

MINUTES OF MEETING

STRATHALBYN COMMUNITY CONSULTATIVE COMMITTEE

Thursday 15 August @ 7.00 pm
Senior Citizens Hall, 6 Parker Avenue, Strathalbyn

PRESENT:

Charles Irwin - Chair	Anne Woolford	Susan Jettner	Mike Farrier
Mark Dale	Fred Carrangis	Karen Rogerson	Liam O'Neil for Adrian Pederick
Julia Currie (later)	Rhonda McCarthy	Merri Tohill – Sec	

DMITRE:

Hans Bailiht Greg Marshall

TERRAMIN:

Matt Daniel Joe Ranford Martin Janes, CEO Kristy Margetts Rene van Oevelen

EPA:

Glenn Sorrenson Brian White as observer

APOLOGIES:

Malcolm Twartz, Ben Brazzalotto, Adrian Pederick MP.

Gallery approx 24- including DIMITRE, Terramin staff and Mike Riley (Terramin Communications Consultant)

Meeting commenced at 7pm

1. WELCOME, INTRODUCTIONS AND APOLOGIES

Charles Irwin welcomed all, with a special welcome to Martin Janes, new CEO of Terramin, and thanked everyone for attending. Apologies were accepted, as outlined above.

2. REVIEW OF MINUTES OF LAST MEETING

Meeting closed at 9.40pm (not 8.40pm). The minutes accepted as true and correct record, as amended.

Action Items - Chair and Adrian Pederick to write supporting letter for Post Closure options presented by Karlene Maywald.

This has not been achieved as the closure situation has changed, both will hold off on this until there is more certainty. Karlene has been contacted re this.

3. DMITRE: COMPLIANCE OVERVIEW - Compliance and Inspections report

Hans Bailiht

Annual Compliance Report 2012 is available on the DMITRE website. In relation to this report a few points to note:-

- The actual amount of material crushed was left off – it is 1.9 mill tonnes. The approval is for 2.5 mill tonnes and so there is capacity still there
- One drag out incident during winter in 2012
- All complaints have been addressed, including one issue in relation to blasting air pressure over the limit but, as there is no surface air pressure from underground mining blasts, this was thought due to an instrument problem.
- TSF moisture percentage addressed and now compliant, RL has gone up a small amount (68.4) because of additional placement of tailings, but now 13,400 sqm surface area is a more useful measurement.

DMITRE has had a number of inspections and meetings regarding closure in the last quarter, including on-site inspections; have been looking at the TSF, especially important during winter so

that it does not go back to previous situation. The Water Management Plan is working, so thank you to Terramin for their effort.

Other works include feral animals being baited and new plantings carried out. Noise complaints include the paste plant hopper not being filled when the vibrator is switched on and this causes increased noise; procedures to manage this have been brought in and so this has been satisfactorily addressed.

Question/Comment - None

4. TERRAMIN: UPDATE AND REVIEW (presentation available on website)

Joe Ranford

Welcomed all, including SCCC, local businesses, employees and community members. Introduced Martin Janes who replaced Nic Cliff. Nic resigned shortly after last meeting.

Current Status – heading into Care and Maintenance.

Why Care and Maintenance? There are still reserves left at Angas and would like to access these but it is not currently economical to do so, so will stop mining on September 27 and cease production on September 30, 2013.

- Currently mined 1.9Mt of the approved reserve of 2.5Mt.
- Sunter Resource accessible from 160mL development
- Ongoing exploration in region to locate “Mother Lode” where current Angas deposit comes from and this will continue

Focused on re-instating operations at Angas to generate employment and local commerce and utilise company asset.

What is happening at the Angas Mine?

