

9 August 2013

MM KEMBLA ENVIRONMENTAL INCIDENT UPDATE

As reported on 14 June 2013, the test results obtained in June for the May 2013 air emission testing program demonstrated that the HBC complies with all licence discharge limits when using cathode copper only. Following these results, the EPA provided written approval for unrestricted casting operations using cathode copper only.

EPA approval was also provided for the use of normal production feedstock (cathode copper and recycled copper) for one casting campaign for the purposes of undertaking further air emission testing. This casting campaign was run in the week 24th to 28th June. The test results from this campaign were received in mid July and confirmed that the HBC was able to consistently comply with all Environmental Protection Licence limits, including dioxins, when using normal production copper feedstock. The dioxin results from this campaign were 0.013 ng/m³ and 0.0071 ng/m³, both well below the HBC licence limit of 0.1 ng/m³.

Further engineering work was completed in July with the installation of additional control measures in the form of a dropout box and an automated lime injection system to further improve the operation of the baghouse and minimise dioxin emissions. The aim of the lime injection system is to provide a pre-filter coating to the bags to assist in fine particle removal and to form a layer to protect the bag fabric from damage. The purpose of the drop out box is to capture airborne ignited material to prevent it from entering the bag-house and damaging the bags.

Following a full review of the latest test results and taking into consideration the upgraded operating equipment, the EPA provided written approval on 2 August 2013 for the resumption of normal operations for the HBC. Air emission monitoring will be conducted more frequently over the next 12 months to give certainty that the changes that we have implemented are meeting expectations.

MM Kembla is committed to minimising the environmental impact of our activities on our employees and the community and we would like to thank our employees and the community for their cooperation and patience over the last 3 months as we worked through this matter.