

**Murray Mallee Community Consultative Committee
Minutes of Meeting No 30
East Murray Community Centre
6:00 pm Tuesday, 15th November 2011**

Attendees:

Neil Schlein	Schlein's Quarries P/L
Kevin Burdett	Mayor District Council Karoonda East Murray
Peter Smithson	CEO District Council Karoonda East Murray
Anne Crouch	Landowner
Hans Bailht	DMITRE
John Morton	DMITRE
Michael Smith	DMITRE
Greg Marshall	DMITRE Chief Inspector of Mines, Mineral Resources Group
Kim Duffield (Proxy)	Adrian Pederick MP
Alex Eadie	Parsons Brinckerhoff
Laura Otrakdjian	Parsons Brinckerhoff
Terry Mowbray	Loxton Tank & Drain / Mowbray Excavations
Max Curtis	Landowner
Geoff Redden	East Murray Area School
Annette Andriske	Andriske Farms/Landowner
Ray Andriske	Andriske Farms/Landowner
Darren Zadow	Zadows Drilling
Brenton Lewis	Regional Development
Colin Zadow	Zadows Drilling/Landowner
Christine Fiebig	DFW
Mike Fuller	DFW
Daniel Rankine	East Murray Area School
Kevin Heidrich	Malleevview Props/Landowner
Raelene Heidrich	Malleevview Props/Landowner
Rosanne McConnell	Malleevview Props
Chris Smith	Loxton Smiffys B&B
Vikki-Lee Scott Gagliardi	Loxton Smiffys B&B
Sue Jettner	SOCC (Terramin Aust)
Paul Lewis	Bank SA
Trudie Biddle	Bank SA
Jim Tonkin	Caliph Holding
Michael Zeppel	
Michael Vawles	Landowner DCLW
Ben Rothe	
Anne Zadow	
Mick Zerk	Landowner
Neil McConnell	Murray Zircon Pty Ltd
Graeme Paschke	Malleevview Props
Lynne Paschke	Malleevview Props
Polly Johnston	RE & PR Johnston
Agnes Cantin	COOE

Eddy Wu	CEO – Murray Zircon Pty Ltd
Steve McEwen	CFO – Murray Zircon Pty Ltd
Richard Fagan	General Manager Operations – Murray Zircon Pty Ltd
Larry Liu	General Manager Business Development - Murray Zircon Pty Ltd
Ab Hussein	Mine Manager - Murray Zircon Pty Ltd
Michelle Waters	EHS Manager - Murray Zircon Pty Ltd
Robert Winen	EHS Technician - Murray Zircon Pty Ltd
Sandy Redden	Administration - Murray Zircon Pty Ltd
Tamara Nicolle	Geologist – Murray Zircon Pty Ltd
Stuart Nixon	Finance Manager - Murray Zircon Pty Ltd

Apologies:

Fudd Francis	Landowner
Sharyn Francis	Landowner
Rodney Tonkin	Landowner
Peter Crouch	Landowner

1.	APOLOGIES
	Kevin Burdett Mayor District Council Karoonda East Murray welcomed everyone to the meeting and stated he would be chairing the meeting. Apologies duly noted.
2.	MINUTES AND ACTION ITEMS FROM PREVIOUS MEETING
	Minutes from the meeting held on Wednesday, 17 th Sept 2011 were accepted as a true and correct record.
3.	REHABILITATION AND FEASIBILITY STUDY UPDATE
	<p>Rehabilitation progress:</p> <ul style="list-style-type: none"> • MZ commenced rehabilitation activities in August 2011 and has achieved 80 to 100% completion of the first stage of overburden (OB) replacement on different rehabilitation areas. • MZ is working towards rehabilitating Mindarie A2 and C mined strand before the next cropping season. • Timing of the rehabilitation activities can be affected by adverse weather conditions. <p>Feasibility Study:</p> <ul style="list-style-type: none"> • The feasibility of mining Mindarie C strand is looking positive • The mine is expected to produce 10,000 tonnes per month of Heavy Minerals Concentrate (HMC) • The study will be reviewed by the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE, formerly PIRSA) • It is being undertaken in parallel to the preparation of the PEPR for Mindarie C • Expected to be completed by the end of November 2011
4.	PREPARATION OF PEPR
	<p>Program for Environmental Protection and Rehabilitation (PEPR)</p> <ul style="list-style-type: none"> • A PEPR is currently being prepared to ensure protection of the environment and rehabilitation of the proposed mine • Mindarie C was previously approved under a MARP (Mining and Rehabilitation Plan) • A PEPR is being undertaken to replace the MARP for the mining lease, and to ensure that we achieve the updated mining lease conditions outcomes • It also covers the environmental, social and economic impacts of mining for DMITRE to consider • It also outlines our mining methodology and plan for returning the land to the landowners
5.	DISCUSSION OF PEPR TOPICS
	<p>Q How can we trust Murray Zircon (MZ)? A There are two major reasons that MZ operations will be successful where AZC were not. Firstly, the major shareholder in MZ is able to use all of the product and will underpin the Australian operation financially. Secondly the mining methodology and processing have changed to reduce operational costs.</p> <p>Q How will MZ handle the overburden (OB) rehabilitation differently to the previous operations? E.g. pushing wet material back into the pit causing long term rehabilitation issues. A A rheology modifier will be used during the process which will separate the water from the solids, so that dewatered material is returned to the mining pit. Operational controls will be put in place so that the mining operations cease if the dewatering system is not functioning.</p> <p>Q How can MZ be profitable, when the operations were not previously?</p>

