



KANMANTOO PROJECT UPDATE – SEPTEMBER 2005

Focus Group

The Focus Group was held on the 1st of September at the Callington Community Hall at 7:15pm. A copy of the minutes is attached to the back of the newsletter. The Focus group plans to meet again on the 3rd of November at 7.15pm.

The focus group has been put together from a broad base of different interest groups so that most questions can be answered on the night. Any people with queries or issues are encouraged to attend this meeting.



Questions and Answers

A number of questions have been raised by local residents in regard to possible property purchases and improvements of those areas which may be affected by mining operations, if the mine goes ahead.

Q1. In the event of mining, will offers by the company to acquire property for mining be on market value prior to any mining activities by Hillgrove plus what would be current value of similar land in the Adelaide Hills?

If the mine does go ahead and properties are required to be purchased any prices will be at market value prior to any mining activities. The exact valuation formula that would be used to value each property would vary to reflect each individual property owner's circumstances. The actual mechanics of the valuation is likely to include consultation with the landowners, government bodies, real estate agents, licensed valuers and would take into account the value of similar land in the Adelaide Hills at the time of purchase.

Q2. Will property improvements such as sheds, building renovations, revegetating of land planned by land owners already settled and living on their properties be considered in purchase negotiations?

It is the company's policy that the land, buildings and any other improvements would be valued at the time that an offer was made to purchase the property. As an example, this means that if a land owner was to build a shed at any time prior to a formal approach by Hillgrove to purchase the property then it would be included in the purchase price.

Q3. What is the Warden's Court?

The Warden's Court has the jurisdiction to deal with all suits concerning any right claimed in, under, or in relation to any mining tenement, purported mining tenement or miner's right.

The Director of Mines, Minerals and Energy Resources is entitled to appear in any proceedings before the Warden's Court. The Warden's Court sits once a week (usually on a Tuesday morning) in Adelaide, where a Mining Registrar appears on behalf of the Director of Mines to provide any information relating to the *Mining Act, 1971* or any tenement or application pursuant to the Act, as required by the Court.

To initiate an action in the Warden's Court you must complete a "Plaint Note" form, which is lodged with the Court together with the \$46.00 fee. Further information can be obtained from David Quast, Tribunal Clerk, Warden's Court on (08) 8204 0287, or Melissa Muller, Deputy Mining Registrar, Minerals and Energy Resources on (08) 8463 3096.

Current Exploration Focus

Work during September has focused on finishing up the data review and planning the next phase of exploration work around the old Kanmantoo pit. This review has identified some areas to the north and south of the old Kanmantoo pit, which require further drilling. Results from the IP geophysical program have identified some areas of interest up to 2km to the south of the old pit. A work program to determine the exact nature of the anomalies identified is now being designed. This is expected to include ground based geological mapping, geophysics, rock chip sampling and first pass drilling.



Hillgrove is currently planning these programs and will then consult with the various landholders and other interest groups before any work commences.

Weather conditions have restricted the amount of regional exploration we have been able to complete. Limited reconnaissance exploration work, including geological mapping, ground magnetic surveys and rock sampling is continuing around the north and south of the old Kanmantoo pit. This work will help to finalise the targeting of the upcoming drilling program.

October Work Programme

Work programs in October will focus mainly to the north and south of the old Kanmantoo Pit. This work will include further geological mapping, soil and rock chip sampling and RC and diamond drilling. When this work commences a drill rig will be visible from Mines Road from time to time.



The review of the exploration results has highlighted a number of areas of interest to the south of the Kanmantoo open pit, which require further exploration work. It is currently planned for additional drilling, geophysics and surface sampling to be completed around the old pit area and due south of the pit towards the freeway. This work is planned to commence in mid-October depending on crops and weather conditions.

Consulting With Relevant Parties

Hillgrove is mindful of landowner and other stakeholder concerns, and every effort is being made to consult and liaise with all relevant parties before any work programs commence.

Members from the Kanmantoo-Callington Land Care Group have visited the site and marked out a number of important tree and plant populations around the old mine. Hillgrove have noted and marked out these areas and every effort will be made to avoid them. If it is necessary to enter these areas it will be done in consultation with the land care group to ensure that any impact can be kept to a bare minimum. Hillgrove would like to thank the members of the land care group who kindly made their time available to assist in this process.

All our exploration activities will be conducted in accordance with PIRSA guidelines and we will make every effort to ensure that the small areas where we do work are rehabilitated very rapidly.

Local Community

Hillgrove will have a display of maps and rocks at the upcoming **Callington Miners Fair** which is being held on the 30th October in Callington. Those people who are interested in an update on the exploration program are invited to visit the display. Hillgrove will also be sponsoring the miner's wheel barrow race, so grab a friend, put on your running shoes and come and join in on the fun.



Hillgrove would like to congratulate Simon Wanganeen from the Callington Eagles Football Club who won the A Grade Best and Fairest medal, which was sponsored by Hillgrove Resources.

Hillgrove has been assisting the local economy for some time through the employment of four local field staff and we utilise Hahndorf-based John Nitschke Drilling Pty Ltd for all our exploration drilling. We anticipate that further staff will be required over the coming months and local people will be given priority for these positions.

How To Contact Us

If you have any queries or would like further information on our work program please call Hillgrove's Land Holder Liaison Officer John Popow on **0427 131 018** or via email to johnp@hillgroveresources.com.au or alternatively our Exploration Manager Dale Ferguson on **(08) 9322 6377** or email to dalef@hillgroveresources.com.au.

