ATTACHMENT 5 - CONSULTATION AND OTHER APPROVALS

Introduction

Poseidon submits this information in support of its application to amend works approval W5180 for a stand-alone gold tailings retreatment project at the site of the old Windarra nickel and gold project formerly operated by WMC. The gold tailings retreatment project was originally proposed as an adjunct to a new nickel mining processing project at Windarra that was approved under works approval W5180, W5118, and other associated approvals. In addition, Poseidon has identified a new opportunity to bring tailings from a third-party site at nearby Lancefield for retreatment at Windarra.

This attachment to the amendment application should be read in conjunction with the premises maps provided in Attachment 2, the summary of proposed activities set out in Attachment 3B, and information on location and siting set out in Attachment 7. For brevity Poseidon assumes that DWER will review this amendment application in conjunction with the original decision report for W5180 and associated submissions, Poseidon will however be happy to re-submit information or provide additional information as requested by DWER.

Formal impact assessment

The nickel and gold project previously proposed by Poseidon was referred to the Office of the Environmental Protection Authority (OEPA) of WA under Part IV, Section 38 of the Environmental Protection Act 1986 (EP Act) in November 2011; the OEPA (reference #DEC6569) determined that the project could be adequately regulated under Part V of the EP Act (through clearing permits, works approvals, and licensing), and did not require formal assessment under Part IV. No matters of national environmental significance have been identified that might be impacted to the extent that would warrant referral under the Commonwealth Environment Protection and Biodiversity Conservation Act 1999.

The environmental setting of the project and potentially sensitive receptors are addressed in Attachment 7 to this amendment application.

State agreement and mining act

The proposed processing plant site and old gold tailings dams at Mount Windarra and proposed in-pit TSF at South Windarra fall within special mining lease ML261SA (refer tenement plan in Attachment 2), granted and administered under the Poseidon Nickel Agreement Act 1971 (state agreement). The proposed tailings and return water line corridor falls largely within ML261SA, aside from a section that runs through a gap in the special lease on mining leases M38/1244 and M38/1245 granted to Poseidon under the Mining Act 1978 (mining act).
A development proposal by Poseidon for the nickel mining and processing and gold tailings re-treatment project was approved in principle under the state agreement in 2013, but conditional on funding that could not be secured due to a sustained downturn in nickel markets. Corresponding mining proposals (DMIRS ID 34313 and 34348) were approved by DMIRS in December 2012 however legal approval only extends to the component of the project on M38/1244 and M38/1245, the components on ML261SA are in effect only approved in principle by DMIRS until formally approved under the state agreement.

The state agreement and associated deeds are premised on the development of a large nickel project at Windarra within a given timeframe, and with the new nickel project indefinitely postponed pending an improvement in nickel markets, Poseidon has entered into negotiations with DJTSI on the termination of the Windarra state agreement, to permit alternative development of the site such as the gold tailings re-treatment project, and potential later development of a nickel project in an open timeframe when supported by market conditions.

A termination agreement has been drafted pending execution by Poseidon and the state, and a draft termination bill has been prepared for introduction into the WA Parliament as soon as the legislative timetable allows in the new year. Poseidon understands that submissions and assessments for the stand-alone gold tailings re-treatment project under the EP Act Part V, mining act, and other relevant regulation can progress concurrent to the termination of the state agreement, as confirmed at a meeting with DJTSI, DMIRS, and DWER on 24 September 2020.

Poseidon intends to submit a corresponding mining proposal for the stand-alone gold project for assessment by DMIRS concurrent to this works approval amendment. Poseidon notes that the mining proposal cannot be formally approved until ML261SA transitions to a mining lease administered under the mining act; as this is effectively formalisation of an approval previously given in principle, no barriers to this approval are apparent however.

Native title

Poseidon notes that the Windarra tenements fall within the Nyalpa Pirniku claim of native title, registered in May 2019 (NNTT #WC2019/002). ML261SA pre-dates both the claim and the Native Title Act 1993 (native title act); Poseidon understands that the transition of state agreement mining lease ML261SA to a mining lease under the mining act is not considered a "future act" for the purpose of the native title act, and does not identify any obligations as likely to arise from the claim for development of existing mining leases M38/1244 and M38/1245 which pre-date the claim. Poseidon notes however that future applications for tenure may be subject to agreement with the claimants.

Poseidon understands that approvals given for mining, mineral processing, and related activities under Part V of the EP Act (including clearing permits, works approvals, premises licences, and amendments) are not considered future acts for the purpose of the native title act where minerals tenure is already in place.