A There are several changes in the process and to the commodities markets that make this operations financially viable. Firstly, the zircon price has increased substantially in the last few years. Secondly, MZ will produce HMC for export thus reducing the operating costs.

Q Is DMITRE going to monitor MZ to make sure they are doing the right thing?

A Yes, the recent changes to the Mining Act will allow DMITRE to stop mining operations if there is any breach of the Mining Lease conditions.

Q Will the bonds required by DMITRE be appropriate for the operations?

A Yes.

Q What is DMITRE's role?

A MZ acquired existing mining leases from AZC, and at this point the Minister can review the lease conditions. More detail is required in the new PEPR than the previous MARP, and breaches can give DMITRE the right to stop mining.

Q Where do landowners stand on previous agreements with AZC?

A As MZ has acquired the mining leases and operations, MZ has been advised that rights to previous agreements are assignable to MZ.

Q Landowners couldn't get a clear answer on assignability of agreements after AZC went into voluntary administration.

A Advice provided to MZ indicates that agreements are still valid.

Q Mining Leases are not registered against the Certificate of Title. How do you know if the mining rights are assigned?

A Rights are not assigned if owner waives the rights to assign.

Q Can copy of rights be supplied to affected land owners?

A MZ can supply copies of the mining rights to affected land owners if they would like to contact MZ.

Comment Warden's court gave mining company five years to commence mining activities on (particular parcels of land), if not accessed in that time rights to access land lapse.

Chairman – move on to other questions.

Q How will MZ attract families to the local school?

A MZ will encourage employees to move into the area by providing induction packages identifying local schools, sporting facilities, businesses, accommodation etc. This however, will remain the personal choice of the employees.

Q Will there be opportunities for the accommodation to be supplied by the local B&Bs?

A Yes. MZ will encourage staff, where appropriate, to find accommodation within the community. There may also be opportunities for the mining contractor to use those facilities if appropriate.

Q There used to be a bus run from Loxton to the mine, will this be run again? Setting up the camp next to the pub may cause concern for our community.

A The mining camp is proposed to be in Wanbi, it will be a dry camp and MZ conducts drug and alcohol testing on site to ensure the safety of all work personnel. The MZ staffing is much less than previously hence the bus service is no longer required.

Q How many people will be on site at one time?

A 30 to 60 subject to the mining schedule.

Q Trucks are not good for the road the roads are narrow and dangerous, some are breaking up. What is MZ doing about safety on the road?

A There will be extra trucks but MZ are working through the issues with DTEI on a traffic management plan. The Karoonda Road is a B-Double gazetted road. MZ is aware that a traffic management plan is required to cover Knightswell Road.

