

Karara Launches Consultative Stakeholder Initiative to Reassess Midwest Conservation Values

Former senior Federal Government Minister Hon Chris Ellison to chair new consultative process

Karara Mining Limited ("KML") is pleased to announce that it has established a new consultative process, to be chaired by former long-serving WA Liberal Senator and senior Howard Government Minister Hon Chris Ellison, to review the conservation values of a number of areas within KML's broader Midwest tenement holding in light of new scientific information.

The process, known as the Karara Conservation and Mining Initiative (KCMi), commenced following discussions between KML and the EPA last year. It represents a significant proactive initiative to identify and share new information that has come to light on the landscape values and floristic communities within the Midwest region and bring it to the attention of key stakeholders.

One of the first objectives of the KCMi will be to reassess the conservation values of a number of areas within KML's broader Midwest tenement holding containing potential DSO hematite opportunities. The KCMi is bringing together a range of stakeholders for a formal workshop to share new information that has become available on many of these areas since initial environmental impact assessments were conducted.

The key outcomes of the process will then be used by KML to decide whether these areas, which include Mungada Ridge, should be put forward for a revised formal environmental assessment by the EPA. Mungada ridge is located in close proximity to Karara's existing magnetite mining operations.

During the original 2008/09 environmental approvals process for the Greater Karara Iron Ore Project, KML withdrew from assessment the hematite deposits located on Mungada Ridge prior to the completion of the EPA assessment process.

The 2007 Strategic review of the banded iron formation ranges of the Midwest and Goldfields recommended that a further review of conservation and mining objectives in the Midwest region be undertaken in three years based on any new information – including new science.

KML believes that extensive new information has become available since the strategic review was completed. This includes new scientific information on the landscape values and biological communities on Mungada Ridge.

Mungada Ridge encompasses five hematite deposits with an inferred resource of 13.1 million tonnes at 60.7% Fe. Because of their proximity to the existing mining operations and rail infrastructure at Karara, these deposits could be economically mined, processed and exported.

Iron ore mining was carried out on Mungada Ridge historically between 1966 and 1970 and since then there has been extensive exploration drilling in the area.

KML Chief Executive Paul Sims said that important new scientific and environmental information had become available about the floristic communities, landscape values and biodiversity of the region since

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Karara had received its environmental approvals in 2008 and commenced construction and development of the region's largest resources project.

"The purpose of the KCMI is to make all stakeholders aware of this information and commence a consultative process to determine whether a proposal to mine some of these areas should be referred to the EPA for formal environmental assessment," Mr Sims said.

"Karara's view is that there are considerable resources at Mungada which can be developed in a way that can protect high scenic values and important biological communities that exist throughout this region," he added.

Chair of the KCMI the Hon Mr Chris Ellison said he was pleased to take up the opportunity to guide the new process – which represented an important new and proactive addition to the formal environmental approvals process.

"My key focus will be to ensure that due and proper process is followed at all times and that we work in a truly open, consultative and transparent manner with all key stakeholders," he said. "One of the key objectives of the KCMI is to access important new scientific and environmental information that has come to hand and to present this in a considered manner to stakeholders and interested parties.

"We look forward to working closely with the EPA and all stakeholders in the region to explore these opportunities further," Mr Ellison said.

"It is important to note that this process does not replace the conventional environmental assessment and approvals process through the EPA. Rather, it goes above and beyond that process and we believe will ultimately enhance the environmental and conservation outcomes achieved," he added.

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