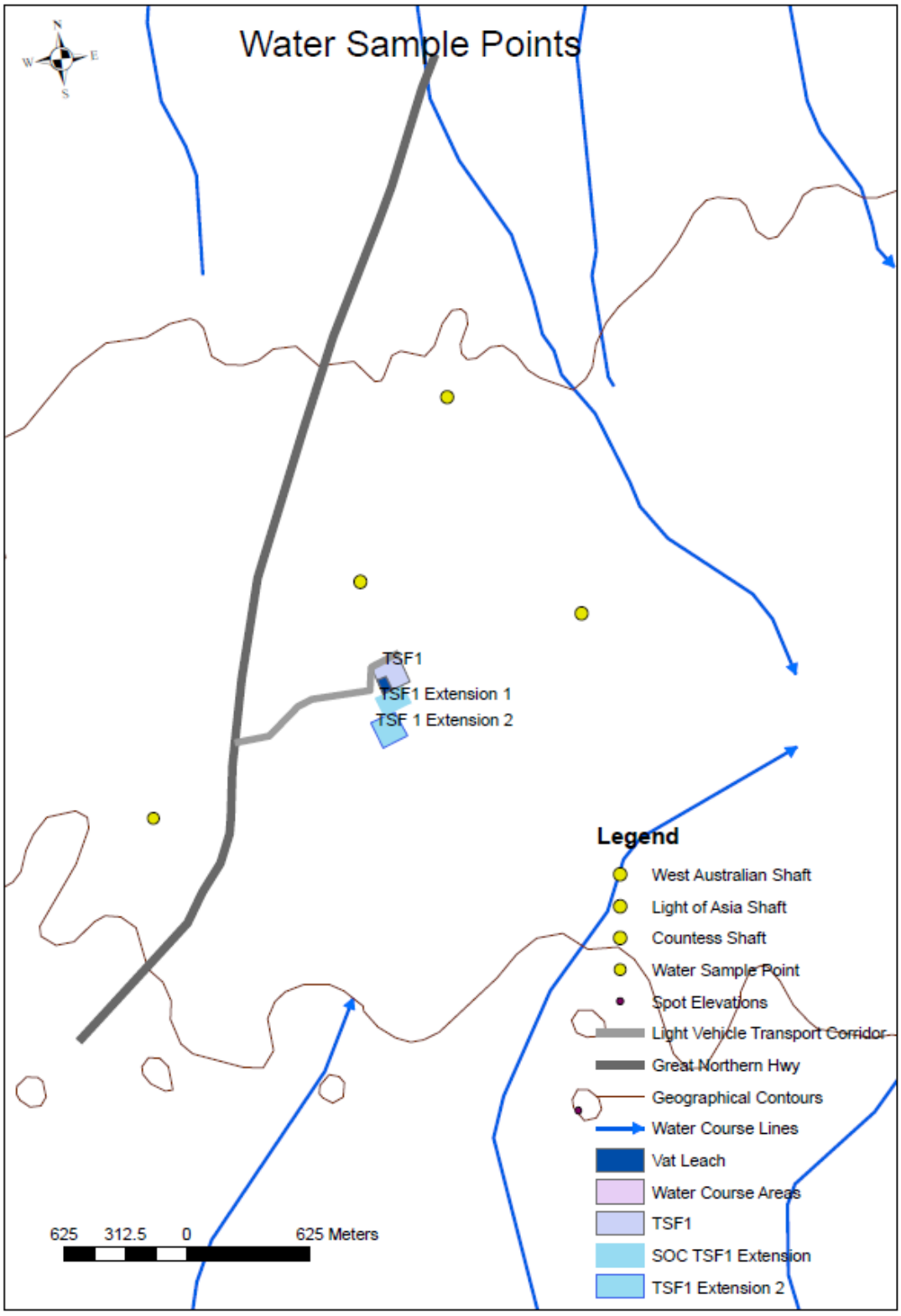


Determine if existing monitoring bores are appropriate and adequate to cover water pathways.

There are no clear pathways near the vat leach facility, however several areas have been identified, for the proximity to the townsite, or that they are near other pathways identified within 1000m of the facility.

We believe these are suitable as they are between the Cue Water Reserve, the townsite and the facility, thus providing a means if identifying any issues before they reach an area that needs to be protected. Please see Map 2 for identified areas.

Map 2: Proposed Water Sample Collection Points



Determine if it's appropriate to establish ground water monitoring within the drainage line depicted in surface water drainage maps in Schedule 1

We don't believe it appropriate to place a water bore in the proposed area as it is within the footprint of other proposed infrastructure. The drainage channel identified in Schedule 1 will be cut off by the extensions of the tailings facility, and will no long exist.

Propose location of other bores if required.

We recommend that the location of the bore to the north east of the facility is appropriate. It is located approximately 900m from the facility along the line of the suggested water drainage area.

Establish baseline groundwater testing.

Testing has been completed for the baseline testing. As per Appendix A.

Water Quality Triggers and contingency measures

Any cyanide above normal environmental conditions should be a trigger for immediate action by the company.

Safe storage levels for cyanide are currently set at WAD 50µ/ml and we propose that any testing that identifies levels approaching this limit should trigger immediate action.

Actions by the company include

- Immediate reporting to the appropriate statutory bodies
- Shutting down of the facility
- Other actions as identified in the Cyanide Management Plan

Appendix A – Water Samples

Standard Water Analysis Our Reference: Your Reference Date Sampled Type of sample	UNITS ---------- ----------	199685-1 Light of Asia 18/08/2017 Water	199685-2 Countess 18/08/2017 Water
Date prepared	-	22/08/2017	22/08/2017
Date analysed	-	22/08/2017	22/08/2017
pH	pH Units	7.7	7.9
Electrical Conductivity (EC)	µS/cm	5,400	5,400
Total Dissolved Solids	mg/L	3,200	3,200
Bicarbonate HCO_3 as $CaCO_3$	mg/L	480	490
Carbonate CO_3^{2-} as $CaCO_3$	mg/L	<5	<5
Hydroxide OH^- as $CaCO_3$	mg/L	<5	<5
Total Alkalinity as $CaCO_3$	mg/L	480	490
Chloride	mg/L	1,200	1,200
Sulphate	mg/L	670	660
Nitrate as NO_3	mg/L	<2.5	<2.5
Calcium - Dissolved	mg/L	170	170
Potassium - Dissolved	mg/L	14	14
Magnesium - Dissolved	mg/L	160	160
Sodium - Dissolved	mg/L	880	840
Silicon - Dissolved	mg/L	22	21
Manganese - Dissolved	mg/L	3.2	2.8
Iron - Dissolved	mg/L	<0.02	<0.02
Ionic Balance	%	2.3	0.93
Hardness as $CaCO_3$	mg/L	1,100	1,100