

**Murray Mallee Community Consultative Committee
Minutes of Meeting No 29
East Murray Community Centre
10:15 am Tuesday, 27th September 2011**

Attendees:

R Bonython (RB)	Cowell Electrical
Kevin Burdett (KB)	Mayor District Council Karoonda East Murray
Peter Smithson (PS)	CEO District Council Karoonda East Murray
Peter Crouch (PC)	Landowner
Anne Crouch (AC)	Landowner
Hans Bailiht (HB)	PIRSA
Trevor Hammond (TH)	Adrian Pederick MP
Fudd Francis (FF)	Landowner
Sharyn Francis (SF)	Landowner – Murray Zircon Pty Ltd
Eddy Wu (EW)	CEO – MZC
Steve McEwen (SM)	CFO – MZC
Richard Fagan (RF)	General Manager – MZC
Larry Liu (LL)	General Manager Business Development - MZC
Ab Hussein (AH)	Mine Manager - MZC
Robert Winen (RW)	MZC
Stuart Nixon (SN)	Finance Manager - MZC
Angela Dewdney (AD)	Environmental Officer - COOE

Apologies:

Kevin Heidrich	Landowner
Greg Marshall	Chief Inspector of Mines, Mineral Resources Group

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, 12 th May 2011 were accepted as a true and correct record. Moved: Peter Smithson Seconded: Hans Bailiht	
3.	BUSINESS ARISING FROM PREVIOUS MINUTES	
	Nil	
4.	REHABILITATION PROGRESS	
	4.1	<p>Rehabilitation progress, schedules, management systems and cropping yields: Introduction from Steve McEwen giving overview of Murray Zircon ownership structure, 65% Orient Zirconic and 35% Australian Zircon. Mr McEwen also gave an overview of Orient Zirconic operations, market capitalisation and zircon products manufactured.</p> <p>Ab Hussein gave an overview of the rehabilitation program:</p> <p>Area 1</p> <ul style="list-style-type: none"> • The remaining high overburden (OB) stockpile will be pushed in a south-westerly direction without burying the wet tailing area then pushed in an easterly direction. A bund wall on the south side will be pushed in first preventing any wet slimes from breaching the southern wall strand limit. Material will be pushed in a controlled manner preventing the dried tailing cover from breaking-up. • This area is not affected by wet tailings, it consists of OB bulk pushing onto strand, blending levels with surrounding undisturbed off-strand topography. • Old MUP Sump located off-strand is approximately 5metres deep. Slimes in this sump have been side-cast to promote faster drying. It will require 2 weeks to dry and approximately 2 days to be pushed in and blended with surrounding topography. <p>Area 2</p> <ul style="list-style-type: none"> • Sump has been filled with OB squeezing mud out of sump which has overflowed onto surrounding areas waiting solar drying. <p>Area 3</p> <ul style="list-style-type: none"> • All OB Rehabilitated areas are now complete. <p>Area 4</p> <ul style="list-style-type: none"> • The area is approximately 70% complete, awaiting to backfill wet tailings void, filling commenced 13/09/2011. • Excess material will be transported further east to complete rehabilitation in Area 5
	4.2	<p>Rehabilitation Sub Committee Report Steve McEwen:</p> <ul style="list-style-type: none"> • MZC presented slide show to demonstrate the progress in recently commenced activities in relation to the 6 areas of rehabilitation most work had been undertaken on Tonkin's property west of Knightswell road • Two of the four dozers have been moved to the Francis property east of the

