

Murray Mallee Community Consultative Committee (Mineral Sands)
Minutes of Meeting No 38
East Murray Community Centre
6:00 pm Tuesday 10th September 2013

Attendees:	
Kevin Burdett	Mayor DCKEM
Peter Smithson	CEO DCKEM
Hans Bailiht	DMITRE
Kevin Heidrich	Landowner
Jennifer Roberts	NRM Board
Patrick Mutz	CEO – Murray Zircon Pty Ltd
Steve McEwen	CFO – Murray Zircon Pty Ltd
Ab Hussein	GM (Operations) – Murray Zircon Pty Ltd
Michelle Waters	Environment Manager – Murray Zircon Pty Ltd
Yi Zhu	Environmental Technician – Murray Zircon Pty Ltd

Apologies:	
Brenton Lewis	Regional Development Australia
Adrian Pederick	Member for Hammond

1.	WELCOME
	Kevin Burdett (KB) 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
	Hans Bailiht (HB) had some comments on the previous minutes with regards to clarification on the project update: <ul style="list-style-type: none"> • currently the mine and the plant are still in the commissioning phase and have not yet reached full operating capacity. <i>HB: is the mine still in commissioning ?;</i> • to accommodate the operating rate Lucas has reduced their onsite staffing temporarily, currently 130-140 MZ and Lucas staff overall. <i>HB: MZ including Lucas;</i> • success of the rehabilitation of the tailings is dependent on the ability to dewater the tailings and this is being demonstrated with solids settling out and three cells covered with overburden. <i>HB: returned overburden;</i> • HMC shipping has been as per usual. <i>HB: six to seven truck movements per day;</i> • Official mine opening ceremony on the 23rd May, will be an opportunity to showcase the project to Chinese dignitaries, media etc. <i>HB: official opening was successful;</i> • going forwards we are working on crossing the road in the 4th quarter of this year so will be mine planning for Mindarie C East. <i>HB: crossing the Karoonda Highway.</i> <p>Minutes from the meeting held on Tuesday 4th June 2013 were then accepted as a true and correct record.</p>

3. MINDARIE PROJECT UPDATE

Patrick Mutz (PM) welcomed everybody to the meeting and gave an overview of the site activities as follows:

- leading with safety first, there have been no lost time injuries, a few minor first aid injuries, no reportable injuries. There was one reportable incident in which a scraper rolled over and Safework SA undertook an investigation which is now closed out;
- we continue to progress with our processing and mining plan and are about half way through the mining path (i.e. mining ore from Cell 14 out of 26);
- we expect to complete mining in Cell 26 in December this year (2013);
- the first six mining cells (Cells 1 to 6) have been completed with overburden, subsoil and topsoil return, and have been seeded with a cover crop;
- topsoil has been stripped through to Cell 23;
- a temporary overburden stockpile has been constructed adjacent Cell 23 and will be used to cover the last few cells on Mindarie C West (MCW);
- actively planning for the move across to Mindarie C East (MCE) and are installing lease boundary fences and undertaking site preparation works;
- removal of overburden from MCE will commence as early as November/December 2013 and mining ore in January 2014;
- planning in progress for the installation of the slurry pipeline from MCW to MCE in October and removal of the old pipeline on the A(2) lease;
- still transporting product by truck to Port Adelaide for shipping to China. The mineral prices are still depressed however there is talk within the industry on increasing demand;
- employment is stable with approximately 120 MZ and contractor employees (jointly);
- we have received no complaints from the community with regards to either the trucking aspect or the operations in general;
- we are supporting Downer EDI Works with supplying water for their road shoulder extension works on the Karoonda Highway;
- currently working on an amendment to the PEPR to include the Amiens strandline as a satellite operation to MCE.

PM showed the powerpoint presentation on the current MCW mine path, the planned MCE minepath and the proposed Amiens mining pits.

Michelle Waters (MW) – we are working on an amendment to our existing Mindarie C PEPR to cover the proposed satellite operations for Amiens. The baseline environmental studies have been completed and additional monitoring activities will be included into the existing program.

Ab Hussein (AH) – MCE and Amiens will be a co-mining operation.

	<p>HB – have you considered relinquishing parts of the Amiens ML that are not economical to mine ?</p> <p>PM – that is something that has been discussed as part of the optimisation of Amiens and we will discuss further as we work through the mine plan.</p> <p>KB – I understand that you are just providing information to this group rather than asking for any approval.</p> <p>PM – we have just completed a meeting with the specific landowners with regards to forward planning and at that meeting they were asked if there were any concerns as to the mine plan, and the response was that there were no concerns.</p> <p>PS – what is the production of the mine like in comparison to expectations ?</p> <p>PM – the expectation is that we will operate at 500t/hr and we are currently operating at 90% of this so we are just about there. When we are at full production the mine will move forwards at 10m/day.</p> <p>HB – are MZ still in the commissioning phase of operations ?</p> <p>PM – to the end of August MZ has been still within the commissioning phase as we have not achieved steady state full 500t/hr operations. The month of September will be the first month we expect to be out of the commissioning stage.</p> <p>KB – can you please explain what the importance or rationale is behind the distinction ?</p> <p>HB – the state of the operations (either commissioning or full production) relates specifically to issues like taxation so it is an important milestone.</p>
4.	DMITRE UPDATE
	<p>HB – the Mindarie mine is almost a showcase operation and DMITRE are very pleased with the company. We are planning on preparing an article on the next MESA Journal on the company's rehabilitation, community consultation and mining operations. The progress of the mine is good, we are pleased with the rehabilitation and all Ab and Michelle's good work and Patrick's efforts to maintain transparency with the community.</p> <p>KB – it sounds like all good news for the company and the community.</p> <p>HB – it's all about the different mining technique used by MZ.</p> <p>PM – anecdotal new mining companies spend 12 to 18 months in commissioning and we have just completed eight months so we are pleased that we are heading into the full production phase.</p> <p>KB – we have not received or heard of any complaints from our community and we are pleased to see that QUBE are honouring their commitment with regards to passage through Karoonda. The community needs to be prepared for extra grain trucks shortly with the harvest due.</p>
6.	OPEN FORUM/GENERAL BUSINESS
	<p>KB – can you update this group with what the subcommittee meeting is all about ?</p> <p>HB – the subcommittee is a meeting one on one with the landowners to discuss specific details of issues such as fences, infrastructure, mine plans and schedules, should they crop or not crop etc.</p> <p>KB – so landowners can resolve their issues directly with the company at that level.</p>

	<p>PM – I should note that landowners have access to the company at all times, they can call or email any of us should they need anything outside of scheduled meetings.</p> <p>KB – it is pleasing to hear that DMITRE are happy with the subcommittee meetings.</p> <p>PM – all the individual concerns are addressed to any specific level.</p> <p>KB – it’s been a long time since we had unhappy landowners around this table which shows the level of confidence the community has with the company.</p> <p>PS – on another note we were unsuccessful with “Mindarie Connect” which was our grant application to the Regional Australia Development Fund.</p> <p>KB – the grant application took an enormous amount of Peter’s time and I would like to acknowledge the efforts he made.</p> <p>PM – MZ would also like to acknowledge all Peter’s hard work and note our appreciation of all of DCKEM.</p>
8.	NEXT MEETING
	17 th December 2013 6:00 pm East Murray Community Centre
9.	Meeting closed at 6:50 pm