

KANMANTOO-CALLINGTON COMMUNITY CONSULTATIVE COMMITTEE (KCCCC)

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Chairperson:

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DRAFT NOTES TO THE MEETING

5 March 2015

The meeting commenced at 7.30pm.

Attendance and Apologies

Committee Members Present:

Bill Filmer
Fiona Challen
Allana Vorstenbosch
Garry Duncan
Kathy Schneider Roberts
Harry Seager
Steven McClare (Hillgrove Resources)
Alistair Walsh (DSD)
Bob Goreing (Independent Chair)

Apologies:

Carol Bailey
Mark Goldsworthy MP
Jamie Briggs MP

Guests:

Greg Tyczenko: Manager
Resources and Energy EPA
and three EPA representatives
Lu Bai, Kelvyn Steer, Pushan
Shah

A public gallery of approximately 15 persons was present.

1. Welcome and introductions

The Chair welcomed the KCCCC and members of the public in the gallery.

The Chair made special note of three items of agenda to be included under 'other business':

- KCCCC Progress Report 2014
- Premier's Award submission
- Status of the KCCCC

2. Confirmation of notes of previous meeting (11 December 2014)

The notes of the previous meeting of 11 December 2014 were accepted without alteration.

3. Action arising from the previous KCCCC meeting

The Chair noted that all action items arising from the previous meeting were covered in other items on tonight's agenda.

Issues

4. Project update from Hillgrove Resources

Steve McClare GM Kanmantoo Copper Mine provided the Kanmantoo Copper Mine project update. It was noted that matters relating to dust would be covered in detail in item 6 of this agenda.

Steve drew the meetings attention to the company's Annual Company Update report which was released on 27 February 2015. The full report is available at

http://www.hillgrovresources.com.au/article/ASX_Releases/ASX_releases_current

Highlights for the 11 months from 1 February 2014 - 31 December 2014 included:

- 20% revenue increase to \$166.8m
- Operations efficiency has increased
- EBITDA (earnings before interest, taxes, depreciation, and amortization) of \$42.7M with underlying EBITDA of \$53.4m
- Reduced finance costs with lower bank debt outstanding
- Statutory Profit after tax of \$3.8m with Underlying Profit after tax of \$10.1M
- Total Borrowings now \$19.0M, with a further \$3.0m paid in January 2015
- Significant increase in net cash flow from operating activities to \$46.7m (from \$13.8m)

Steve presented a summary of complaints received by the company for the period since the last KCCCCC meeting. They were noise – 4, light – 10, blast – 2, traffic - 3 and dust – 41.

A graph was presented showing the annual feedback (complaints) trend for 2010 to present. This showed the fluctuations over time for complaints about environmental emissions issues and that dust remained as the main issue of concern for the community. This item is discussed in more detail in agenda item 6.

The issue of noise was discussed with emphasis on differences between day and night and in various weather conditions. It was explained that the measurement of noise impact related to nuisance at the receptors (which were local residents). One particular noise that was audible mainly at night was discussed and identified as possibly track slap from heavy mobile plant.

Action: Steve was asked to investigate the noise that was audible mainly at night and identified as possibly track slap from heavy mobile plant. He agreed to report to the next KCCCCC meeting.

In answer to a question, Alistair from the DSD said that the mine was currently operating within its compliance requirements for noise. He said that the Compliance Reports on the Program for Environment Protection and Rehabilitation (PEPR or mine plan) were available on the Department of State Development (DSD) website.

Action: Alistair agreed to extract the compliance requirements for noise from the Compliance Report on the PEPR and bring these to the next KCCCCC meeting for information.

The Chair said that the updated PEPR 2014 was a useful document for reference (eg Dust outcome 15 and Noise outcome 16) with an Executive Summary available on-line by Googling 'Hillgrove Resources 2014 PEPR'.

Steve showed a diagrammatic representation of the large stockpile of non-acid forming (NAF) rock that will later be used for covering and capping final landforms after rehabilitation. Steve

explained that the large structure had been the subject of some complaints from the community about its visual impact. Steve explained that as a result of these concerns, the top 10 metres (approximately) of the structure was being removed to reduce its impact during storage. This would be used for additional rehabilitation works around the site.