		<p>Alawoona Road were good progress is being made.</p> <ul style="list-style-type: none"> • Landowners were encouraged by the works undertaken by MZ • Subsoil replacement was discussed with landowners in agreement these can be replaced as soon as is practicable. They would be contoured and rolled then capped off by watering ready to receive the topsoils. This would spread the time to replace subsoils over a few months relieving the need to replace both topsoil and subsoil in a short time frame • Timing of topsoils replacement was discussed the landowners preferred this to be done prior to sowing in Feb/Mar 12. PIRSA would consider how this could be agreed to. • A Draft Closure Criteria Plan was discussed with land owners preferring a tonne/hectare to an adjacent paddock as a basis of yield performance. The Closure Criteria Plan considered a quadrant testing approach whereby 10 x one square metre areas per 50 hectares would be compared for yield performance. MZ agreed to take landowners suggestion in determining an appropriate method and that this would be reviewed at the next subcommittee meeting on 19 October 2011.
5.		FEASIBILITY INTO RESUMING MINING OPERATIONS AT MINDARIE
		<p>Richard Fagan gave an update on the Feasibility Study:</p> <ul style="list-style-type: none"> • In order to reopen the Mindarie C mining strand, MZC are undertaking a mining Feasibility Study. This study will determine if the mine is economic to reopen, as well as the best mining & processing methodologies to minimise the impact on the environment. • A Transport Route study will also be commissioned in the event road is selected as the preferred mode of transportation. • The feasibility study is running in parallel to the preparation of the PEPR. • MZ is anticipating a positive result, considering previous research conducted and the current strong market for Zircon, Ilmenite and Rutile. • Following successful discussions with landowners, MZC are aiming for mining operations to recommence in 2012. <p>Ab Hussein gave an overview of the proposed mining methodology:</p> <ul style="list-style-type: none"> • The current proposal outlines a mining and processing method which is different to that used for the previous mining operations • The processing method will be controlled to ensure tailings from the processing is better managed and contained • Smaller amounts of the ore body will be open at any one time, compared to the A2 mining process • Dunal material will be partly mined lowering the strip ratio • Only Heavy Mineral Concentrate (HMC) will be produced increasing the recovery of valuable heavy minerals • Further opportunities are being investigated to ensure more effective rehabilitation following the mining of the remaining section of the C strand. <p>TH Is there chemical treatment of mined material that is pumped back into the void that alters the original material removed? AH/ RF No, the returned material is mixed with water.</p>
6.		PREPARATION OF PEPR
		<p>Eddy Wu gave an update on the preparation of the PEPR:</p> <ul style="list-style-type: none"> • The PEPR will outline our mining methodology and plan for returning the land to the landowners; • It will address issues including: <ul style="list-style-type: none"> – Noise;

- Dust and air quality;
 - Site clearance and soil management;
 - Mining operations, including processing methodology;
 - Opportunities for wider community benefit.
- A series of conditions (including rehabilitation) have been requested by PIRSA before a PEPR can be submitted and considered; MZ is working on these conditions to meet with the requirements of submitting a PEPR;
 - At the same time, MZ is in the process of preparing the PEPR; Parsons Brinckerhoff has been engaged to carry out the PEPR preparation;
 - The affected landowners have been consulted and discussion of mining plan have been carried out during the process;
 - Other regulatory bodies will also be consulted to get their approval and these include EPA, Worksafe SA and the Karoonda East Murray Council.

There is no fixed timeline to restart mining, community support and government approvals are required first.

HB Relating to the PEPR, what is happening with the mine closure and rehab plan?
MZC closure and rehab plan is being reviewed by the MMCCC subcommittee.

AC asked if the mining was going east or west and is the plant moving on site. Wanted to know what was happening in the background at MZC. AC wants to see rehab on Mining Lease 100% completed before mining starts on Mindarie C West.

PC did not want to see topsoil replaced too early otherwise it will blow away.

HB said the official position from PIRSA was that no mining would commence before 100% of rehab had been completed.

KB was not comfortable with topsoil replacement before March due to wind erosion. He stated that the farmers don't want the topsoil replaced in summer it should left until March. Its PIRSA's ultimate decision on when mining can start, PIRSA needs to see restarting mining is viable.

HB stated PIRSA was also concerned about wet areas that make up 5% of the rehab area. MZC will use new mining techniques that PIRSA will monitor.

AC does not want rehab rushed resulting in it not being done properly.

AH stated it was up to the landowners when they want the topsoil replaced.

PS What is the timeline on PEPR, the landowners will need time to review PEPR?

