

Lead Removal Operations Report

Weekly audit findings are prepared by the independent auditor and reported to Magellan Metals, Esperance Port Authority, Department of Conservation and Environment and Department of Mines and Petroleum.

In addition, the weekly report will include reviews of the Occupational Health and Safety personnel involved in the lead removal plan, dust monitoring, ventilation and operations.

Week one: 2 February to 8 February, 2009

Officers from the Department of Mines and Petroleum, Pollution Response Team and DEC were at the Port early in the week undertaking process audits and inspecting the work site and procedures before operations started.

A number of setbacks occurred early in the week which stalled the start of bagging of the lead carbonate. These setbacks included loss of power, equipment failures and the need to source parts for the bagging plant.

At 4pm on Sunday 8 February, 2009, bagging operations began. Progress has been slow.

The independent auditor has been working with all parties involved in the lead removal operation to ensure that all processes and protocols are being adhered to.

The weekly operational audit for the first week has been provided to the Department of Environment and Conservation.

The 9000 tonnes of lead carbonate is expected to take up to 12 weeks to bag. The bagged product will be containerised and stored at the Port until the operation is completed and they will then be collected by a container vessel and shipped to China.