The diagram showed that after final rehabilitation the ridge would continue along the line of the surrounding stockpiles and would taper away into revegetated valley structures.

Steve said that the helicopter airborne survey of parts of the District (reported at the previous meeting) would begin soon and notification for local landowners and residents would be provided via the local Courtier Newspaper, by letter box drop and website.

5. Role of the Environment Protection Authority (EPA) in relation to the mine

Greg Tyczenko, Manager Resources and Energy with the SA EPA gave a presentation on the role of the EPA and the Kanmantoo Copper Mine. This followed an introduction to Mr Tyczenko at the last KCCCC meeting.

Highlights of Greg's presentation included a description of the legislative framework of the EPA including Section 25 of the EPA Act and an explanation of the criteria of 'reasonable and practicable' as guidance for environmental performance for EPA licence holders (major facilities) like the Kanmantoo Copper Mine.

Greg said that some complaints had been received and investigated by the EPA in relation to the Hillgrove Mine dating back to 2010. Topics included noise, dust, blasting and light.

The issue of monitoring copper levels in dust was raised by a member of the gallery. An explanation of the work of Dr Simon (through the Dust Working Party) was provided. Dr Simon had reviewed the composition of dust and advised the community through a Preliminary Report in August 2014. It was pointed out that Dr Simon had agreed to continue to be involved with the KCCCC.

Action: The Chair was asked to speak with Dr Simon again about copper in dust and whether there was an opportunity for further testing using the dust data that is coming through the new monitoring system (see item 6).

Regular testing of mine workers for a full range of health risks was mentioned by Steve in answer to a follow up question.

Greg went on-line to show the EPA Website and its links to air quality and other data for areas around South Australia.

The three EPA representatives who accompanied Greg summarised their respective roles:

- Lu said that her job was to regulate (EPA) licence holders against their licence conditions.
- Kelvyn said that he was responsible for the science side of air quality, developing policies and contributing to the development of national dust particle standards for example. He mentioned that he had been involved in the design and function of the new monitoring equipment at the mine.
- Pushan said that his job included reviewing air quality data and analysing this to model and predict risks associated with dust.

6. Dust Working Party

Garry reported to the meeting that the Dust Working Party had attended a site visit in January 2015 to view the new dust monitoring equipment installed at the mine.

Garry explained that the dust monitoring system was installed, commissioned and validated by an independent organisation based in Victoria (Lear Siegler). The equipment is checked and calibrated each month by Lear Siegler.

Data is recorded at five minute intervals, continuously (24/7).

The Chair presented a short summary of the information gathered during the site visit:

- Under its revised mine plan approved by the mining Regulator, the mine put in new monitoring equipment that came into operation on 15 November 2014
- The dust monitors monitor small dust particles (PM10) and all of the dust in the air (total suspended particles or TSP). They operate continuously and make recordings at five minute intervals .
- The mine also installed weather stations at each dust monitoring site that also measure continuously.
- There are three sets of dust monitoring equipment and weather stations set out in a triangular pattern around the mining lease:
 - on the Filmer's property south east of the mine
 - on 'Carmen's Paddock' south west of the mine
 - next to the Kanmantoo township north east of the mine
- The pattern takes into account the prevailing wind directions during the year.
- The monitors measure dust that comes into the mine area 'up-wind' and dust levels 'down-wind' to work out how much dust is being added by the mine
- The dust monitoring equipment is maintained and monitored by Lear-Siegler Australasia who are independent specialists.
 - The equipment was set up by Lear-Siegler.
 - Lear-Siegler checks and independently validates the equipment monthly.
 - Data is sent to Hillgrove via Lear-Siegler who undertake daily validation of data and send Hillgrove a validation report with any data issues highlighted
 - The data is used by Hillgrove in their mine management.
- Daily work programs at the mine are designed to suit the likely dust conditions based on weather forecasts as well as the type and location of activities planned for the day.
- Dust monitoring is used to check that the daily work program is doing enough to keep dust within acceptable limits.
- Dust monitoring is linked to the mine's Dust Trigger and Response Plan so that the mine can change what it is doing as soon as an increased dust risk appears.
- Dust monitoring needs to provide reliable and accurate information continuously throughout the day and night to make this approach work.