EW MZC is serious about the PEPR as demonstrated by the amount of money OZC investing, MZC needs to get approval from both land owners, PIRSA and OZC. MZC is trying to rebuild confidence with the landowners. The benefit of AZC knowledge will be used to complete the feasibility study and be confident the new mining operation will work.

PC stated that landowners have learnt a lot from the last time with AZC and will ensure they cover themselves before signing anything.

HB stated PIRSA has changed the mining act and the PEPR requirements have changed and will provide greater protection for the land owners.

KB asked whether changed mining method would mean there would be less land exposed and less water used?

HB PIRSA put a restriction on the exposed land, the PEPR will not be approved until there is consultation with the community.

AH explained how the new mining method would move forward and the over burden is replaced constantly.

RF explained that if the rheology modifier is working efficiently the dewatered slimes returned to the pit will be greatly increased.

KB PEPR has to be passed through PIRSA and then returned to the community and the topic could not be discussed further until PIRSA was happy with the PEPR.

7.	COMPLAINTS REGISTER
	Steve McEwen noted there had not been any complaints (except from K Heidrich that this meeting was held on the Paskeville Show day).
8.	PIRSA: - ASSESSMENT OF LEASE TRANSFERS
	<p>Hans Bailiht</p> <p>MZC applied to PIRSA for Mineral Lease (ML) transfer from AZC to MZC. Due to the transfer of the ML PIRSA can review the lease conditions. The lease conditions will be different to AZC's lease conditions. MZC will need the new lease conditions before the PEPR can be completed. PIRSA has provided an idea of the lease conditions but not the final conditions. It is in the Governments interest to ensure MZC can mine the lease effectively and efficiently.</p> <p>AC What are the differences in the ML conditions?</p> <p>HB The conditions have been tightened up hence giving PIRSA more power including stopping the company from mining and can direct the company e.g. can direct the company to start rehab in a certain area. There fines of up to \$250,000 for noncompliance with PIRSA directions.</p>
9.	PIRSA:- MINING ACT 1971 AMENDMENTS
	<p>Hans Bailiht</p> <p>HB handed out copies of "Amendments to the Mining Act 1971and Mining Regulations 2011 – Guide for landowners". Attention was directed to page 2 where HB highlighted the section dealing with "Acquisition of Land" and "Notice of Entry". Any exploration on a mine lease requires a PEPR. Hans confirmed the current requirements cannot be backdated to work completed by AZC. A Mining PEPR has different requirements than an exploration PEPR.</p> <p>KB so in summary the landowners have more protection under the new Mining Act.</p> <p>HB yes, landowners' can consider the option of land acquisition by the mining company if the activities of the mine operator substantially impair the owner's use and enjoyment of the land. Must consider that land acquisition may reduce the viability of farming due to the reduction in the land holding and prevent the current landowners from any further land development.</p>
10.	GENERAL BUSINESS
	<p>HB determination of cropping yield needs to be agreed with landowners and MZC for inclusion in the PEPR.</p> <p>PC wanted it noted in minutes that he was disappointed with the poor turnout at the MMCCC.</p> <p>HB said a process for conflict resolution needs to be included in the PEPR.</p> <p>PC would like PIRSA to have more authority for dispute resolution, attending the Wardens court should be an area of last reort.</p> <p>HB stated dispute resolution was not PIRSA's responsibility.</p> <p>General comments that attendance could be improved if the MMCCC meeting was better advertised. Suggestions included emailing affected stakeholders, notices on the Karoonda and Loxton Community notice boards and notices in the Riverland Weekly. Also advertising in the local newspapers in the area.</p> <p>KB noted that only those landowners impacted by the mining will be interested in attending the meeting.</p> <p>PC stated there was a lot of misinformation in the community and people need to attend these meetings to establish the facts.</p> <p>TH the strands are close to Karoonda, landowners may be more interested if they realised the mining could affect them.</p>
11.	NEXT MEETING
	Tuesday 15 th November 2011 at East Murray Community Centre
12.	Meeting closed at 11:40 am