

Murray Mallee Community Consultative Committee (Mineral Sands)

Minutes of Meeting No 41

East Murray Community Centre

6:00 pm Tuesday 17th June 2014

Attendees:	
Kevin Burdett (KB)	Mayor DCKEM
Hans Bailiht (HB)	DMITRE
Jennifer Roberts (JR)	NRM Board
Adrian Growden (AG)	NRM Board
Courtney Ramsey (CR)	Executive Assistant to Tim Whetstone MP
Patrick Mutz (PM)	CEO – Murray Zircon Pty Ltd
Steve McEwen (SM)	CFO – Murray Zircon Pty Ltd
Larry Liu (LL)	GM Business Development - Murray Zircon Pty Ltd
Michelle Waters (MW)	Environment Manager – Murray Zircon Pty Ltd
Yi Zhu (YZ)	Environmental Technician – Murray Zircon Pty Ltd

Apologies:	
Peter Smithson	CEO DCKEM
Sharyn and Fudd Francis	Landowners

1.	WELCOME
	<p>Kevin Burdett (KB) Mayor District Council Karoonda East Murray welcomed everyone to the meeting and stated he would be chairing the meeting.</p> <p>Apologies duly noted.</p> <p>KB spoke with the committee regarding a media interview he gave to dispel the inaccuracies that Tim Whetstone (TW) had provided on there being no local employment at the mine. KB said that he spoke of his first-hand knowledge of locals working at the mine and that the community was supportive of the company, and that landowners and regulators were welcome to inspect the mine and attend open meetings. KB did not know why TW chose to present a negative case of the mine to the media.</p> <p>Patrick Mutz (PM) noted that MZ appreciated DCKEM and in particular the Mayor's positive response to the media and would like to provide some information under Other Business on the issue.</p>
2.	MINUTES AND ACTION ITEMS FROM PREVIOUS MEETING
	<p>Minutes from the previous meeting held on Tuesday 17th June 2014 were then accepted as a true and correct record.</p> <p>It was noted that a formal invitation was sent to TW to attend the meeting and unfortunately as Parliament was in session a representative would be attending in his place.</p>
3.	MINDARIE PROJECT UPDATE
	<p>Patrick Mutz (PM) gave an overview of the site activities as follows:</p> <ul style="list-style-type: none">• within the last three months there has been one Lost Time Injury (LTI) with a contractor having a slip and fall;• other reportable incidents to Safework SA and DMITRE have included a wall slump with no

	<p>injuries or damage to equipment, and a minor electrical fire on a telehandler; and</p> <ul style="list-style-type: none"> • Regulatory inspections in the last three months have included an inspection by the EPA Radiation Branch in April, Safework SA also in April and DMITRE in May. • work at the mine continues with the move from Mindarie C West (MCW) to Mindarie C East (MCE); • approximately 1,800m from Cell 1 to Cell 18 of MCW has been rehabilitated with subsoil, topsoil and cover crop up to Knights Well Road; • slurry mining unit (SMU) on MCW was in the bottom of the mine and disposing tails behind the mine front with Cells 1 to 26 all having tailings; • SMU in MCE to be out of the mine with 400m tailings cells (which will be used for approximately four months) and 800m for direct returns. Cells 1 to 4 will be tailings, Cells 5 to 24 will be direct returns and the second 400m tailings cell will be constructed in the sand dune; • this alignment of tailing cells and direct return of overburden allows for improved pumping efficiencies in minimal moving of equipment, and minimises the wet area footprint for tailings rehabilitation; • the eastern portion of the northern permanent overburden stockpile (POB) on MCE has been completed with topsoil, subsoil and seeded with a cover crop; • the western portion of the northern POB on MCE is ready to be grader boarded; • recently finished grade control drilling on the Mercunda strand which all went well and MZ met all Kevin Heidrich's standards for working on his property. • recovery of the ilmenite in MCW (old product, low quality) is on hold with the market value for this product being low; • the MCE powerline has been completed to Cell 5500 and is connected and will be coming on line and live this week; • the update on the market is that the zircon price has remained flat for the last five months and the titanium minerals have also reduced in value. <p>Adrian Growden (AG) – are the mineral prices are peaks and troughs ?</p> <p>PM – in the long term the prices will rise again, hopefully starting by 2015.</p>
4.	DMITRE UPDATE
	<p>Hans Bailiht (HB) provided an update that DMITRE have been on site every month since the changes to the mining methodology were introduced as the government needs to be vigilant that the rehabilitation continues. DMITRE are comfortable that the new technique will be successful and cost effective, and are flexible with the methodology on the basis that the rehabilitation is kept on schedule.</p> <p>A cabinet meeting is to be held in Berri in the near future and there may be a mine site visit by the Premier and Minister.</p>
6.	OPEN FORUM/GENERAL BUSINESS
	<p>KB – the Federal government has announced a \$100 million fund for mobile black hole coverage and Peter Smithson (PS) will be making investigations into this opportunity.</p> <p>Michelle Waters (MW) – in April MZ was awarded a Special Commendation at the Premier's Awards for Corporate Social Responsibility. We feel that it is feedback from our peers and the community that we are meeting our social obligations and doing the right thing.</p> <p>Patrick addressed the committee in relation the MZ's economic contributions to the local area in response to TW's media interview. (At this point Ms Courtney Ramsay (CR) arrives as delegate to TW). MZ surprised by TW's media comments which seemed uninformed as he made comment that he did not believe MZ making a significant contribution to the local economy.</p>

A snapshot of MZ's employment and economic contribution statistics are below:

Direct employment

Of the 118 people directly employed by the project, 109 of these are South Australian, and 51 are local to the Mallee and Riverland. It should also be noted that mining skills are significantly different from farming skills and the company is fortunate to have engaged these 51 local employees.

Housing

MZ has rented 10 local residential houses for the use by employees. It should be noted that these 10 houses are essentially the only houses available and liveable in the local area. A camp has been built to provide additional accommodation due to the safety requirements for our employees. Due to the semi-remoteness of the mine and the 12 hour shifts, our employees must have accommodation within one hours' drive to ensure that we manage fatigue issues.

Landowner compensation

MZ pays Mineral Lease rentals to the State which are passed on to the landowners, as well as specific compensation paid directly to the affected landowner.

Community donations

MZ makes donations to local community groups (such as the East Murray Football Club and East Murray Area School) as well as supports the annual Karoonda Farm Fair with sponsorship.

Suppliers and service providers

MZ has expended substantial funds with the local area and State suppliers and services providers to restart and operate mining and mineral processing at Mindarie including approximately \$8million with the Mallee and Riverland regions.

Third party contractors

MZ's third party contractors (Lucas and QUBE logistics) have also supported the local service providers including the purchase of two new Newholland tractors from WD Lewis of Karoonda.

KB – this information is quite extraordinary and the Company should consider releasing a media good news story. The parent company has a long term commitment to this project and it shows in this investment.

8. NEXT MEETING

16th September 2014
16th December 2014

9. Meeting closed at 7:10 pm