

Murray Mallee Community Consultative Committee
Summary of Meeting No 24
Held at East Murray Community Centre
10:00 am Tuesday, 04 August 2009

Attendees:

Greg Marshall (Chief Inspector of Mines – Mineral Resources Group (MRG)), Garry Wardle (Principal Mining Engineer - Resource Development, MRG), Chris Koufalas (Principal Facilitator - Resource Development, MRG), Henry Andryszczak (Program Leader - Mining Regulation), Hans Bailht (Senior Assessments Officer, MRG), Kevin Burdett (Mayor - DCKEM), Peter Smithson (CEO – DCKEM), Damian Berger (Mallee Coorong Natural Resource Management Group), Ann Crouch (landowner), Jim Tonkin (landowner), E. F. Francis (landowner), Darren Eatts (landowner), Johann Van Zyl (Managing Director, Australian Zircon NL (AZC)), Richard Fagan (GM Operations, AZC), Tim Walker (Environment Manager, AZC), Gerard Bosch (Exploration Manager, AZC),

1 Apologies:

Ted Tyne (Director – Mineral Resources Group), Adrian Pederick (Member for Hammond), Brenton Lewis (Murraylands Regional Development Board), Trevor Bennett (Riverland Development Corp), Gale Pfitzner (landowner), Kevin Heidrich (landowner), David Barr (landowner), Wayne Jaensch (Genesee Wyoming).

Greg Marshall, Chief Inspector of Mines – Mineral Resources Group, chaired the meeting in place of Ted Tyne who is representing the SA Govt at the Diggers and Dealers Mining Forum in Kalgoorlie WA.

Greg welcomed new AZC Environment Manager Tim Walker to the meeting and introduced the Mineral Resources Group people and explained their roles and responsibilities.

2 Minutes and Action Items

The distributed minutes of the previous meeting (No 23), held 02 June 2009, were accepted without amendment.

Action Items:

- AZC to discuss with currently affected landowners the details of the compensation arrangements and schedule of payments for land unavailable over more than one year.
AZC have had these conversations with the relevant landowners.
- The MMCCC Chair to formally write to John Fry's family acknowledging his contribution and the high regard in which he was held.

The MMCCC Chair has sent this letter to Stephen Fry, John's son.

- AZC to give a presentation on the soil management program on the current site.

AZC will include this topic in their Project Update today.

- Ted will formally write to John Berger on behalf of the Committee expressing our thanks for his contributions over the years.

The MMCCC Chair has sent this letter to John.

3 Business arising

The Chair asked if the notice regarding a vacancy on the MMCCC for a landowner had been inserted in AZC's newsletter. This had been done and copies of the newsletter were provided to members.

4 Project update.

Richard Fagan – GM Operations discussed operational matters.

- There have been no lost time accidents since the last meeting.
- There were a number of minor incidents, environmental and otherwise.
- AZC plan to commence mining Mindarie C strandline (west of the highway) in early September 2009. The mining of the sections of the Mindarie C strandline within pumping distance from the PCP will take approximately ten months to complete, with topsoil stripping already commenced.
- At Mindarie A(2) a record 1.5 million tonnes of material (ore and overburden) was handled for the month of July.
- Record production of 1961 tonnes of Zircon was produced for July.
- Modifications were carried out to the Primary Concentrator Plant (PCP) spiral circuit to improve Heavy Mineral (HM) grade and recovery.
- The Concentrate Upgrade Plant (CUP) was upgraded to remove more unwanted quartz particles from recovered minerals.
- AZC will begin evaluating new flocculants to improve thickener performance by increasing the rate of slimes settling out of solution.
- Regional Exploration drilling has commenced.
- The final rehabilitation (soil replacement and sowing) of Mindarie A(2) east will be carried out in April 2010. A comment was made that subsoil in heavier areas may be able to be replaced earlier to reduce time required for topsoil replacement in April. AZC to further discuss this with the relevant landowners and consultants.

Tim Walker – Environment Manager gave a presentation on soil management and rehabilitation progress.