	<p>Chairman – it is noted that there is general concern about trucks operating between Mindarie Karoonda and Tailem Bend.</p> <p>Q Regarding community benefit, local area has bad mobile phone coverage. Can MZ get a mobile phone tower erected to improve coverage?</p> <p>A MZ can investigate this issue further.</p> <p>A Mark Bolton from Telstra, there will be upgrades to Sandalwood but not to Mindarie. Telstra is aware of the coverage issues.</p> <p>Comment The road to Wynarka is breaking up and won't be repaired until Feb 2012, a 6km stretch has been slowed to 80kph. Community want to see transport by rail not road.</p> <p>Q All product is being shipped to China for processing; why not process it here in the "state of the art" plant? Has the feasibility study been undertaken with the option to process here?</p> <p>A Extraction of the product past first stage is not viable as demonstrated with the AZC operations, MZ has to have a commercially viable operation which means final processing will take place in China.</p> <p>Q Community support didn't eventuate with the previous operations, and some businesses were hurt when AZC went into voluntary administration. How will MZ support the community?</p> <p>A OZ, the major shareholder in MZ, will ensure the company is properly funded and supported to ensure the business succeeds.</p> <p>Comment Loxton gained most of the support from the old mining operation and Karoonda none.</p> <p>Chairman The Loxton community was proactive in seeking job opportunities at the time.</p>
6.	<p>DMITRE: - MINERAL LEASE TRANSFERS</p>
	<ul style="list-style-type: none"> • DMITRE gave a presentation highlighting changes to the Mining Lease (ML) conditions. The ML conditions will drive the PEPR requirements. • PEPR approval process was explained. • The new mining act has compliance tools available to DMITRE including environmental and rehabilitation directions. Noncompliance with direction can result in fines up to \$250,000. <p>Q Could you explain the section on replacing topsoil/subsoil on Page 11 of the Mining Lease handed out at the meeting.</p> <p>A This measure is to ensure that Boron levels are managed within the soil by maintaining separate soil strata, and is a specific lease condition to this operation.</p> <p>Q Where does DMITRE stand in regards to supporting primary industry through the mining process?</p> <p>A DMITRE support the coexistence of farming and mining, and mining can only be successful if landowners are supportive. AZC rehabilitation was not acceptable; these lessons have been fed into the revised Mining Lease conditions for this project as well as new provisions to the Mining Act to provide better control mechanisms for rehabilitation.</p> <p>Q Freehold landowners are entitled to 95% of the tenement rent but during previous operations, AZC only paid 50%. Will this be different?</p> <p>A This was an arrangement as agreed with DMITRE so that the new operations could start. The Mining registrar has been discussing this going forwards and MZ will receive a letter on this issue. Discussions are ongoing.</p> <p>Q Is there any limit on how close mining operations can be to a residence?</p> <p>A 500m within a residence unless a waiver is signed, there is a cooling-off period relating to the waiver. The Mining Registrar will have a copy of the waiver if it has been signed.</p> <p>Comment Landowners want assurances rules will not change on the run.</p> <p>Chair State is on landowners' side; I strongly recommend that you speak with your local member if you believe there is a problem.</p>

	<p>DMITRE understand community confidence is required for mining growth and are committed to get the MZ project right. DMITRE is prepared to talk to landowners further one-on-one about the changes to the Mining Act and landowners rights.</p> <p>Comment After harvest would be useful.</p> <p>DMITRE Landowner rights are available on the DMITRE website.</p>
7.	GENERAL BUSINESS
	<p>Q What mining technique will be used by MZ? A The mining operation will consist of an earthmoving fleet of scrapers, bulldozers, excavators, front end loaders and dump trucks. These are standard items of equipment used in the mineral sands industry. The method to be employed will require less stockpiling of overburden and double handling than previously required when mining Mindarie A(2) and portions of Mindarie C. The top soil, sub soil and overburden stockpiles when removed will be positioned next to (parallel) to the strand to be mined.</p> <p>Q Where do we go from here? A PEPR needs to be completed and an Executive Summary sent to the community with a link to the full version. Community and DMITRE will work in tandem with consultation timelines. A PEPR will be available from the MZ website (to be made live soon), the MZ presentation given at the meeting contained the key issues in the PEPR. MZ will hold additional meetings as required – suggest the 3rd week on January 2012 subject to landowner availability.</p> <p>DMITRE PEPR will be made available for landowners to download and review. Hans available for technical questions on PEPR. Another meeting should be held in December to discuss the document. It is a DMITRE requirement that MZ consult with community on PEPR.</p> <p>Landowners 15th December too early to review PEPR, as there is not enough time during harvest. January 2012 was suggested as a better date for the next meeting.</p> <p>DMITRE This PEPR for Mindarie A and C only. Will use this PEPR as basis for PEPR over other strands. Those landowners affected by this PEPR can meet earlier. MZ to consult with landowners on PEPR and timeframes.</p>
8.	NEXT MEETING
	TBA
9.	Meeting closed at 8:00 pm