- Production due to cease on 30 September – Exploration to continue on & around the site
- 115 employees to be made redundant over a period of 3 months
- Mine will be placed under Care and Maintenance – there is an ongoing budget for this with small crew involved initially, then down to skeleton crew
- Clean-up work e.g. scats, processing plant, any spillages etc., water and environmental management and monitoring to continue
- Processing plant including mill and floatation areas to remain on-site and receive regular maintenance
- Mobile and other equipment (pumps, spare parts, cables etc.) will be stored in workshop and maintained for future use and within compliance
- Environment, Community and Water Management staff to remain on-site

Focus for Current Operations

- Safety and well-being of employees during uncertain times (have noticed some lack of focus on the job – could escalate to a safety issue)
- Clean up and preparation for Care and Maintenance and focussing on getting it right
- Working with DMITRE to ensure ongoing compliance
- Water, Dust and Environmental management including TSF management, this will all reduce when we stop pulling water from underground

Positive contribution since start up:-

- Employed 295 individuals on full time basis
- Supported and utilised 975 suppliers and sub-contractors in region
- Over \$273 million to the community and South Australian commerce through local purchasing strategies and community endorsed sponsorships
- Provided 57 certificates in 6 different Australian recognised qualifications
- Trained 35 people in Emergency Response Certificate III – SES and CFS support

Future

Early stages of Bird-in-Hand deposit -

- Terramin has entered a binding agreement to acquire 100% of the high grade Bird-in-Hand (BIH) gold project and exploration tenements

- High grade resource
- All development is subject to the required regulatory approvals - for both Angas Zinc Mine and Bird-in-Hand project (Woodside and Inverbrackie catchment area), so there is still a lot of work to do
- Extensive studies, modeling and risk assessments will be required
- Our preferred option is that gold ore will be processed at the Angas facilities and utilise the inert tails to cover the TSF
- In the near future, discussions will be undertaken with key parties, the community (both Strathalbyn and Woodside), and regulatory authorities - DMITRE, EPA and DEWNR

Regional Exploration

- Awaiting transfer of ownership and then updating resource model for BIH
- Doing regional soil sampling and utilising TAFE students to undertake sampling as part of certificate training

Mining and Processing (Q2, 2013)

It hasn't been a bad quarter. Have been strict with mining schedule even though production has been quite difficult and we have stressed that it is all done safely.

- Underground development has advanced to 11,347 metres
- Development progressing on the 380 metre level
- A total 99,001 tonnes of ore was processed
- 11,514 tonnes of zinc concentrate
- 4,442 tonnes of lead copper concentrate
- Reserve left to mine: approximately 91,000 tonnes
- Total ore mined to date (EOM July 2013): 1,924,824 tonnes

Questions

There will be less water from underground going into the TSF, so will the mine fill up with water?

We are back filling the mine as we go, the void underground is 93% filled in. We have a commitment to fill the void and note there is no decline under Callington Road. Ground water will come back into the remaining void, so we will allow this below the 160 level which provides access to Sunter shaft and the other resources. If the void has water in it, it stops oxidation. We will continue to look at how this is performing.

Why not fill it with solids to the 160 level?

We want to have access maintained so that we can go deeper and until we have done this, the 160 level will be maintained.

Does this cause any environmental problems?

If you use water in the backfill it keeps out oxygen and so there are no sulphides.

Why not go to 100 level or even 0?

To do that you need to look at where to get water. The 160 level will be maintained so that we can treat the water at this level. However, this is the first point and we will continue to look at and review this.

If you go to 160 and there are lots of floods and lots of water, will you treat this or will it go into the Tailings Dam. Are you keeping the RO unit function? And if the water goes into the TSF, is this a problem?

Once we stop water coming out from underground it won't be a problem. We have set up drains and will catch water in sediment ponds or it will go back into the box cut and then back underground, although it is very unlikely that we will have that problem. It will be returned to the retained RO plant if there is a problem with water and we need to treat it.

DMITRE – it is purely rainfall so this can be treated.

EPA – we have been looking at this and the plans by Terramin look like the most viable option and so no problems from what EPA have seen.

Terramin – if there are empty spaces underground, these will be filled.

As a community we are concerned about management so that it doesn't cause any issues. It is useful for the community to have a picture of what the site will look like.

Water and dust management will be the main issues. The RO will be maintained and local contractors used to support this and also be involved in the clean-up of the site.

Will security still be operating and will you still be moving materials around the site?

Yes, we will be cleaning up and storing equipment until October. There will be less and less people on site. Joe will still be on site and available to discuss any issues. After December there will be only 3 staff left. Activities include weed spraying and rabbit control, management of the TSF and the dust issue. There will be no trucks, no blasting and no mill activity. There maybe a few trucks using water for dust suppression.