- Soil zones have been characterised by EM38 and soil analysis.
- Spatial maps developed for the sequential stripping of soils utilising land planes.

- Stripping plans and soil dig permits are produced and provided to landplane operators & their immediate supervisor.
- Three soil zones characterised on Mindarie C. Zone 3 subsoil will be stockpiled as two separate stockpiles.
- 155Ha of rehabilitation completed on Mindarie A(2), West of Loxton-Karoonda Rd
- AZC are working to complete rehabilitation on the west side of Mindarie A(2) to provide for the planting of a crop next year.
- Preliminary rehabilitation results and recommendations from AZC independent consultant were provided to MMCCC. Initial results look very promising with excellent germination throughout. Monitoring will continue.
- A question was asked about landowner involvement with respect to topsoil stripping and replacement. Landowners have been in consultation with Chris McDonough but not with AZC representatives. AZC will engage with the landowners on this matter

Tim Walker then provided a summary of groundwater monitoring results to date.

- Groundwater management: licence to extract 4,292 ML/yr of groundwater, however currently using only one third of that allocation, recycling as much water as possible. The forecast is for consumption to continue at this reduced rate.
- AZC have been collecting information from water monitoring bores since 2007. The information has been independently reviewed by the Principal Hydrogeologist DWLBC
- On an annual basis, groundwater results / reports are submitted to PIRSA, DWLBC & EPA radiation division
- Groundwater levels within the immediate mining area are showing some drawdown, however, this is expected and is well within modelled expectations predicted in the Mindarie A(2) MARP
- Some groundwater monitoring bores are showing increasing water levels due to increased recharge as the result of Mallee Vegetation Clearance in the early 20th Century
- Groundwater salinity increases in and around Mindarie mining operations can be attributed to mallee vegetation clearance in the early 20th Century. The clearing of mallee vegetation allows salts in the unsaturated zone to be flushed into the saturated zone (aquifer). According to the independent hydrogeologist, salinity increases across the region are not linked to mining. Over time, salinity will continue to rise within the region.
- CSIRO have extensively researched mallee vegetation clearance and its impacts on groundwater salinity. Reports have been published.
- The CSIRO have compiled a report indicating that salinity levels in the area have been rising as a result of native vegetation clearance in the early 20th century.
Action Item: AZC will provide a link to this report on the CSIRO website.

The Rehabilitation Agreement with landowners was discussed. Landowners and AZC meet to discuss the affect of operations on the landowner's land and infrastructure and formulate a management and restoration plan. Details of soil management philosophies should be discussed at these meetings.

Action Item: AZC to ensure future rehabilitation agreements with affected landholders incorporate soil management techniques. These agreements are to be forwarded to PIRSA.

5 General Business

Mention was made of a rumour circulating that the mine was about to close. This is apparently due to the fact that the use of contractors in the mining pit has been reconciled, with the contract awarded exclusively to Piacentini Contractors with employees previously employed by AZC and Earthwork Solutions now no longer required. Piacentini have placed most AZC employees, with Earthwork Solutions returning to their base at Murray Bridge.

The question of the provision of accommodation was raised. This will be left up to the contractor to provide with possible sites being considered. The new contract arrangements will take place in September 2009.

The Chair raised the issue of the presentations made at the Committee meetings. A copy will be sent to PIRSA for the record and if any member wishes a copy they can obtain one upon emailing Tim at twalker@auzircon.com.au.

The suggestion for a Community Information Night was raised. It was mentioned that the MMCCC meetings are open to the public and anyone can speak if notice is provided through the Chair. A précis of matters discussed at MMCCC meetings is included in DCKEM's Community Newsletter. The Newsletter will also include the date and time of the next MMCCC meeting and the fact that the public is welcome to attend.

6 Action Items

- AZC will provide a link to the report on the CSIRO website on salinity levels in the Murray Mallee.
- AZC to ensure future rehabilitation agreements with affected landholders incorporate soil management techniques. These agreements are to be forwarded to PIRSA.

7 Next Meeting

The next meeting is scheduled to be held at the East Murray Community Centre @ 10.00am on Tuesday, 06 October 2009.

Signed.....

Chair

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