Murray Mallee Community Consultative Committee Summary of Meeting No 10 Held at East Murray Community Centre 10:00 am Thursday, 17 August 2006

Attendees: Ted Tyne (Mineral Resources Group (MRG)), Garry Wardle (MRG), John Morton (MRG), Hans Bailiht (MRG), Kevin Burdett (Mayor - DCKEM), Peter Smithson (CEO – DCKEM), John Berger (Murray Mallee Strategic Task Force), Brenton Lewis (Murraylands Regional Development Board), Trevor Bennett (Riverland Development Corp), Grant Dixon (landowner), Darren Eatts (landowner), Gale Pfitzner (landowner), Kevin Heidrich (landowner), Brian Fullston (landowner), E. F. Francis (landowner), Gerard Bosch (Australian Zircon NL (AZC)), Steve Wickham (AZC), Peter Woods (Parsons Brinckerhoff).

Ted Tyne, Director – Mineral Resources Group chaired the meeting and welcomed Trevor Bennett from the Riverland Development Corp attending in the place of Mark Bell who has left the Corporation.

1 Apologies: Ann Crouch (landowner), David Barr (landowner), Damian Berger (Mallee Coorong Natural Resource Management Group).

2 Minutes and Action Items

The distributed minutes of the previous meeting (No 9) held 21 June 2006 were accepted without amendment.

Action Items from the previous meeting.

AZC to draft a process based on the Wardens Court determination and distribute to committee members for comment. The process to be utilised in the development of agreed completion criteria for rehabilitation of agricultural land and best practise procedures.

 Draft distributed to committee members on 05/07/06 and following no comments received was incorporated into the Mining and Rehabilitation Program.

The Chair asked that any further submissions by committee members on matters pertaining to the MARP be submitted in writing to PIRSA by 7th July.

• Several submissions have been received and incorporated into the Mining and Rehabilitation Program.

A notice calling for nominations for a person representing the community in general to sit on the MMCCC is to be placed in the Council newsletter and in both the Karoonda and Murray Mallee Area schools newsletter.

• To be placed in next available Council newsletter, has gone out in School Newsletters.

3 Business arising

There was no business arising.

4 Project Update

Steve Wickham gave a brief update on the project's progress:

- The Mindarie project is still on track as per the milestones discussed at the last meeting.
- AZC have secured the services of Todd Colton (ex Iluka's Gin Gin mine in WA) who will act as the General Manager – Operations and will reside in the local area. Todd will commence work with AZC on 4th September 2006.
- Georgina Tattersall, an environmental scientist with experience at Beverley In Situ Leach Uranium, will start with AZC on the 28th August.
- AZC expect to appoint a Chief Financial Officer, Manager Mining, Senior Mining Engineer, Process Manager and Geologist within the next few weeks.
- A bore has been drilled at the MSP site and is currently undergoing pump testing. Fences have been erected around the site and the site readied for levelling. Slime co-deposition tests are being undertaken at the site. The Construction Camp will commence at the end of September.
- A Starter Pit for the minesite will be excavated in December 2006 with ore stockpiles raised.
- The Primary Concentration Plant, to be initially located on the MSP site, is expected to be commissioned in February 2007.
- The Mineral Separation Plant is planned to be commissioned in March 2007 with full-scale mining following.
- Product is expected to be railed to Adelaide in June 2007 for despatch in containers to Europe and China. AZC currently in negotiation with rail transport companies.
- AZC will be advertising for local employment opportunities in late 2006.
 AZC will be advertising in local and state newspapers and distributing a six monthly newsletter.
- Life of mine based on current reserves is in excess of 12 years.
- AZC is still investigating a source for the supply of gypsum for use in rehabilitation.

It is expected that the new GM Operations Todd Colton will become the main contact for community and landowner liaison and will be present at the next MMCCC meeting. PIRSA will have representation from the Mining Regulation Branch in the form of the Chief Inspector of Mines or the Chief Mining Engineer so that members and landowners become familiar with these personnel.

Chairman Ted Tyne gave the Committee a commitment that, as Director – Minerals, he will ensure a prominent regulatory presence for the operation.

AZC implored the committee members and any concerned landowners not to leave any burning issues until the occasion of a MMCCC meeting but to raise them through Steve or Todd (or failing that PIRSA).

Hans informed the meeting that as a requirement of Section 19.4.6 of the MARP, AZC is to submit to PIRSA a three monthly report on complaints received from the public.

5 Mining & Rehabilitation Program

Peter Woods and Steve Wickham spoke to a PowerPoint presentation and handout describing their commitments in the MARP and also how the recent comments from the committee have been incorporated into the MARP. A copy of the handout is attached.

Issues raised included the utilisation of landowners to develop detailed rehabilitation plans for their specific holdings, including the opportunity to improve soil quality with the addition of clay and other soil mixes.

The question of irrigation of cover crops was raised, AZC intend to commence with the use of a water truck and utilising alternative irrigation methods if that is unsuccessful. Lateral moving pivots were suggested.

MARP section 11.5.1 re water management and excessive drawdown of the water table that may affect other users, AZC stated that if remedial measures fail they would supply an alternate source of water to the affected user.

Discussion followed on the operation of compaction cells / solar drying ponds; the mixing of sand and slimes is found to squeeze water from the mixture and consolidate the sand. It is expected to take between 3 to 6 months to compact. Water will be extracted from the surface and returned to the pulping module. AZC plan to commit to an extra \$1.5m to provide better technology for co-disposal of tailings.

6 Committee membership - Adrian Pederick MP

Following a briefing given by the Murraylands Regional Development Board to the local MP Adrian Pederick regarding Australian Zircon, he has asked to be included in the Consultative Committee and he will attend meetings when he is able to but wants to be kept abreast of all dealings with this project.

Mr Pederick also sits on the Srathalbyn Community Consultative Committee for the Angas Zinc Mine Project and previously was an active farmer in the locality.

Following discussion on this matter the committee agreed to invite Mr Pederick to join the committee based on previous and existing skills.

<u>Action Item</u> The Chair is to write to Mr Pederick inviting him to join and provide him with the latest minutes and details of the committee and timing of meetings.

7 **General Business**

The Murraylands Development Board has worked very closely with AZC and ETSA for the upgrade of the community power supply to the Karoonda and Mindarie districts, unfortunately this has not been able to be achieved, mainly due to timelines, however AZC are to be congratulated on the efforts to progress this.

Agile Communications are the preferred supplier for provision of broadband services for the Murray and Mallee region.

A hard copy of the Final MARP was placed in the East Murray Community Library with another copy to be held by Karoonda East Murray Council.

Committee members that want a CD of the MARP can obtain one from Hans after the meeting.

8 Next Meeting

The next meeting is scheduled to be held at the East Murray Community Centre @ 10.00am on Tuesday, 3rd October 2006 (following Labour Day holiday – oops GW).

Signed	Date///
Chair	