

Murray Mallee Community Consultative Committee (Mineral Sands)
Minutes of Meeting No 36
East Murray Community Centre
6:25 pm Tuesday 12th February 2013

| Attendees: | |
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| Peter Smithson | CEO DCKEM |
| Hans Bailiht | DMITRE |
| Colin Zadow | DCKEM |
| Rodney Tonkin | Landowner |
| Kevin Heidrich | Landowner |
| Raelene Heidrich | Landowner |
| Peter and Anne Crouch | Landowner |
| Jennifer Roberts | NRM Board |
| Denis Roberts | Landowner |
| Patrick Mutz | CEO – Murray Zircon Pty Ltd |
| Steve McEwen | CFO – Murray Zircon Pty Ltd |
| Ab Hussein | GM (Operations) – Murray Zircon Pty Ltd |
| Larry Liu | GM (Business Development) – Murray Zircon Pty Ltd |
| Michelle Waters | Environment Manager – Murray Zircon Pty Ltd |

| Apologies: | |
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| Brenton Lewis | Regional Development Australia |
| Tim Whetstone | Member for Chaffey |
| Adrian Pederick | Member for Hammond |
| Kevin Burdett | Mayor DCKEM |

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| 1. | APOLOGIES |
| | Peter Smithson (CEO) 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 Tuesday 12 th September 2012 were accepted as a true and correct record. |
| 3. | MINDARIE PROJECT UPDATE |
| | Patrick Mutz welcomed everybody to the meeting and gave an overview of the site activities as follows: <ul style="list-style-type: none"> • there is continued progress of mining operations and the processing of ore. Currently commissioning the SMU and operating at two-thirds of full capacity. The goal is to operate at 500t/hr and currently running at around 300t/hr; • two shipments of HMC were made in December, one in January and another currently ready to go. The flow on effect of operating at a reduced capacity is the reduced trucking of HMC from site; Ab Hussein then gave an update on the mining activities: <ul style="list-style-type: none"> • topsoil/subsoil and overburden have been removed to a length of 800m, and 400m of ore has been stockpiled for feeding the SMU; |

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| | <ul style="list-style-type: none"> • two tailings cells have been constructed, the first is at 80% capacity; • the SMU is working reliably at 65-70% and will ramp up full production capacity within the next 30 to 35 days; and • MZ have reduced the rate of overburden stripping to match the SMU operating rate. <p>Peter Smithson asked if there were any questions for Ab or Patrick.</p> <p>KH: are other areas of the strandline higher grade than 3% ?</p> <p>AH: the majority of the ore runs at 3-4%, however there are pockets up to 15% but these are small areas. What MZ is doing differently from the previous operation is blending the lower grade material that sits above the ore with these higher grade pockets.</p> <p>PM: would like to mention that the tailings are successfully dewatering and we are able to recirculate the water back to the process plant. This is very important to the success of the mine as it means the tailings can be quickly rehabilitated.</p> <p>PS: how is this affected by heavy rainfall ?</p> <p>PM: any additional water is able to be captured in the circulating water system by being stored in the onsite process water dams. This means that MZ can reduce the volume of new water extracted from the onsite production wells. At the moment we have not extracted new water for the last six weeks as we have been recirculating the tailings cell water back through the plant.</p> |
| 4. | DMITRE UPDATE |
| | <p>Hans Bailiht stated that DMITRE are reasonably comfortable with the operation and are happy with the design of the tailings cells.</p> <p>DMITRE have granted a Miscellaneous Purposes Licence (MPL) for the camp transmission line and assisted MZ with issues raised by the Department for Health with sewerage at the camp.</p> <p>On inspection in October 2012, it was noticed that a larger area had been stripped for haul roads than was originally approved in the PEPR, so MZ have submitted an amendment to the PEPR.</p> <p>DMITRE are comfortable with operations onsite and know that MZ would like to be operating at full capacity, which should not be too far away.</p> |
| 6. | OPEN FORUM/GENERAL BUSINESS |
| | <p>PS – DCKEM undertook an inspection of the Mindarie accommodation camp and are happy with the construction.</p> <p>SM – MZ are very appreciative of both DCKEM and the general community's support and it is very encouraging to be at this stage.</p> <p>PS – We will be advised in the next day or two on the outcome of the Round Four Regional Development Australia Fund. If the EOI is successful there will be a significant amount of work required to prepare the full Grant Application.</p> <p>PM – MZ's Mining Engineer has been working on the schedule for the mine moving across the Karoonda-Loxton road, and it looks like this will occur in November 2013.</p> <p>AH – we will be operating on both sides of the road simultaneously, with topsoil/subsoil/overburden stripping occurring on Mindarie C East and the SMU continuing to operate on Mindarie C West. It will take 24 months to mine the 8.5km of Mindarie C East which</p> |

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| | <p>will be completed towards the end of 2015.</p> <p>RT – pointed out that some areas of the DCKEM roads needed maintenance works.</p> <p>SM – MZ has entered into an agreement with DCKEM with regards to road maintenance for Knights Well Road as per our PEPR commitment. This agreement is expected to be signed off by both parties in the next week or two.</p> <p>HB – does MZ have any commitment for the next mining strand ?</p> <p>PM – we are still in the planning stages so there is no firm commitment yet as to the next preferred mining location.</p> |
| 8. | NEXT MEETING |
| | 4 th June 2013 6:00 pm East Murray Community Centre |
| 9. | Meeting closed at 6:50 pm |