

KANMANTOO/CALLINGTON COMMUNITY CONSULTATIVE COMMITTEE

Terms of Reference

construction, commissioning, operations, rehabilitation, decommissioning and mine closure of the Kanmantoo Copper Mine

March 2009

Hillgrove Resources Limited, in consultation with interested stakeholders, and with the formal endorsement of the Director of Mines, PIRSA, will maintain a community consultative committee comprising a representative group of key stakeholders, to provide a key mechanism for community engagement related to the Kanmantoo Copper Mine in the Kanmantoo / Callington region. The Committee is known as the Kanmantoo/Callington Community Consultative Committee (KCCCC).

Objectives

The following objectives relate to the construction, commissioning, operations, rehabilitation, decommissioning and mine closure of the Kanmantoo Copper Mine.

1. To provide a stakeholder and community forum related to the Kanmantoo Copper Mine;
2. To facilitate the timely exchange of information, comment and feedback between stakeholders, the wider community, Hillgrove Resources, the Minerals & Energy Resources Division of the Department of Primary Industries and Resources SA (PIRSA) and other agencies, on issues related to the Kanmantoo Copper Mine including planning, assessment, compliance and complaints handling;
3. To ensure accurate and effective communication between stakeholders and the wider community by supporting a communication strategy including the use of publications, meetings, site visits and other methods deemed appropriate by the KCCCC;
4. To provide appropriate access for stakeholders and the wider community to all relevant government departments and other relevant authorities with a role related to the Kanmantoo Copper Mine;

Outcomes

The following outcomes relate to the construction, commissioning, operations, rehabilitation, decommissioning and mine closure of the Kanmantoo Copper Mine.

5. The KCCCC will have the opportunity through the Chair, to raise issues and to provide comments and recommendations to Hillgrove Resources, PIRSA Minerals & Energy Resources and to other relevant government agencies, on all matters relating to the Kanmantoo Copper Mine;
6. All stakeholders will gain a comprehensive understanding of construction, commissioning, operations, rehabilitation, decommissioning and mine closure as it applies to the Kanmantoo Copper Mine;
7. The environmental, social and economic performance of the Kanmantoo Copper Mine will be reviewed and reported to stakeholders. This will include progress

and performance against the Mining and Rehabilitation Program / Plan (MARP) and any other relevant plans for the Kanmantoo Copper Mine. The KCCCC will have access to reports and comment on the results of compliance procedures such as environmental monitoring, outcomes of audit reports (where these are requirements of the mining lease / MARP), and the performance of community relations programs such as complaint handling;

8. The KCCCC will ensure that stakeholders have the opportunity to gain a comprehensive understanding of relevant matters by overseeing the Communications Plan and providing leadership in initiatives such as site visits;
9. The KCCCC, including Hillgrove Resources, PIRSA and other key stakeholders, will assist in identifying community benefits and region building opportunities as a result of the Kanmantoo Copper Mine;
10. The KCCCC will prepare an annual report for the Minister outlining the activities of the KCCCC;

Committee Membership and Committee Operation

11. An independent Chair, endorsed by the Director of Mines, PIRSA, will be appointed. The current KCCCC will be invited to make suggestions as to whom may fill this role;
12. The independent Chair will have the authority to meet with people or groups to discuss their issues as they relate to any proposals requiring approvals or any subsequent operations, and to engage directly with the Director of Mines;
13. The independent Chair may be requested to carry out other duties by the Director of Mines;
14. The structure of KCCCC Membership will be based on a profile that identifies key topics of interest for the community. Community representatives will act as 'Champions' for portfolios based on these topics. The Champions will provide leadership on relevant topics and issues. It is recognised that the community Champions who served on the KCCCC during the exploration, feasibility and approvals stages of the Kanmantoo Copper Mine development, had the support of the community and performed diligently in their respective roles;
15. Portfolios that will comprise the KCCCC are:
 - The company; Hillgrove Resources;
 - Local landowners directly affected (2 seats);
 - Environment;
 - Broader community (including business, sporting and recreational interests)
 - Kanmantoo township;
 - Callington township;
 - Heritage and culture;
 - Health and community services;
 - Schools and other education services;
 - District Council of Mt Barker; an elected Member;
 - The (lead) regulator; PIRSA, Mineral Resources

