

Murray Mallee Community Consultative Committee (Mineral Sands)

Summary of Meeting No 6 Held at East Murray Community Centre 10:00 am Wednesday, 03 August 2005

Attendees: Ted Tyne (Minerals & Energy), Garry Wardle (M&E), Gale Pfitzner (landowner), Grant Dixon (landowner), Darren Eatts (landowner), Kevin Heidrich (landowner), John Berger (Mallee Strategic Task Force), Kevin Burdett (Mayor - DCKEM), Peter Smithson (CEO – DCKEM), Mark Bell (Riverland Development Corp), David Barr (landowner), Damian Berger (Soil Conservation Board), Gerard Bosch (Australian Zircon NL (AZC)), Johann Jacobs (MD AZC), Peter Woods (Parsons Brinkerhoff).

Apologies: Brenton Lewis (Murraylands Regional Development Board).

Ted Tyne, Director – Mineral Resources Group, chaired the meeting and welcomed new members David Barr, representing Balmoral landowners and Damian Berger, representing the Murray Mallee Soil Conservation Board and also Johann Jacobs, the Managing Director of Australian Zircon and Peter Woods, from Parsons Brinckerhoff.

1 Minutes

- The distributed minutes were accepted without amendment.

2 Business Arising

Action items from the previous meeting.

1. Concerns were raised on the benefit to the community of the suggested route for a sealed access road.

Action: Indicate the MMCCC's concerns (re route of upgraded access road) to the Murraylands Regional Development Board for response at the next meeting in August.

Email sent to Brenton Lewis.

Council stated the upgrade of the East Murray School road (partially complete) was being funded from Council general funds and funding for the upgrade of 14kms of Kadli Bore road (8kms complete to date) to provide for trucking of mine concentrate was by way of a Special Local Roads Grant.

The meeting was informed that the River Murray Catchment Water Management Board is investigating the installation of a weather station at Wanbi. There may be an opportunity to join with this group and utilise the information gathered by this installation.

2. Concern was raised on the committee not having an opportunity to view trial rehabilitation proceedings.

Action: PIRSA to liaise with AZC and landowner with regard to the next phase of these trials and advise the committee so they may attend either individually or as a group.

AZC has contacted the landowner of the 2005 test site who is happy to allow MMCCC on site to inspect reaping stage. An inspection date is to be scheduled with AZC, Rural Solutions and the landowner later in the year.

3. After discussion of utilisation of experience and knowledge of landowners with respect to re-instatement of soils.

Action: The Committee requested the Chair to pass on these concerns to AZC and the offer of technical advice from landowners.

PIRSA discussed this matter with AZC at a meeting on 2nd June 2005.

4. After discussion on community newsletter.

Action: Peter Smithson will provide a summary for consideration at the next meeting.

Draft summary attached to minutes. Peter to liaise with AZC to update summary and send out with the next quarterly Council newsletter.

5. Nomination of representative from Murray Mallee Soil Conservation Board.

Action: Chair to write to the Board and seek the nomination of a suitable soils specialist as representative after the closure of the Board.

This was raised with Sharon Starick the Soil Board Exec Officer and Damian Berger was nominated and has accepted and attended the August meeting.

6. Landowners on the Derrick and Balmoral strandlines to be invited to submit one nomination from each to sit on the committee.

Action: Chair to write to Mike Vowles and David Barr to select representatives with other landowners.

Letters sent out on 8th June 2005.

David Barr in attendance at August meeting.

WGW to follow up with M Vowles.

7. Public meeting to be held for AZC to present the current status of project to the community.

Action: To remain on Agenda for discussion at the next meeting.

8. The first draft of the MARP is expected by the end of June. The committee is seeking input into the finalisation of the document.

Action: PIRSA to approach the Minister seeking consultation with affected landowners prior to approving the MARP.

PIRSA has advised the Minister of this request and that the MARP is currently being developed and is in an early stage at present.

The question was asked if the Minister would come out to Mindarie to talk to landowners prior to approving MARP. Ted Tyne to discuss further with Minister.

3 AZC project update

Johann Jacobs discussed the recent review of project components.

