



24 October 2018

The Hon. Ken Vowles
Minister for Primary Industry and Resources
GPO Box 3146
Darwin NT 0801

Dear Minister,

**RE: INDEPENDENT MONITOR ENVIRONMENTAL PERFORMANCE ANNUAL REPORT
2017-2018 – MCARTHUR RIVER MINE**

McArthur River Mining Pty Ltd (MRM) references the Independent Monitor (IM) Environmental Performance Annual Report 2017-2018 dated September 2018 (IM Report), which covers the operational period October 2016 to March 2018.

MRM acknowledges the important role that the IM continues to play in independently reviewing the environmental performance of MRM's operations and identifying priority areas for mitigation and management of potential impacts.

MRM is pleased to note the extensive list of ongoing improvements identified by the IM, summarised in the executive summary of the IM Report, including the continued improvement in freshwater biota monitoring results, planting of 84,000 tube stock as part of rehabilitation efforts and substantially improving water management processes including successfully managing the extremely high rainfall of January 2018 with no uncontrolled releases from any Perimeter Run-off Dam or the Tailings Storage Facility (TSF).

In July 2018, after the review period covered by this IM Report, the Northern Territory Environment Protection Authority (NT EPA) published its Assessment Report on the Overburden Management Project (OMP) Environmental Impact Statement (EIS), recommending the OMP proceed. The Assessment Report concluded that the McArthur River, in terms of water quality and aquatic ecosystems, is in good condition at present and the fish are safe to eat.

MRM is also pleased to note that the IM recognises an overall reduction in the risk profile of MRM's operations. The two risks that have been identified as extreme by the IM have been addressed by MRM in the EIS. Firstly, the risk relating to failure of the TSF cover is no longer relevant as the EIS proposes in-pit disposal of reprocessed tailings as part of the TSF rehabilitation. Secondly, the risk relating to avulsion of the McArthur River Diversion Channel post-closure is mitigated by a closure concept of directing flow through the open pit lake. In the interim period, MRM has robust monitoring and response processes already in place to identify and manage potential risks.

MRM notes that the NT EPA has identified potential improvements with respect to the IM process so it is more targeted and relevant to reviews of compliance of the operations against relevant regulatory conditions. MRM looks forward to working with the Department of Primary Industry and Resources to implement the appropriate mechanisms to achieve this.

Please do not hesitate to contact Ryan Pascoe, Manager – Environment, Safety and People, on 08 8975 8287 or ryan.pascoe@glencore.com.au for any further information.

Yours sincerely,



Sam Strohmayer
General Manager
McArthur River Mining Pty Ltd