Aboriginal heritage

WMC engaged relevant Aboriginal persons to survey the Windarra area for sites of significance for Aboriginal heritage in 1994; Poseidon commissioned further surveys of the project footprint including the proposed pipeline corridor between Mount Windarra and South Windarra in 2012. No such sites were identified. A review of the current DPLH register of Aboriginal heritage sites indicates no records near the proposed footprint of operations. Consequently, no hazard to Aboriginal heritage from the proposed project is apparent, and Poseidon identifies no need for consents to disturb sites under the Aboriginal Heritage Act 1978. Aboriginal heritage is addressed further in Attachment 7.
Colonial heritage

The only site of significance to colonial heritage identified in the vicinity of the project (through searches of the Heritage Council of WA and Commonwealth protected matters databases) is the heritage trail that was established at Mount Windarra itself, around the remains of the old WMC operations. The Mount Windarra heritage trail is vested in the Shire of Laverton as Reserve 45177, gazetted in December 1997 under the *Lands Administration Act 1997*. In accordance with section 66(6) of the act, members of the public use a public access route associated with the trail entirely at their own risk.

Poseidon consulted extensively with the shire from 2007 to 2013 for the previously proposed nickel and gold project, including on arrangements for the heritage trail to preserve some degree of public access while protecting both public safety and the security of operations; the shire was supportive of the proposal. Poseidon intends to engage further with the shire for the currently proposed stand-alone gold project.

Pastoral title

Mount Windarra, South Windarra, and most of the proposed gold tailings project infrastructure fall within the Laverton Downs pastoral lease; a section of the proposed tailings and return water pipeline corridor falls within the adjacent Minara pastoral lease.

Some mine infrastructure from the original WMC operations was sold to the Laverton Downs pastoral station, including the administration block and associated buildings at Mount Windarra, airstrip and the water tanks on Mount Windarra itself. Poseidon has leased these facilities from the pastoral station since 2007 to support past mine refurbishment, resource definition, and regional exploration work, and as noted in Attachment 3B intends to retain them for the Windarra gold tailings project.

Aside from negotiating an agreement for access to the property and use of infrastructure, Poseidon engaged extensively with the Laverton Downs previous pastoral leaseholder on the formerly proposed Windarra nickel and gold project, including written and verbal project briefings on the proposed project and its status; Poseidon notes the leaseholder was supportive of the project at that time. In addition, Poseidon engaged with the adjacent Minara pastoral leaseholder from 2011 to 2013, including various communications on the proposed project and its status; no objections were received.

During 2015 ownership of the Laverton Downs pastoral station changed hands. Poseidon continues to maintain contact with the Laverton Downs station manager as part of its care and maintenance of the Windarra assets, and will engage further with the new pastoral leaseholders for the Windarra gold tailings project as the approvals DFS progresses.

Works approval and licensing

Infrastructure to discharge mine water to the nearby Lake Irwin-Carey salina system, to allow dewatering and refurbishment of the old Mount Windarra underground nickel mine for resource definition drilling, was installed under works approval W4356 issued in 2007; mine water discharge was subsequently licensed under premises licence L8173. L8173 remains current although no mine water has been discharged in several years.

In March 2012, DWER granted Poseidon works approval W5118 to construct:

- A new 700 ktpa nickel processing plant and associated process infrastructure at Mount Windarra to process ore from the refurbished Mount Windarra and proposed Cerberus underground nickel mines.
- A new sewage treatment plant to process water from a proposed mine workers' village at Mount Windarra to accommodate about 160 persons.
Attachment 5 - consultation and other approvals

In June 2012 granted works approval W5180 to construct and commission:

- A new 1.5 Mtpa gold processing plant at Mount Windarra, for re-processing tailings reclaimed from the old Mount Windarra gold tailings dams.
- Tailings and return water pipelines for disposal of combined nickel and gold tailings in the abandoned South Windarra open pit.
- Dewatering infrastructure for the proposed Cerberus mine, connecting to the Mount Windarra mine water circuit via the South Windarra return water lines.

As noted above Poseidon could not at the time secure funding for the nickel mining and processing project at favourable rates, and has allowed W5118 to lapse.

In May 2020, DWER granted an extension of W5180 from July 2020 to July 2023, to allow time for project feasibility, engineering, construction, and commissioning. Infrastructure for the stand-alone gold project would be constructed and commissioned substantively as set out in the original application for W5180, however DWER has advised that Poseidon should apply for a formal works approval amendment regardless.

