

**Murray Mallee Community Consultative Committee
Summary of Meeting No 16
Held at East Murray Community Centre
10:00 am Tuesday, 2nd October 2007**

Attendees:

Ted Tyne (Director, Mineral Resources Group (MRG)), CHAIR,
Garry Wardle (Senior Mining Engineer - (MRG)),
Serge Caplygin (Program Leader Mining Regulation – (MRG)),
Peter Smithson (CEO – DCKEM),
Trevor Bennett (Riverland Development Corp),
Gale Pfitzner (landowner),
Gerard Bosch (Manager Exploration, Australian Zircon NL (AZC)),
Phil Baillie (General Manager - Operations, AZC),
Paul Mannix (Environmental Officer, AZC),

1 Apologies:

Adrian Pederick (Member for Hammond), Kevin Burdett (Mayor - DCKEM),
Brenton Lewis (Murraylands Regional Development Board), John Berger
(Murray Mallee Strategic Task Force), Grant Dixon (landowner), E. F. Francis
(landowner), Wayne Jaensch (Logistics Manager - Genesee & Wyoming),

Damian Berger (Mallee Coorong Natural Resource Management Group),
Kevin Heidrich (landowner), Ann Crouch (landowner), David Barr (landowner),
Darren Eatts (landowner).

2 Minutes and Action Items

The distributed minutes of the previous meeting (No 15) held 7th August 2007
were accepted without amendment.

There are no outstanding Action Items.

3 Business arising

The Riverland Development Corp (RDC) will continue to be represented by
Trevor Bennett, now working with the Department of Trade and Economic
Development (DTED) but continuing to sit on the Regional Development
Board.

4 Project Update

Phil Baillie, General Manager - Operations, AZC, gave a comprehensive update on the current status of the project, highlights include:

- The Primary Concentrator Plant is being run on a daily basis and teething problems are gradually being eliminated.
- The first production of heavy mineral concentrate (HMC) occurred on 25th September and stocks are being built up to supply feed for commissioning of the Concentrate Upgrade Plant (CUP) later this week.
- The 5 storey dry plant is now in the final stages of wiring and piping with commissioning of the dry Ilmenite circuit scheduled for mid October.
- The handover from construction to commissioning, scheduled for late September, has slipped to late October. Construction manning has been increased to 50 to ensure this target is met.
- Mining activities since the last meeting have been largely stockpiling ore for use in commissioning and the stripping of topsoil up to Knights Well Road. About half of the overburden from the starter pit has been returned to the void and Mount Mindarie has been substantially lowered.
- The in-pit miner arrived and was assembled in the mine and is currently being used for the commissioning of the PCP.
- All mobile equipment except for the container forklift is now on site.
- Approximately 65 of AZC staff are now on site and have completed the induction and training programs and are now assisting in the commissioning of the process plants prior to taking over the running themselves.
- AZC sponsored the Mindarie-Halidon races and have committed to the Riverland Renaissance Festival and Karoonda Farm Fair taking the projected sponsorship for 2007-8 to \$14,500.
- Phil Baillie continues to address local interest groups and the media to promote the mine and the district.
- It is planned for the formal opening of the mine to take place on the 30th November 2007.

Paul Mannix discussed environmental issues, including

- Three consultancy agencies will be asked to put a proposal together for the new MARP for mining of Mindarie C and Amiens strandlines.
- Parsons Brinkerhoff has nearly completed the Annual Environmental Report (AER) for submission to PIRSA. Mr Joe Mifsud of Natural Resource Services has been appointed to audit the AER.
- Weekly monitoring of the water levels of AZC production and observation bores was commenced. Monthly water quality testing of production and observation bores also commenced.
- Noise monitoring commenced.

- Environmental induction has been given to all operations employees.
- Discussion has taken place towards involving the students of East Murray Area School with the rehabilitation of the Knights Well Road area. The school is considering incorporating a propagation and planting project into the school curriculum. Greening Australia has been selected for the collection of seed and growing plants for this project.
- Polymer Gluon 240 was applied to the topsoil stockpiles to prevent wind erosion.
- Chris McDonough is nearing completion of his report on rehabilitation trials at the Francis and Crouch properties. Several areas at one site displaying poor crop growth are believed to have been affected by compaction. It is anticipated a PowerPoint presentation of the results will be presented to the MMCCC.
- There have been visits from the NRM and EPA Radiation Protection branch.

Wayne Jaensch of G&W was unable to attend the meeting and asked Phil Baillie to pass on this update on the rail issues.

- There has been extensive re-sleepering and maintenance of the rail, particularly in the loadout area. AZC have completed the concrete pad for the forklift and container area.
- Several site inspections have been made and G&W and AZC are preparing the safe work program for operations and finalising the contract.
- The first railing of containers of Ilmenite product is anticipated in the 2nd and 3rd weeks of October. Advanced notice will be given so the first train can be despatched with due ceremony.
- It is likely that the first few trains will be loaded around 6 am initially to ensure proper surveillance and control of operations at the start.

A question was asked about the disturbance footprint caused by the movement of the PCP modules by dozer. This will not take place for a period of 2-3 years time and will need to be managed.

5 General Business

Knights Well Road closures – there will be a number of closures as a result of AZC's operations. Formal road closures will be required with Council to apply conditions on AZC. Adjoining landowners will need to be notified and AZC will need to comply with both the Local Government Act and the Road Traffic Act. Council requirements have been discussed with the Works Manager and information on the Council's roadside native vegetation management plan conveyed to AZC.

Peter Smithson passed on Council’s appreciation of the tour of the site given to DCKEM members after the recent Council meeting at EMAS.

Approvals – AZC have one outstanding approval to obtain, the EPA licence to operate from the Radiation Protection Branch. It was decided to include as an Agenda Item, approvals that are being sought and approvals that have been granted, so that issues with outstanding approvals may be monitored.

It was also decided to include as an Agenda Item any Environmental or Safety incidents that occur at the mine.

Trevor Bennett indicated the potential for job shedding in the Riverland area and the likely availability of labour that may be retrained for mine work. AZC indicated that they would have a labour force containing 75% local employees.

As there is no meeting scheduled for December and it will be a crucial time in the project development it would be worthwhile in distributing a project update directly to Committee members for their information.

6 Action Items

Agenda Item for Approvals to be added to Agenda under Project Update and to include those being sought and those recently obtained.

Also include an Agenda Item for Environmental/Safety Incidents.

PIRSA and AZC to liaise to promulgate a project update for December.

7 Next Meeting

The next meeting is scheduled to be held at the East Murray Community Centre @ 10.00am on Tuesday, 5th February 2008.

Signed.....
Chair

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