

June 2011

Derby Export Facility Remediation



Rey Resources snapshot

Rey Resources Limited (Rey Resources) is an ASX-listed exploration and development company focusing on the Duchess Paradise Project in Western Australia's Canning Basin.

The proposed Duchess Paradise Project is a 20 year thermal coal, low-impact slot mining and underground operation with a planned production rate of up to 2.5 million tonnes per annum (Mtpa).

The Project is based on one of Western Australia's highest known energy coal sources and has a strategic advantage given its close proximity to Asian markets.

Rey Resources took over the Derby Export Facility sublease from Lennard Shelf Pty Ltd in late 2009 and is investing over \$1.5 million in its remediation. This information is provided to keep the local community informed.

Background

The Derby Export Facility was used by the previous operator for lead and zinc sulphide concentrate exports from the Pillara, Kapok, Goongewa and Cadjebut Mines east of Fitzroy Crossing.

The previous operator submitted a closure plan to the Department of Environment and Conservation (DEC) in 2009 which outlined a remediation approach for the shed and associated facilities. The DEC advised it was satisfied with the plan.

Rey Resources took over the sublease from Lennard Shelf Pty Ltd in late 2009 and agreed with Shire of Derby / West Kimberley to clean-up the site consistent with the closure plan.

Remediation Description

Rey Resources' remediation of the land area of the Derby Export Facility involves:

- Cleaning buildings including shed, offices, laboratory and ablutions
- Dismantling the storage shed
- Removing concrete including the shed walls and floor slabs, wheel-washes, truck wash-pad and settling ponds
- Removing waste material and recycling where possible
- Removing the top surface of road base/soil from the site
- Backfilling voids and smoothing the cleared site
- Validation sampling to ensure the site is suitable for industrial purposes
- Stabilising the cleared site with native ground cover vegetation

Rey Resources has engaged a Western Australian engineering company with high levels of competency in occupational health, safety and environmental management to carry out the work. The company will be

REMEDICATION SUMMARY

- Rey Resources inherited the pre-existing condition of the facility and is cleaning the site
- Concentrate storage shed and land area are the focus of the remediation
- Local contractors will partner with a WA engineering company to carry out the work
- An estimated \$1.5 million investment in the Derby Export Facility
- Environment, Occupational Hygiene and Safety plans will be followed to ensure careful and thorough clean-up

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supported by local contractors providing labour, equipment and services throughout the project.

Importantly, the concentrate material previously stored and exported through the Derby port is practically insoluble in water and extremely heavy making it almost immobile in the environment. The clean-up is straight forward with washable items pressure cleaned and the residue collected. This means that the risk of potential contamination during and after remediation is extremely low.

Environmental and Safety Management During Remediation

Rey Resources and its contractors have sourced appropriate expertise, equipment and clean-up techniques to closely manage and monitor the dismantling and remediation in accordance with DEC guidelines and the closure plan.

The following plans have also been prepared and submitted to the Shire of Derby / West Kimberley and Department of Mines and Petroleum:

- Environmental Management Plan
- Occupational Hygiene Management Plan
- Safety Management Plan

These plans will be followed to ensure environmental, occupational hygiene and safety standards are maintained during and after remediation.

Works will be conducted under the jurisdiction of the Department of Mines and Petroleum and in accordance with the Mines Safety and Inspection Act 1994 and the Mines Safety and Inspection Regulations 1995.

For enquiries or further information, please contact Rey Resources on (08) 9211 1999. 🏰



Want to know more?

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