



**CENTREX METALS**  
L I M I T E D

# PORT PROJECT PROJECT UPDATE 5

AUGUST 2011

## UPDATE ON PORT DEVELOPMENT INFORMATION DAYS, APRIL AND JUNE 2011

Centrex Metals Ltd says a big thank you to residents of Port Neill, Tumby Bay and Port Lincoln who took time out at our 2011 April and June Information Days and Evenings to meet members of our project team and learn more about the proposed Port development at Sheep Hill.

More than 250 people attended the sessions, including a school group from Tumby Bay Area School. Students came prepared with dozens of questions for Centrex's General Manager Engineering, Steve Brown.

Your questions are important to us. Enclosed with this newsletter is a Stakeholder Response Report collating all the questions raised during the Information Days and providing responses from Centrex. The Stakeholder Response Report groups your questions into categories and, where new information has become available, we have provided the latest information. Some answers have been updated from the responses given at our Information Days – this reflects new information that has become available since then.

Centrex will conduct a second round of consultation when the Public Environmental Report (PER) (environmental impact assessment) document nears completion. These sessions will update you on the results of environmental and other studies and seek further feedback from community.

We will let you know the details closer to the time. In the meantime, community members are welcome at any time to contact Centrex with questions or enquiries.



MR STEVE BROWN, CENTREX GENERAL  
MANAGER ENGINEERING, PRESENTS A 3D  
VISUALISATION OF THE PROPOSED PORT TO  
STUDENTS FROM TUMBY BAY AREA SCHOOL

## DEVELOPMENT GUIDELINES RELEASED

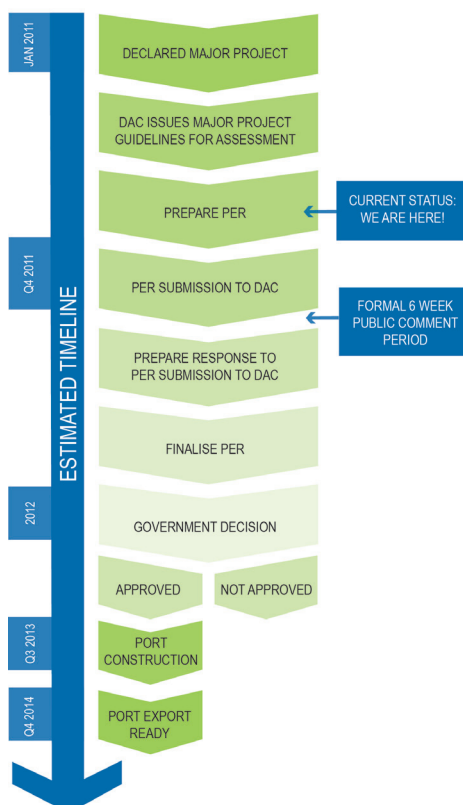
The South Australian Government's Development Assessment Commission (DAC) has released guidelines for assessment of the Centrex Metals Port development. The project will be assessed under the terms of a Public Environmental Report (PER). The PER will be the environmental and social impact assessment of the project. This level of assessment was considered appropriate by government given consideration of the unique project features, including:

- The establishment of a large shipping terminal in a rural coastal location.
- Potential economic benefits to the region.
- Potential impacts on the surrounding coastal and marine environment (including from shipping activities in the Spencer Gulf).
- Construction impacts (including noise, dust, odour and vibration).
- Infrastructure requirements on Eyre Peninsula.

The Development Act 1993 requires a PER to be exhibited for at least 30 business days and for a public meeting to be held during this period. Centrex plans to present the results of all studies being prepared for the PER to Port Neill and Tumby Bay communities before the public exhibition period. We will provide more information about this in our next Community Consultation Update.

We aim to submit the PER to the Government in December 2011. An updated flowchart with our project schedule is provided here.

A copy of the project guidelines can be found on the DAC website (<http://dataserver.planning.sa.gov.au/publications/1417p.pdf>).



## FACTS ABOUT PORT OPERATION

### MARITIME SECURITY

Established in 2001, all export ports are subject to the International Maritime Organization's International Ship and Port Facility Security Code. The Australian Government has since developed the Maritime Transportation and Offshore Facility Security Act 2003 to protect Australia's maritime transport system.

Centrex intends to appoint a port operator to operate the proposed port. The port operator will comply with all the relevant customs and export legislations to ensure required security measures are in place to prevent unlawful interference. All port users will be required to hold a Maritime Security Identification Card, specified by the Australian Government.

Crew members visiting the port on Cape class or Panamax ships will be subject to the same legislation and controls as other export ports around Australia.

### BALLAST WATER DISCHARGE

There is an international convention for the exchange of ballast water which has been constituted by the International Maritime Organization. The Australian Government is currently progressing laws to support the enforcement of the convention for Australian waters. Under the convention, ships should exchange ballast water at least 200 nautical miles from land in water at least 200 metres deep.

The intake and disposal of sea water is used to control the weight of ships. Ships need to carry some ballast water in order to moor at port. Therefore, some ballast water will be discharged at the port before loading. However, this water will be local seawater since the ship will have previously exchanged its ballast water out to sea prior to entering the port.

### SLURRY PIPELINE

It is proposed that a magnetite slurry pipeline and a return water pipeline will connect proposed magnetite mines in east Eyre Peninsula to the port. The diameter of the pipelines is estimated to be 200 mm. Most of the pipeline route will be underground between the mines and the port.

Magnetite slurry is black and has a particle size of 40 to 75 microns (similar to talcum powder). It has the consistency of very dirty water and will be pumped through the pipeline, just like water. The slurry will go through some processing at the port to remove water. Excess water will be returned to mine sites by return pipeline.