Within the original scope of W5180, Poseidon presently only intends to construct and commission the:

- Gold processing plant at Mount Windarra.
- Tailings and return water pipelines to South Windarra, for disposal of final gold tailings only.

Poseidon does not intend, at this time, to construct the:

- Nickel processing plant and related infrastructure at Mount Windarra (proposed under W5118).
- Cerberus nickel mine and related dewatering infrastructure (proposed under W5180).

Poseidon has engaged extensively with DWER on this proposed amendment over 2020, including:

- Initial consultation by email on extension of W5180 and need (or otherwise) to amend for the stand-alone gold project, over March 2020.
- Application to extend W5180 from July 2020 to July 2023, submitted 30 March 2020, with the extension granted 5 May 2020.
- Project briefing and pre-application scoping meeting (held online) on 4 May 2020 with the former DWER Manager Resource Industries and assigned Senior Environmental Officer.
- Supply of further information and responses to questions by email, including an updated water and solute balance for the South Windarra pit lake, over May to July 2020.
- Inter-agency project briefing and discussion with DJTSI, DMIRS, and DWER on 24 September 2020, attended by the current DWER Acting Manager Resource Industries and assigned case officer.

Poseidon has confirmed that infrastructure for the stand-alone gold project would be constructed and commissioned substantively as set out in the original application for W5180, however DWER has advised that Poseidon should apply for a formal works approval amendment regardless.

DWER (email from former Acting Manger Resource Industries, 21 July 2020) has advised that the amendment application should in particular address:

- Engineering design, including any drawings, for infrastructure proposed to be constructed or altered, and any aspects of the work in variance with the original approval; addressed in Attachment 3B to this application.
- Updated water balance for the South Windarra in-pit TSF to account for the proposed changes and implications for its design, management, and closure, addressed in Attachment 6A.
• Tailings geochemistry, predicted pit lake water quality, and potential impacts on groundwater, addressed in Attachment 6A.

• Management of stormwater drainage and dust for tailings reclaim from the old Mount Windarra tailings dams, addressed in Attachment 6A.

Poseidon notes that the works approvals for the formerly proposed nickel and gold project were advertised for public comment in accordance with regulations and that no public comments were received.

The applications were also circulated to regulatory stakeholders for comment, including the DWER water branch (then DoW), DMIRS (then DMP), DoH, and Shire of Laverton; DoH noted the need for secondary approvals for sewage treatment under the WA health act, which Poseidon will address through the shire for the currently proposed project, as discussed below. Poseidon is not aware of any other objection or concern raised by these stakeholders through such consultation.

**Clearing permits**

DMIRS granted clearing permit CPS5110/1 for the previously proposed nickel and gold project in August 2012, and amendment CPS5110/3 in October 2013. CPS5110/3 permitted clearing of up to 225 ha of vegetation within an envelope incorporating the Mount Windarra plant area and old tailings dams, the tailings and return water pipeline corridor, and the surrounds of the South Windarra pit. The permit was however allowed to lapse in 2017.

Poseidon will apply to effectively reinstate CPS5110/3 for the areas relevant to the stand-alone gold project, concurrent to this amendment application. DMIRS has advised that the application will be treated as an application for a new permit, but that the previous decision report should expedite the assessment.

**Water licensing**

Poseidon holds licence to take water GWL160159(2) issued in May 2012. The licence allows Poseidon to abstract up to 4,000,000 kL (4 GL) of groundwater for mine dewatering, process water supply, dust suppression, mining camp, and other mining uses. Abstraction has been minimal since mine dewatering ceased at Mount Windarra.

The licence is subject to an approved groundwater licence operating strategy (GLOS) developed to support the formerly proposed nickel and gold project that addresses abstraction from the Mount Windarra and (formerly proposed) Cerberus underground mines, the South Windarra pit lake, and the Windarra borefields originally established by WMC, including monitoring and management measures to assure that abstraction is sustainable.

Poseidon notes that abstraction for the stand-alone gold project will be a fraction of that permitted under the licence, and within the scope of the current approved GLOS. Poseidon notes that GWL160159(2) is presently due to expire in May 2021, and will apply to the DWER water branch to renew the licence in the near future.

