

KANMANTOO-CALLINGTON COMMUNITY CONSULTATIVE COMMITTEE (KCCCC)

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Chairman:

Bob Goreing
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DRAFT NOTES TO THE MEETING

27 May 2010

The meeting opened at 7.30pm

Attendance and Apologies

KCCCC Attendees:

Bob Goreing
Bill Filmer
Harry Seager
Kathryn Roberts
Fiona Challen
Lyn Stokes
Nicole Edkins
Cam Schubert
Neil Turner
Marilyn Deutrom

Apologies were recorded from:

- Ted Tyne
- Jamie Briggs MP
- Mark Goldsworthy MP
- Kate Goodall

A gallery of 17 people was in attendance.

1) Welcome and introductions

The Chair, Bob Goreing, welcomed the KCCCC and the members of the community in the gallery to the meeting.

2) Administrative Items

a) Chairs Update

The Chair, Bob Goreing, expressed thanks to Hillgrove for arranging a site tour for KCCCC members (conducted this afternoon) and for hosting an induction dinner at a local restaurant.

Minutes of previous meeting were distributed to the gallery. Bob advised that copies of meeting notes would be available on the Hillgrove website and advertised in the Project Newsletter in the future.

UNCONFIRMED NOTES – TO BE CONFIRMED AT THE NEXT MEETING

b) KCCC terms of reference and role

Bob explained the KCCCC Terms of Reference and the history of the KCCCC.

Reference was made to the on-going agenda for KCCCC and the four elements (based on terms of reference) of:

Reporting

- Regular progress reporting on mine development
- Regular reporting on performance
- Annual reporting of KCCCC activities

Education – learning

- Raising levels of community understanding

Involvement

- Raising issues, providing comment and recommendations
- Tracking and highlighting community benefit

Overseeing

- Overseeing of communications plan

3) Operational Items

a) Update on the project (Cam)

Cam Schubert, General Manager, gave an update on progress of the project.

Cam explained that Hillgrove Resources was working toward their final investment decision.

Cam gave an explanation of the Mining Lease and the status of MARP approvals.

Cam said that major contracts for mining services and processing plant transport and assembly were in their final stages of negotiation.

Cam said that the dismantling of the processing plant at Pillara (WA) was progressing well and sections were now beginning to arrive on site.

Cam said that the construction of the by pass road was moved forward (ahead of schedule) following community consultation. Cam reiterated that it would be an unsealed, all weather road. Aspects of the design of the new road were discussed including the intersection of the new road with the Princes Highway. The involvement of Transport SA in the approval process was explained.

Whilst recognising the advantages of the new road, a Committee Member expressed concern about the potential deterioration of East Avenue, Callington, as the amount of road traffic increases.

Maintenance of the road was identified as a responsibility of the Rural City of Murray Bridge.

UNCONFIRMED NOTES – TO BE CONFIRMED AT THE NEXT MEETING

Other Committee Members raised roads maintenance matters including Back Callington Road. Road transport management plans were discussed in the context of recognising the timing of school movements including school bus runs.

David Archer, Managing Director, addressed a question from a Committee Member regarding the new the Federal Mining Tax and explained that the potential new tax did not currently appear to impact on plans for development of the mine.

Actions:

Catherine Davis, Environment Manager, to review the notes of earlier KCCCC meetings and responses to the MARP to identify traffic management and road maintenance issues and strategies that had previously been suggested.

Cam Schubert / Susan Wilson to contact DTEI and / or the Rural City of Murray Bridge regarding scheduling of maintenance on Callington Roads. This information will be brought to next KCCCC meeting.

b) Pipeline construction (Atis Berzins-DCMB)

Atis explained his role with Mt Barker District Council as Manager of Community Wastewater Management Systems. He explained the route and progress of the mine water supply project involving the Laratinga waste water reuse scheme.

Atis explained the environmental, financial and social benefits to DCMB and the local communities of the water supply solution.

Atis also explained the due diligence process and risk management considerations of the project.

A Committee Member asked about any potential impacts on current or future mains water connections to Callington by SA Water. Atis advised that the pipeline water was non-potable and would not replace main water supplies.

Cam addressed a question from the gallery regarding the usage of the water on site. He said that all water supply including piped sources and surface run off, must be managed on site (with no release outside the mine lease boundary).

c) By-pass Road Construction

Cam provided some further details related to the by-pass road design and construction progress and showed photos of work to date.

Cam noted that some blasting was conducted to construct a cutting for the road and that this had provided a good opportunity to test blasting procedures that would be translated into mine development operations.

One Committee Member agreed that the blasting conducted as part of the road construction appeared to be undertaken without significant incident.

d) Plant and equipment arriving on site

Cam provided some further detail and photographs of the Pillara Plant that is currently being dismantled and transported to the Kanmantoo Mine site.

UNCONFIRMED NOTES – TO BE CONFIRMED AT THE NEXT MEETING

4) Regulatory Items

a) Construction approvals for processing plant, mine construction and other (eg by-pass road), and Operating Licences

Cam explained that the approval process for the MARP had been completed.

Cam said that the approvals process for the EPA licence (operating) was being processed. Consultation with local landholders was currently being conducted as part of this process.

5) Other Items

a) Community Feedback

Cam discussed internal process to investigate and address feedback, especially negative feedback.

Cam said that Hillgrove had received six items of feedback in the time period since the previous KCCCC meeting.

Two complaints related to noise (reversing alarms) and as a result, truck reversing alarms had been changed to white noise reverse beeps.

One complaint had been received related to notification of blasting. This had been followed up with the individual.

Three complaints were received related to the speed of trucks through Kanmantoo township. Hillgrove responded by reminding their contracted trucking companies of requirements under the traffic management plan and will continue to monitor this situation.

A member of gallery outlined the complaints process for the Strathalbyn (Terramin) Mine. She described the designated complaints line, direct phone access and said that complaints were reported to PIRSA quarterly.

Catherine Davis said that Hillgrove undertook a constant review of its processes for improvement.

Construction schedule – next steps

Cam provided the following forward schedule for decisions, construction and mine development.

- Final Investment Decision
- Arrival of Mining Equipment (2 months)
- Completion of by-pass Road (4 months)
- Civil engineering for the Processing Plant location (3 months)
- Tailings Storage Facility (12 months)
- Build Pipeline (6 months)
- Recruitment & Training (7 months)
- Detailed sampling of the orebody for production control (3 months)
- Construction of the Ore Processing Plant (11 months)
- Start of mining (7 years)
- Commissioning of Processing Plant (3 months)

UNCONFIRMED NOTES – TO BE CONFIRMED AT THE NEXT MEETING

Cam explained that these timelines may run in parallel.

b) KCCCC program (Chair)

Bob invited the Committee to consider aspects of the agenda for the KCCCC going forward and in particular, educative and community building aspects they would like to see promoted by the Committee (see item 2 (b)).

c) Additional information on disk (Chair)

Bob explained that items discussed in previous meetings and at this meeting such as MARP were available on CD and that five copies were available tonight. He said that this information was also available on the PIRSA website.

6) General business / Questions

A question was received from the gallery regarding the potential for local businesses to be involved in the supply of products and services to the mine development.

Cam presented a list of products and services that are currently sourced locally. He said that Hillgrove had a policy to 'go local first'. Cam explained that Hillgrove encouraged contractors to also use local suppliers where possible.

Action

Cam offered to assist the Regional Development Australia organisation to hold a local suppliers briefing so that they could clearly understand the opportunities.

7) Next meeting / close

The Chair thanked everyone in attendance, and those who had contributed in any way to the process to date, and closed the meeting at 9.20pm.