Will there only be noise during the day time?

Yes, day time only as paste filling will finish in September. We will be stopping most on site activity and any activity will be during the day. It will only be security at night.

DMITRE – current Lease conditions still apply, so the situation has not changed on site. The PEPR is in place and *care and maintenance* is part of the closure. If Terramin want to do something different they need to apply to the Minister. Bird In Hand doesn't affect the Strathalbyn situation until all of the processes and approvals have gone through.

Explanation of why the mine is going into “Care and Maintenance”

In 2007, zinc was at \$5,000/tonne, now it is well below that (\$1,843) so the current ore body is now not economically viable. The Sunter shaft is some distance from current mine development, so it will cost a lot to develop, even though Sunter has some 600,000 tonnes at 6% metal; would probably need a price of at least price \$3,000/tonne to look at opening this, although this volume is still within capacity as current lease allows up to 2.5 million tonnes.

Question

So if Sunter is viable, does it mean that you can go into this area?

Yes, but need to notify DMITRE if starting up again.

Matt Daniel – Environmental report

Please see Terramin Quarterly Report #27 (April to June 2013), available in full on the PIRSA/DMITRE website www.pir.sa.gov.au/minerals/sa_mines/approved_mines/angas under Wider Community Engagement and also emailed to all members prior to the meeting. Hard copy also made available at the meeting. Matt reported on the QER, focusing on exceptions, the unusual and any exceedances.

Environmental and Community Activities

- Mine closure risk assessment (Failure Mode Effects Analysis - FMEA) with O'Kanes Canada (TSF experts)
- Native species direct seeded into 6ha SEB allocated area
- Additional 2ha seeded- at front entrance and visitors viewing area
- Artificial wetland boundary established around the silt retention dam, seeded in June
- TSF Rehabilitation trial- seeded with Coolibah oats
- Waste Management in preparation for Care and Maintenance
- Drainage upgrade using limestone rock
- Site-wide weed management

Community Interaction - Site tours

- Mount Barker Rotary Club with Taiwanese exchange visitors
- Green Triangle Activity group
- ATA on-site presentation and on-site tour/BBQ
- Adelaide Hills Christian School
- Adelaide Hills Home Schooling group

Red Creek Community - visit regarding Peppermint Box seed collection and exploration activities

Community feedback and environmental incidents

No environmental incidents were recorded during quarter 2

6 registered community complaints:

- Two blast complaints regarding:
 - Failed to send pre-blast notification to neighbours - Staff spoken to
 - Blast felt longer than normal - investigations showed blast was as designed and within historical timeframes

- Four noise complaints from two local residents regarding noise at night
 - Some noise from May to early June appeared to originate from the vibrator fitted to the hopper paste fill plant, wet sand issues - Multi-layered procedure implemented so only used when filled
 - Mine manager instigated after hours investigation of other complaints and internal auditing process

Question

Do you have a vibration register?

Measurement needs to be of 10 seconds duration and because vibration is shorter, it hasn't been picked up. Measurement has been calibrated but actual noise has not been detected. There is some noise from the region and we are following up on this. A full report has been done and this can be provided to whoever requires it.

In the Community Complaints section in the QER you haven't stated what action has taken place in relation to the community person or neighbour.

All of the neighbours and complainants have been contacted. Yes, agree, need a record that it has been closed off. It was in there but has been lost in this QER.

Action: This and all future Complaints Registers to include full close-out details as per previous, approved format.

Noise Monitoring

One incidence at Box Cut/western monitoring point at early warning level but in compliance. Relates to moving waste rock stockpile underground.

One noise exceedance over PEPR criteria for the mill/eastern side. Investigation could not specify an exact event. May also be associated with waste management in preparation for care and maintenance.