**Mines safety**

A project management plan (PMP) as required under the Mines Safety and Inspection Act 1994 and Regulations 1995 (MSIA and MSIR) setting out how health and safety would be managed for the formerly proposed nickel and gold project was approved by the DMIRS (then DMP) resources safety branch in March 2012.
Construction and operation of the stand-alone gold project fall within the scope of the currently approved PMP. Poseidon will submit notices to the DMIRS resources safety branch as required under MSIA and MSIR ahead of the commencement of construction and operations.

**Dangerous goods**

Poseidon proposes to store diesel (Class C1 combustible) and reagents classified as dangerous goods including sodium cyanide (Class 6.1 toxic), hydrochloric acid (Class 8 corrosive), and sodium hydroxide (Class 8 corrosive) in bulk quantities exceeding manifest thresholds for dangerous goods licences. Poseidon will apply for a site licence for dangerous goods stores under the Dangerous Goods Safety Act 2004 and relevant associated regulations.

Storage facilities have been designed, and will be installed, and operated to meet the relevant Australian standards specified for dangerous goods licensing including segregation of incompatible goods, compounds to contain spills, protection of vessels and pipework, signage, and procedures for safe handling.

**Lancefield licences to treat tailings**

The Lancefield gold tailings are contained within a series of old tailings dams covering about 20 ha on licences to treat tailings (LTT) 70/3709 and 70/2666, located about 8 km north-northwest of Laverton and 17 km southeast of Mount Windarra; the tailings comprise a residual resource of about 1.2 Mt with an estimated head grade of 1.3 g/t gold, and 3.0 g/t silver. The Lancefield LTTs have been held and operated by Svenson Nominees Pty Ltd (Svenson) since 2001; Svenson has retreated some of the original resource through a small-scale in-situ pond leach process.

Poseidon recently identified an opportunity to reclaim the residual 1.2 Mt resource as feed for the proposed Windarra gold tailings project, in addition to the resource in the old Mount Windarra tailings dams, that would substantially increase the value of the project, and in August 2020 secured an exclusive option from Svenson for this right. Since October 2020 Poseidon has conducted an extensive drilling program on the Lancefield tailings to support a JORC-compliant resource estimate. Poseidon presently proposes to treat the Lancefield tailings ahead of the Windarra tailings to optimise project cashflow.

The Lancefield LTTs are relic titles from the repealed WA Mining Act 1904; the current (1978) mining act provides for these titles to be renewed annually. Svenson applied to DMIRS for renewals on 6 November 2020, with a business plan for 2021 that incorporates both its own proposed retreatment operations and the Poseidon Windarra retreatment option. The renewal application remains with DMIRS at the time of this works approval amendment submission.

The Lancefield tailings option was presented and discussed at the inter-agency meeting with DJTSI, DMIRS, and DWER on 24 September 2020; Poseidon noted that the regulators present were supportive in principle and invited application to renew the LTTs supported by the Poseidon right to treat option. Poseidon will continue to support Svenson with the renewal, including engagement with the DMIRS mineral titles branch, and any other departments consulted in the process.

Poseidon presently intends to mine the Lancefield tailings by conventional methods, and load and haul the material to Windarra via the existing Erlistoun Road. The existing road is considered suitable for haul traffic; Poseidon will consult with Laverton Shire on the use of the road and arrangements for any upgrades and maintenance that may be necessary.

Poseidon intends to apply for a miscellaneous licence to facilitate haulage access between the Lancefield site and the Erlistoun Road; Poseidon notes grant may be subject to agreement with native title claimants and other third-party title holders, but does not identify any particular barriers to securing such agreements.
Local government approvals and consultation

Laverton Shire gave approval (building licence 7/11) for the existing accommodation block of 16 single bed units at Mount Windarra in May 2011, and for the associated septic sewage system in May 2012. As addressed in Attachment 3B, Poseidon intends to expand and upgrade these facilities for the Windarra gold tailings project, and will submit corresponding applications to the shire. Poseidon will also engage with both the shire and Main Roads WA on the design and arrangements for the tailings and return water pipeline crossing of the Laverton-Leonora Road.

As indicated above, Poseidon engaged extensively with Laverton Shire for the formerly proposed Windarra nickel and gold project from 2007 to 2013, including written and in-person briefings on the project, meetings with the shire CEO, attendance at shire industry liaison meetings, discussions on arrangements for the Windarra heritage trail, and inspections of the Windarra site. The shire was supportive of the project. Poseidon will engage further with the shire on the proposed stand-alone gold project and use of regional infrastructure, including the Erlistoun Road, Laverton landfill, and Laverton airport.