16. KCCCC Members will be appointed for a term of two years commencing on the notional anniversary date of 1 March 2009. Any casual vacancy filled by the KCCCC will terminate on the anniversary date that would otherwise have applied to the original incumbent;
17. KCCCC Members will generally be nominated by community groups identified by the independent Chair. For example, the Board of the local school may be approached to nominate a representative to fill the 'Schools and other education services' portfolio. The identification of appropriate community groups is at the discretion of the independent Chair;
18. In addition, elected Members of both the South Australian and the Australian Parliament for the local electorates, or their respective nominees, will be invited to participate;
19. In consultation with the independent Chair, the Director of Mines may endorse the appointment of community representatives to additional portfolios as he sees fit;
20. KCCCC Members will not nominate alternates. Instead, the independent Chair will pair KCCCC Members so that, in the absence of a KCCCC at a meeting, the other member of the pair can carry any responsibility on behalf of the absent member;
21. Support for secretariat services will be provided by Hillgrove Resources or, following negotiation, by any other agency or body as the Director of Mines sees fit;
22. The independent Chair may allocate additional topics and issues to any portfolio Champion with the consent of the relevant KCCCC member;
23. All meetings of the KCCCC will be public meetings. A public gallery will be encouraged at all KCCCC meetings and an opportunity will be provided at each meeting for any member of the gallery to put forward written questions or comments or provide verbal comment at the discretion of the independent Chair;
24. The broader community may also ask questions or provide comment anonymously through the portfolio Champions;
25. The independent Chair, on behalf of the KCCCC, will be authorized to call in representatives of government agencies, including technical specialists, to address specific issues (e.g. PIRSA, the Environment Protection Authority, the Department for Environment and Heritage, etc);
26. The KCCCC meeting schedule will be determined by the independent Chair in agreement with the Committee. In the period between the completion of the approvals process and the commencement of construction (when there is limited activity at the mine site) there will be a minimum of two KCCCC meetings per year. At all other times, there will be a minimum of four KCCCC meetings per year;
27. Appropriate timing of meetings will be considered to facilitate attendance by community representatives with work or care obligations;

28. There will be adequate notice of meetings and prompt distribution of meeting minutes to Members and the local community;
29. A KCCCC dispute resolution procedure to support Members of the KCCCC who may feel aggrieved in relation to their role on the KCCCC will be that Members will take their grievance to the independent Chair, who will be the final arbiter;
30. KCCCC Members will commit to contributing in an open and orderly manner with due respect for others. Committee Members will sign a code of conduct in respect of their Membership on the KCCCC;
31. A stable and well informed KCCCC Membership will be developed, with representatives familiar with the operation and able to speak authoritatively on behalf of those they represent;
32. An agreed reporting framework and format will be established;
33. Full and open follow-up by both government and company representatives on any unresolved issue(s) will occur, within a nominated timeframe;
34. Any landowner or individual concerns or issues with Hillgrove Resources' activities and operations will be pursued in the first instance directly with Hillgrove Resources, and subsequently with the Committee if unresolved;

Committee Communications

35. A summary of meetings and other relevant information will be made available from the KCCCC via a Newsletter (monthly) to an open set of stakeholders;
36. The Chair, with the support of the secretariat and any delegated Member or Members of the KCCCC, will have responsibility for the Communications portfolio including the KCCCC input to the Newsletter and any other published materials;
37. The Chair is the only person who will speak to the media on behalf of the KCCCC. Individual Members may speak about how they are personally affected but not with respect to KCCCC matters;

Transition arrangements

38. Consistent with items 14 – 18 above, and in particular, in recognition of the diligent work undertaken to date by the KCCCC Members, the KCCCC Members from the exploration, feasibility and approvals stage of the Committee will be invited to continue in their respective roles for the first term of the new KCCCC. Any vacancies will be filled according to the process described in these Terms of Reference;
39. Notwithstanding the intention of item 16 above, to facilitate continuity of Membership of the KCCCC during construction, commissioning, operations, rehabilitation, decommissioning and mine closure, half of the portfolio Members identified in item 15 will be appointed for an initial term of one year rather than two. The identification of this group will be at the discretion of the independent Chair. This will have the effect of offsetting the appointment of new Members so that only half of the Members' positions will become vacant during any one year.