

**Murray Mallee Community Consultative Committee
Minutes of Meeting No 27
East Murray Community Centre
10:00 am Wednesday, 8 September 2010**

Attendees:

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| <u>Mineral Resources Group</u> | |
| Greg Marshall | Chief Inspector of Mines, Mineral Resources Group A/CHAIR, |
| Hans Bailiht | Principal Mining Regulator – Metallics & Uranium |
| Grant Hickman | Minute Secretary |
| <u>Australian Zircon NL (AZC)</u> | |
| Marty Adams | Chief Executive Officer – Australian Zircon |
| Bob Harris | Mine Manager |
| Anna Walker | Contract Environment Consultant |
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| Adrian Pederick | Member for Hammond |
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| Rodney Tonkin | Landowner |
| Anne Croach | Landowner |
| Kevin Heidrich | Landowner |
| Darren Eatts | Landowner |
| Elwyn Francis | Landowner |
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| Kevin Burdett | Mayor, District Council of Karoonda East Murray |
| Peter Smithson | Chief Executive Officer, District Council of Karoonda East Murray |
| Chris Karvountzis | DTED |

Apologies:

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| Ted Tyne | Director, Mineral Resources Group |
| Jim Tonkin | Landowner |
| Wayne Jaensch | Genesee Wyoming |
| Damian Berger | Mallee Coorong Natural Resource Management Group |

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| 1. | Apologies |
| | Greg Marshall welcomed everyone to the meeting, and stated he would be chairing the meeting in the absence of Ted Tyne who was unavailable to attend. |
| 2. | MINUTES AND ACTION ITEMS ARISING FROM PREVIOUS MINUTES |
| 2.1 | <p>Minutes from the meeting held on Tuesday 3 March 2010 were accepted as true and correct record.</p> <p>ACTION ITEMS FROM PREVIOUS MEETING</p> <p>AZC: on going discussions with landowners regarding compensation arrangements</p> <p>AZC (MA) advised all landowners have now received outstanding been offered compensation since the Deed of Company Arrangements was effectuated.</p> <p>HB advised there was a requirement for PIRSA to be informed of compensation arrangements, this has not yet happened.</p> <p><u>Action Item: AZC (MA) undertook to look into providing those details to PIRSA.</u></p> <p>Remainder of the compensation payments are due in November.</p> <p>Landowners reported being satisfied with the compensation payment process.</p> |
| 3. | <p>BUSINESS ARISING FROM PREVIOUS MINUTES</p> <p>No issues were raised from previous meeting</p> |
| 4. | <p>PIRSA Regulation Report</p> <ul style="list-style-type: none"> • Hans Bailiht (PIRSA) <ul style="list-style-type: none"> • reported he had conducted several site visits and monitoring of rehabilitation progress, PIRSA satisfied with progress which stopped in June 2010. Rehab to commence again in September 2010 with the earthworks completion estimated by April 2011. • Rodney Tonkin <ul style="list-style-type: none"> • advised in general farmers believe the amount of compensation is appropriate. • MARP conditions/requirements still stand? Yes they do • Hans Bailiht <ul style="list-style-type: none"> • advised PIRSA were aware of the company being behind schedule with regards to the Rehabilitation works • PIRSA is satisfied that there is justification for the delay. |

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| <p>5.</p> | <p>Project Update</p> <p>5.1 Update MMCC on current AZC position Mine site rehabilitation currently behind schedule due to technical reasons Care and maintenance work continues – Rehabilitation work continuing steadily Landowners have been compensated as agreed. Further compensation to follow. 1 August the company was handed back to its Board of Directors Pitcher partners involvement is now limited to making payments Currently have 3 Directors</p> <ul style="list-style-type: none"> • Jeremy Shervington, Chairman, • Giga Bedineishvili, • Steve McEwen (Chief Financial Officer) <p>Board has approved an additional Rehabilitation Budget of \$3 million to continue with the rehabilitation works. Currently AZC have their Horsham Asset - Legal Action pending (Wim150) Feasibility Study to undertake Wim150 - \$5m undertaking 2 years worth of work anticipated in evaluation and assessment of the opportunity to recommence mining at Mindarie – however it is unlikely mining is to recommence in the foreseeable future. Hans Bailiht: is the Mindarie processing plant involved in Wim150 assessment? AZC: Possibly.</p> <p>5.2 Rehabilitation Progress Report</p> <p>a) Bob Harris Causes for delay - hourly hire contract, Wet season problems Decided on Tender – Lucas Earthmovers – a local SA company. Machinery expected to be on site next week Have split the bulk of the earthworks – top soil and sub soil – 2 separate contracts Soil is drying out – looking good to do the rehabilitation work soon Expect to have the earthworks complete by end March Commencing work on the Eastern side of the site – expect to have this complete by Christmas Next phase expected to be finished in January Rod Tonkin: happy with the rehab work done near him so far Estimated 150Ha of rehab work to be completed It is expected only adverse weather conditions will delay rehab work Previously machinery reliability was an issue, not expected to be an issue now There are no penalties in the contract for missing deadlines</p> <p>b) Revegetation Sub-Committee Held 2 meetings – both were well attended PIRSA Representative, Rural Solutions rep, Landowners, AZC representative Discussed best method to measure success of the rehabilitation work Suggested by Rural Solutions EM38 soil assessment technique can be utilised – developed maps of paddocks Simple crop yield monitoring to be used as first method of measurement 3rd meeting is proposed for January – when the yield monitoring results will be available Replanting of trees is to occur again if significant numbers are lost at end of Summer 339 Trees were lost last July Kevin Burdett: Locals take notice of the road reserve where planting has occurred Focus Groups not 100% satisfied with methodology of EM38.</p> <ul style="list-style-type: none"> • Various crop types will cause variations • Soil types will cause variations • Various soil types will cause variations of cropping yields • EM38 technique is quite expensive – rather spend money on assistance than research <p><u>Action Item - Revegetation Sub Committee: to document how yield measurement will work, including a reasonable amount of detail and how it is to be reported.</u> <u>Marty Adams to draft up ASAP</u></p> |
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| | <p>c) Chris McDonough Chris was absent however it was reported AZC received report 98% working well Some areas need more work – Wind and sand blown Generally positive</p> <p>5.3 Environmental Issues Diesel spill in April 2 safety issues to report - Shoulder strain - Foreign object in the eye</p> <p>5.4 Complaints Register None in past 6 month Petition signed by local store re transfer of postbox to Loxton</p> |
| 6. | <p>General Business</p> <p>Adrian Pederick reported the Mining Act amendments before Parliament are expected to deliver better outcomes for landowners and miners. Expected to give PIRSA and the Minister greater powers</p> |
| 7. | <p>Next Meeting</p> <p>To be determined by PIRSA – AZC. No earlier than Jan/Feb next year but possibly later depending if there is anything to report regarding Rehab progress.</p> <p><u>Action Item: PIRSA (Hans Bailht) to determine appropriate date for next meeting.</u></p> <p>Also, next meeting will involve an inspection of the mine site and rehab progress.</p> |
| | <p>Meeting closed at 11:15am</p> |
| Signed _____ | <p>Date...../...../.....</p> <p style="text-align: center;">CHAIR</p> |