Magnetite slurry pipelines are used widely in the mining industry. In fact, the world's first iron ore slurry pipeline was constructed in Tasmania in 1967 and is still operating today. Other magnetite slurry pipelines include Project Magnet at Whyalla, Balla Balla Magnetite Project in Western Australia and Southdown Magnetite Project, also in Western Australia.

Slurry pipeline construction and operation is not expected until the second stage of the port development. Any pipelines will also be subject to State Government development approval processes. They do not form part of the current Stage 1 of the port. Stage 1 of the Development Application contemplates the export of hematite (higher grade iron ore) and grain only, which will both be trucked to the port.

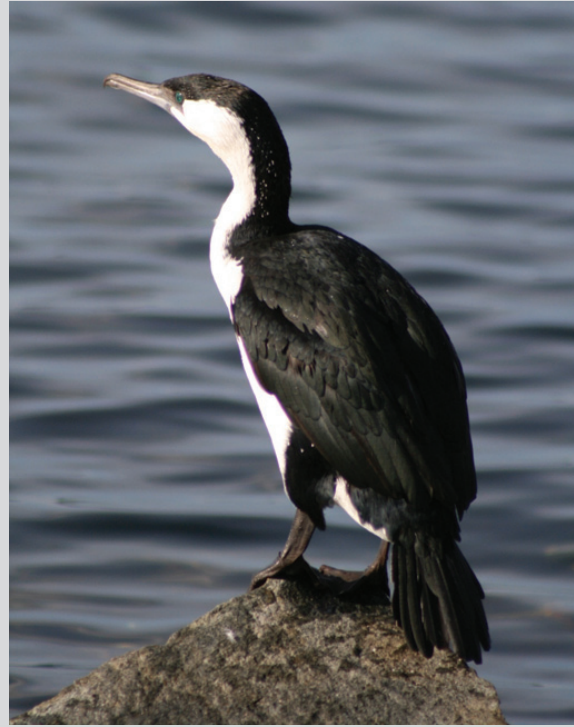
## TECHNICAL STUDIES UPDATE

Further technical studies are being undertaken to complete the Public Environmental Report (PER) to be submitted to the State Government. Recent studies have included further marine ecology, Lipson Cove ecology and sand dune studies. Summaries about the progress of each of these studies are provided below.

The full results of all studies will be presented as part of future community consultations. In the meantime, anyone wanting more information about any of the work underway can contact Centrex directly.



LONGNOSE WEEDFISH, JULY 2011



BLACK-FACED CORMORANT

### FURTHER MARINE ECOLOGY SURVEY

Additional marine ecology surveys were undertaken in July 2011. The survey included biological sampling from sub-tidal habitats. Different habitats include rocky reefs, seagrass beds and mid to deep seabed areas. Sediment sampling was also conducted.

This survey is part of baseline works to examine the marine ecology inhabiting the proposed site to determine potential impacts the proposed development may have on it.

### LIPSON ISLAND ECOLOGY SURVEY

The Lipson Island Ecology Study was conducted during May and June 2011. The objectives of the study were to:

- Characterise existing land and marine flora and fauna species and habitat;
- Identify potential project constraints; and
- Identify interpret and mitigate the potential impacts.

Results showed there were 19 native and 2 introduced bird species on the Island, with the Silver Gull being the most common seabird.

Imagery captured from the infrared cameras identified Lipson Island as a significant roost. Two species of cormorant were found to be nesting, roosting and breeding on the most northern point of Lipson Island.

The study identified some potential impacts that port construction and operation may have on the Lipson Island Conservation Park including potential noise and light disturbance. By ensuring the appropriate management plans are in place during construction and operation, the potential impact of the proposed development on Lipson Island is not likely to be significant.

### SAND DUNE STUDY

The sand dunes of Rogers Beach, directly north of the port site, were the focus of an ecological study in May and June 2011. These areas are outside the Project boundary. Centrex undertook the study to establish any possible impacts the port may have on this environment.

The condition of vegetation in the dune area is natural but has been disturbed by previous activities. Centrex will not disturb this land and will maintain public access to Rogers Beach. Wave and current studies suggest there will be minimal impact upon the formation and structure of the beach due to the port's construction and operation. This will be further discussed in the PER.





# CENTREX METALS L I M I T E D

## MEET THE TEAM

### MR GAVIN BOSCH

Gavin Bosch was appointed as Company Secretary of Centrex Metals Limited in May 2008. In February 2011, he became Centrex's General Manager Finance.

Mr Bosch is a member of CPA Australia and Chartered Secretaries Australia. He has over 14 years experience in the mining industry. Beginning as a graduate accountant for the Normandy Group (which later became Newmont Australia, after a takeover in 2002) in Tennant Creek, he moved to more senior roles in Western Australia and then in the Adelaide head office. Along with his roles in management and financial accounting, he held positions in both taxation and systems implementation. Gavin was part of community consultation meetings in Tumby Bay.



MR GAVIN BOSCH, CENTREX GENERAL MANAGER, FINANCE

## WE APPRECIATE YOUR FEEDBACK

**THE LAST CENTREX PORT NEWSLETTER WAS ISSUED IN MARCH 2011 AND CAN BE DOWNLOADED FROM THE CENTREX WEBSITE**

[www.centrexmetals.com.au/communityrelations/comm\\_factsheets.html](http://www.centrexmetals.com.au/communityrelations/comm_factsheets.html)

**OTHER DOCUMENTS AVAILABLE ON THE WEBSITE INCLUDE POSTERS PREPARED FOR THE INFORMATION DAYS AND INFORMATION ABOUT OTHER CENTREX PROJECTS ON THE EYRE PENINSULA.**