- The latest estimate of capital cost for the project is approximately \$130m, AZC are currently reviewing the feasibility study in an effort to reduce capital expenditure, the environmental footprint and impacts to landowners.
- AZC has entered into an option to purchase the Primary Concentrator and Mineral Separation Plant (MSP) used at the Wemen Mine by Bemax. Project production rate will initially be sized to fit the 450 tph capacity of the plant and ramped up with modular additions after a suitable settling in period.
- The plan is to locate the wet plant centrally to the Mindarie A2 & C and Amiens strandlines and adjacent to the MSP for the initial years of production. Overburden removal will be handled by a combination of dozer and scrapers and ore handling by excavator.
- Water will be obtained from the minesite borefield, mixed with the ore and the resultant slurry pumped to the concentrator and MSP. Pipelines will carry return water, tailings, slimes and MSP rejects back to the minesite. This will reduce the use of road transport on Council roads. MSP products will be railed to Adelaide.
- The power line from Pyap (\$6m capital cost) is being reviewed with diesel generation of power to supply the minesite, concentrator and MSP the preferred option at the initial stage.
- Annual use of groundwater is not expected to increase as a result of the proposed changes. Groundwater consumption is a contentious issue in the broad region and the Committee expressed general concern re water usage and the risk of salinisation of the water table as slurried tailings and MSP rejects are returned to the pit. This deposition of water may be compared to historical consumption by irrigators. Information on historical irrigation usage, field rates and crop yields are collected by River Murray Catchment Water Management Board.
Action: Water balance and effect on groundwater salinity is to be included in AZC's presentation to the public meeting being planned for October/November.

Peter Woods of Parsons Brinckerhoff gave a presentation on the developing Mining and Rehabilitation Program (MARP) and the various management plans it will contain.

The Mining Act 1971, Regulation 42(b), states that all mining operations are carried out in a orderly and skilful manner in accordance with a Mining and Rehabilitation Plan approved from time to time by the Minister.

The MARP must include a description of the operation together with information on its location, land ownership and the environment in which it is

to be conducted. The essential component of the MARP is a set of environmental objectives to be achieved for the operation, progressive rehabilitation and final closure of the mine and the measurement criteria that will be used to assess whether these objectives are achieved.

A draft MARP is expected to be submitted to Minerals & Energy for comment in mid October 2005. After review by M & E it is envisaged hard copies of the draft will be provided to MMCCC members for their comment.

All landowners are to be informed when the MARP is finalised and may request a copy from AZC.

4 Distribution of Committee proceedings to the community via the Community newsletter

A draft summary was appended to the MMCCC minutes of the 5th meeting. The Committee agreed this should go out with the next Council newsletter. Peter Smithson to liaise with AZC re minor updates and issue the summary with the next quarter's newsletter.

All future Council newsletters should contain some summary of the latest developments from the MMCCC meetings.

5 Public meeting to be scheduled to follow formal announcement on project status by AZC.

This item is to remain on the Agenda for review at the next meeting. Farmers will be harvesting from mid November and the meeting should be targeted to take place before this time.

6 Karoonda Hospital Advisory Committee

The above committee is to meet with AZC after this meeting to discuss health issues and the facilities currently available and what may be required upon commencement of mining operations. The meeting will include an inspection of present facilities in Karoonda.

7 General Business

The meeting was advised of the impending formation of the Office of the Murray Mallee under PIRSA auspices, responsible to Minister Holloway and under the direction of Jim Hallion. The office will be based in Murray Bridge and will utilise the Murray Mallee Strategic Task Force to determine objectives and strategies and consider infrastructure requirements and community concerns.

The question was asked as to the Minister's ruling on Mineral Lease rental payment relief, the Minister is considering this matter but has deferred a decision until the project is given definite approval to proceed.

The matter of landowner representation was raised as with the change of mining from the Mercunda area to Mindarie area the landowners first affected by mining operations also changes. Should these new landowners be invited to participate in the committee, should totals numbers remain the same, or the committee further expanded? This matter is to be included on the agenda for discussion at the next meeting.

6 Next meeting

The next meeting will be held at the East Murray Community Centre @ 10.00am on Wednesday, 5th October 2005.

Meeting closed at 12:00 pm.

Signed.....
Chair

Date...../...../.....