TSF

TSF is being monitored and information supplied to DMITRE on a weekly basis. Have had a lot of rain but all has been kept in compliance. (RL 68.32m on 13 August)

Upcoming Activities for next 6 weeks

- Fencing of the eastern paddock SEB area
- Submission of the National Pollution Inventory (NPI)
- Closure Plan Updating and Submission
- Annual photo monitoring
- Continuation of operational waste management and recycling improvements
- Further weed and pest management
- Historic landfill rehabilitation

5. DMITRE/TERRAMIN: MINE CLOSURE PLANNING

Matt Daniel

Mine Closure Planning

- O'Kane Consulting at DMITRE's request undertook a Failure Modes Effects Analysis (FMEA) to ensure the achievement of the outcomes of the lease conditions. The FMEA looks at all areas that could fail, and the risk and likelihood of it happening, then assesses and decides what information is needed to ensure that it is managed e.g. water modeling would look at leakage rates into the soil
- DMITRE, EPA, Terramin, AGT and URS were involved in the 2 day FMEA workshop (6th and 7th of June)
- Additional modelling identified during the process i.e. ground water modeling; erosion modeling
- Closure Plan updated and submitted to DMITRE on the 8 August with commitment to undertake the modeling
- Modeling work currently in progress
- Risk assessment and planning currently being undertaken for the Care and Maintenance phase
- Staff will remain on-site during this phase

Questions

What is the timeframe for the modelling?

By the end of September? DMITRE has a draft copy and by the end of August, this will be updated. Note that the PEPR includes a section on closure. DMITRE has learnt that the closure process needs to be started early (sooner than has been done with the Angas Mine)

The SCCC has only seen an initial first draft of PEPR revisions and nothing on mine closure or care and maintenance. When will we have something to review, and by what date?

Maybe by November 2013 but it cannot be a definite date because of the studies required. Terramin advised DMITRE that they are not sure how long the tests will take, however Terramin are working very closely with DMITRE. Care and maintenance is part of the closure plan and needs to be in there and this includes monitoring what is done on site. Terramin needs to make this commitment and provide this additional information in the document and in detail.

That would make the review period of 6 weeks over Christmas and this is not a good time. Could we have something before next meeting in November?

Will look at what can be circulated to the SCCC six weeks prior to the November meeting.

Lots of photos have been taken but have any been taken of the SEB/new planting?

It is part of the ongoing monitoring to take photos, so yes there are photos of this area.

What is the lease length?

It began in 17 August 2006 and was for 10 years, with a right of renewal that could be up to 21 years.

So does this mean it could be in care and maintenance for 25 years?

It is a Mining Lease so it either needs to be mined or in rehabilitation. It is fair to give Terramin some breathing space to look at commitments and put together a proposal but DMITRE will require a definite commitment from Terramin with respect to their plans for the site; it is not just an open book.

Break at 8.10pm. Resumed at 8.30pm

6. POST CLOSURE LANDUSE OPTIONS

Charles has talked to Karlene Maywald and she is still pursuing the proposal. There is merit in this as it has a long term timeframe and is not incompatible with the site. It requires bringing groups together, which will take time. SCCC can provide support when we know what they actually want, but SCCC support for post closure options is temporarily on hold.

7. TERRAMIN: COMMUNITY ENGAGEMENT PROGRAM UPDATE

Newsletter will be out soon (at the printers next week). It includes focus on safety, QER, other projects, Bird in Hand and interstate companies looking at water management.

A registration of interest/feedback form is available.

Charles had an interview with ABC Radio in response to the announcement of mine closure; Ann Woolford (acting for Alexandrina Council not SCCC) was also interviewed at that time by ABC Radio and TV.

Charles has met with Martin Janes for a briefing.

8. OTHER BUSINESS

Terms of Reference review

DMITRE has appointed a consultant (GHD, with personnel based in Sydney and Adelaide) to look at TOR and guidelines for the development of a community engagement plan. They will contact Charles shortly and also talk to community groups.

It is important to capture the pros and cons in the ways of doing business for closer settlement mines and focus on the lessons learnt. So for SCCC members, when contacted, please pass on your experience.

Round Table

DMITRE – in discussion with Matt, PEPR will be ready mid to end of Sept 2013, put onto CD and sent out to everyone. It will be a two staged process. Over the last quarter an extractive lease has been transferred from Garwoods to Terramin for rehabilitation purposes.

Sue – *Can we have copies of the radio and TV interviews? Maybe in future get notice of this. How often does Charles get to talk to the Minister?*

CI – it used to be annually but it hasn't happened in the last 18 months.