We have added a community section to our website which provides an outline of our activities in the area. A landholder information section is now being developed and is scheduled to be added in October at: www.hillgroveresources.com.au.

If you wish to contact Primary Industry and Resources South Australia (PIRSA), who are the government body who regulate mining and exploration in South Australia, please call Ian Hopton on **(08) 8463 3182** or by email at Hopton.Ian@saugov.sa.gov.au. if you have any queries on regulation issues try Rob Shaw on **(08) 8463 3129** or by email at Shaw.Rob@saugov.sa.gov.au.

Kanmantoo-Callington Focus Group Meeting

7.30pm, Thursday 1 September 2005

MINUTES

1. Attendance

Designated champions

Bob Goreing, Adelaide Hills Regional Development, CEO (Chair)
Dale Ferguson, Hillgrove Resources, Exploration Manager
John Popow, Hillgrove Resources, Landowner Liaison
Steve Sickerdick, SAMR Mining, Director
Daniel Radulovic, Dept/Environment Heritage, Environment Officer
Ian Hopton, PIRSA, Environment Officer
Katherine Roberts, Kanmantoo Resident,
Peter Mc Cormack, Kanmantoo Store Owner and Local Resident
Andrew Crompton, Mt Barker Environment Group
Harry Seager, Kanmantoo-Callington Land Care Group
Lyn Stokes, Mt Barker Councilor for the Local Ward
Greg Sarre, Mt Barker Council, Environment Officer
Bill Filmer, Kanmantoo Resident

Apologies

Alex Wells, Dave Hopton, Angela Crimes.

Gallery

A gallery of about eight people was present, including Mark Goldsworthy MP, Member for Kavel.

Welcome

The Chair welcomed everyone to the second meeting of the Focus Group. Each person present, including the gallery, briefly introduced themselves by name.

2. Notes of Previous Meeting

The Forum recognized that the notes of the previous meeting were divided into two parts:

- general description of meeting proceedings and
- an action list.

The action list consisted of seven headings / topics. Each topic had a designated champion(s) who attended the Forums and could report progress.

The topics and champions are:

- Communication package- Dale Ferguson
- Newsletter – Lyn Stokes / John Popow
- Environmental issues – Harry Seager / Andrew Crompton / Ben Simons/ Kevin Keller/ Greg Sarre
- Landowners directly affected – Alex Wells
- Wider community – Peter McCormack
- Heritage and history- Katherine Roberts / Ray Warren
- Regional Development – Bob Goreing

It was agreed that the notes to the meeting format were clear and appropriate.

3. New Business

Presentation / update of the project

Dale Ferguson, Exploration Manager from Hillgrove Resources, gave a presentation that included an update on current operations, insight into general exploration results from current and past exploration activities and some of the future exploration targets for the project.

Dale explained some of the exploration methods that are being (and have been) used, including Induced Polarisation (IP) survey methods.

Dale reinforced that there was currently no decision to mine and that more resources would have to be found to justify moving to the next stage.

Reports from champions

The Chair clarified that the champions for each topic would lead the discussion on their topic and were likely to comment on:

- What had happened since the last meeting?; and
- What feedback, suggestions and ideas had been received from the community related to their topic?

Reports

- Communication package- Dale Ferguson;
 - Suggestions were made that Hillgrove Resources:
 - produce a (dedicated) landowner liaison protocol and
 - identify unique issues related to this project.
- Newsletter – Lyn Stokes / John Popow;
 - News letters are being distributed to all land owners and interested parties;
 - Suggestion was made that a notice board should be installed in Kanmantoo General Store.

- Environmental issues – Harry Seager / Andrew Crompton / Ben Simons/ Kevin Keller/ Greg Sarre
 - The suggestion was made to develop a small scale environmental plan for the project area.
 - It was recognised that such an action would be well in advance of the project requirement – it was described as best practice.
 - The format for the plan was described as an ‘issues and options’ paper (rather than a more complex document). Examples of possible context included
 - Woody weed plant management;
 - Seed collection and propagation program;
 - Identify possible resources to support volunteers;
 - Detailed information of rare or endangered species.
- Landowners directly affected – Alex Wells
 - The issue of property valuation and improvements including revegetation was raised;
 - Ian Hopton (PIRSA) explained the valuation process and the Warden’s Court involvement in dispute resolution;
 - It was suggested that Hillgrove Resources could publish their protocol for valuation;
 - It was suggested that Hillgrove Resources could provide case studies of good practices of land owner liaison from other projects for inclusion in the newsletter.
- Wider community – Peter McCormack
 - Peter Mc Cormack said that some people appeared anxious and suggested an information board be installed in the shop to keep people better informed;
 - There was discussion on how an existing historic mine site located in Callington may be cleaned up.
 - Greg Sarre was asked to investigate the potential for some Council funding under community grants.
 - Ian Hopton was asked to look into compliance and engineering matters with regards to PIRSA requirements to clean up the site.
- Heritage and history- Katherine Roberts / Ray Warren
 - Both Katherine Roberts and Ray Warren are keen to help ensure that mining relics are preserved;
 - It was suggested that an inventory of mining artifacts be composed
- Regional Development – Bob Goreing
 - Bob Goreing said that Adelaide Hills Regional Development had a role in linking economic and community development with major infrastructure planning and invited Hillgrove Resources to consider this when their plans were further advanced.

The next meeting of the Forum was set for 7.30pm on 3rd November 2005.