

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 Three: 16 February to 23 February, 2009

Operations

The two teams of Magellan personnel involved in the bagging of the lead carbonate in the WMC shed are continuing to resolve issues as they arise and progress was slow during the week, marred by a number of new problems.

While on 15 February the best bagging results had been achieved since the project started, two slips in the western stockpile in the WMC shed that occurred on Sunday were investigated on Monday (16 February). Operations were halted while a risk assessment was carried out. (There are two stockpiles in the shed.)

Then investigation revealed that no further bagging activity could be carried out from this stockpile until a safe method of managing the removal of lead from the stockpiles was prepared and approved by the Esperance Port and Magellan supervisors and the Lead Removal Plan Independent Auditor. Bagging operations were severely restricted until this plan was completed later in the week.

Furthermore, the Manitou was forced to stop operating because a hydraulic oil line ruptured and the repairs took several days to complete. The Manitou is used to reclaim material from the stockpile that needs to be conditioned for bagging.

Problems were also experienced with the bagging hopper and contractors were sourced to modify the hopper and brace it to the bagging machine.

To resolve the issue of managing the stockpiles, all parties agreed that scaffolding would be erected to provide a safe access above the stockpile peaks to enable air spearing of the stockpile peak and face.

On late Thursday, 19 February, bagging resumed from the eastern stockpile while scaffolding was being sourced and to determine the success of the recalibration of the bagging scale. This indicated some minor problems that needed repairs and replacement of parts, which was carried out.

On Saturday, the scaffolding team provided access to the conveyor walkway above the stockpile and allowed Magellan personnel to air spear the stockpiles, making it easier to recover the lead for conditioning and bagging.

Bagging from the eastern stockpile continued for the rest of the week.

Sunday, 23 February was a productive day with 41 bags filled and three containers moved to the hard stand storage area. To 22 February, 130 bags totalling 238 tonnes have been loaded into 10 containers.

Non Compliance Incident

A non compliance incident was reported on Saturday afternoon, 21 February. The inner roller door was opened at a time when the northern wing door sealing a container had already been opened. A stop work order was involved while the incident was investigated and the work procedures reviewed. The incident was reported to DEC, who did not view the incident as a significant issue but asked that the interlock mechanism failure be investigated, fixed and for DEC to be advised of the outcome. DEC has been informed of a change in procedure to ensure that this incident does not occur again. The stop work order has been revoked.

Monitoring

All of the HiVol air sampling results are well within the specified guidelines.

Inspection

During the week DEC officers visited the lead shed and inspected the operations. They also swabbed two empty containers in the lead container holder area.