Terramin – thank you to DMITRE for help through the Closure Plan process and including the risk assessment and in bringing the Extractive Minerals Lease together. Thank you to the supporters in the gallery, don't hesitate to contact Terramin – Joe and Matt will still be there and will be attending the next meeting.

Fred – *the OHS record has been very good in the past, how is it now?*

Have gone over 12 months without incident and also going well in 2013, but had a minor incident last month. Person has returned to work. Have noted higher level of incidents due to inattention, so have stepped up attention to this. This includes a daily pre start information sheet. Because staff maybe changing industries, are giving training and support in resume writing. People are distracted and uncertain about what they are going to do next.

Fred – *the TSF is a concern, is it in a state of flux?*

Terramin is looking at it in 2 stages: firstly the cover systems as part of the Closure Plan, also testing sulphides and oxidising and how to treat this. Doing extra work on this, looking at different systems including a lime solution to manage run off in the short term.

We are cleaning up the box cut and around the plant and in the outer regions. We have approval from EPA for soil cover trials on the old Garwood rubbish tip area and this feeds into the TSF cover system. The sheds will remain on site in a safe state.

Karen – *once this has happened is the mine "moth balled" and do we have a timeframe on this?*

It is a costly commitment by Terramin to do that but do not know what the time scale for the next stage is. It costs between \$750,000 - \$1 million a year to keep the mine in care and maintenance, so there is a big incentive to do something, to either open it up or close it.

Julia – *are you bringing soil onto the site?*

Not bringing in top soil. We are bringing in soil for filling in the underground mine but it has been tested for contaminants.

Liam – *will be taking back comments to Adrian Pederick's office, thank you.*

EPA – had planned to do noise monitoring off-site in August but, given mine closure, that will not be occurring. Glenn is leaving and Brian White (attended tonight's meeting) will take on the role. Glenn thanked everyone.

Rhonda – *would it be useful to have another site visit given the changes in circumstances?*

Terramin agreed.

Action: Terramin to organise a site visit prior to the next meeting on 21 November.

Charles – Sincere thanks to Glenn on behalf of the group. Glenn has always made a lot of sense; he has a good perspective, he has understood the questions and given us answers, and we wish him well.

It is appropriate to record the SCCC's appreciation of Nic Cliff's contribution: Nic has been a great supporter of this group and its role, and he helped to change the company culture – a breath of fresh air. He made lots of progress and we acknowledge his contribution.

Also need to mention the people who no longer have jobs. The closure of the mine after 5 years is like the completion of a big construction project, a big transition and change for all members of a close-knit site team. As a representative group, we are mindful of what all those employed at the

mine have added to this community. You have been a valued part of Strathalbyn, so thank you and good luck with your futures.

We should begin to think about the frequency with which we meet. With the mine heading into care and maintenance, we should not hold meetings just for the sake of it but it will still be important to keep the group together as there is a valuable body of knowledge around this table and its interface with community is very important to both the wider community and the company.

From 2014, we will need to meet reasonably often to maintain continuity, the flow of information and to discuss changes that may occur but we don't want to risk SCCC members getting bored or leaving; so we need to monitor the program so it is not an imposition. I suggest we think about a transition to six-monthly, even annual, meetings, but with an e-mail briefing from both DMITRE and Terramin at three monthly intervals to maintain SCCC member knowledge.

We will still meet in November. The group has a good interface and networks that have benefited everyone and we should be proud of what has been achieved. The group's balanced links into community and the confidence this two-way process brings are strengths and the committee has worked particularly well in the last 4 years, so thank you all.

SCCC members reintroduced themselves and summarised their backgrounds for the information of those in the gallery who might wish to contact them.

Thanks to Ruth and Don for hall and catering, to Merri for taking the minutes and to all in attendance.

9. FUTURE MEETINGS AND CLOSE.

Next meeting on 21 November at 7pm.

Meeting closed at 9.10pm.

ACTION LIST

Terramin	<i>All future Complaints Registers to include full close-out details as per previous, approved format.</i>
Terramin	<i>Organise a site visit prior to the next meeting on 21 November.</i>