A community perspective:

The Chair reiterated the Community's expectations for dust described in the Community Action Plan-

- 'The community expects that dust levels from the mine site should be such that they do not unduly disturb the lifestyle of the surrounding community.'
- 'The community expects that there should be no community health risks from dust emissions from the mine site'

The Chair compared this to Outcome 15 of the revised PEPR 2014-

- 'No adverse public health and nuisance impacts to local residents from air emissions, dust and odour generated by mining operations'.

The Chair noted from the dust complaints reported by Hillgrove (see item 5) that 41 dust complaints had been received by Hillgrove from 4 individuals in the community in the period between the last KCCCC meeting report and today.

A company perspective:

Steve showed a map of the mine site and the locations of the three monitoring sites previously discussed.

Steve referred to two graphs showing PM 10 (smaller dust particles) and TSP (total suspended particles or all dust) recorded on the monitors for the period 1 January 2015 – 26 February 2015.

The graphs showed general trends of PM 10 and TSP well below compliance levels of (24 hour average) 50ug / m³ for PM 10 and 120 ug / m³ for TSP.

Steve focused on an exception to this trend which was Sunday 15 February 2015 when the mine recorded an exceedance of the 24 hour average for PM 10 at the monitor on the Filmer's property. Alistair confirmed that Hillgrove had reported the exceedance to the mine Regulator and that currently the PEPR (mine plan) allows for five exceedances per year before there is a non-compliance.

Steve explained how the mine responded to the rising dust levels on this particular day both before the mine's Dust Trigger and Response Plan was triggered and after. This involved progressively shutting down various operations until the mine was shut down.

Steve explained that a major contributing factor on this day was rising wind speeds and showed a graph of this that pointed to a critical wind speed of 30 km per hour. The wind speed rose beyond this on this day to over 60km per hour. Although many proactive measures were taken on the day, there were some steps in the Trigger and Response Plan that were not implemented and a number of improvement opportunities were identified in the investigation process.

There was some discussion around when truck movements were stopped as a response to the rising dust risk based on the observations of a committee member.

Action: Steve agreed to check the hours of operation of trucks on this day and report back to the Dust Working Party

Steve explained that lessons learned from this event included:

- recognising that 30 km per hour is a critical wind speed for dust generation and including this in the Dust Trigger and Response Plan
- adjusting mine practices when deciding when to restart the mining operations after the risk has passed
- installing the Trigger and Response Plan alarm into the Process Control Room

A member of the gallery asked why there was no monitoring station to the North West of the mining lease. Steve explained that

- the incidence of North East / North West winds was relatively small
- the east and west monitoring stations provided a proxy for the north west
- there were very few residents to the North West of the mine and the standards were designed for urban area such as Kanmantoo and Callington

It was noted that the community felt more information was required about this matter.

Action: The Chair was asked to follow up an explanation for the design of the dust monitoring system and in particular the rationale for not including a monitoring site to the North West.

A Regulator's perspective:

Alistair gave a presentation focused on the DSD's investigations of the complaints about dust during the period December 2014 to the end of January 2015.

Alistair said that over 30 complaints about dust from 4 community members had been received by DSD in this period. He said that the DSD complaint and compliance investigations were carried out in consultation with the EPA.

Alistair used a graph to demonstrate the relationship between dust levels, mean wind speed and wind direction. The graph showed PM 10 levels throughout one of the complaint days, recorded on the monitors in Carmen's Paddock and those at the Kanmantoo site. Alistair said that the contribution of the mine to dust levels could be calculated by subtracting the dust readings from the monitor up-wind from that recorded down-wind. The graph showed a change in the pattern on the day when the wind direction moved to the South West and strengthened.

Alistair explained that the compliance level for PM10 for the Kanmantoo Copper Mine which is in the PEPR is a 24 hour average of 50 ug / m³. This means that the average dust level leaving the site, which includes the dust that enters the site (background dust) plus whatever dust is added by the mine, must not exceed 50ug / m³ for PM 10 when averaged over a 24 hour period.

The average is used because normal incidences during the day may exceed 50ug / m³ for a short period of time like when a truck passes by on a local unsealed road and raises dust for a few minutes.

If dust levels get to 60ug / m³ and last for a period of at least one hour, the Dust Trigger and Response Plan (TARP) is triggered.

Alistair showed a graph of 24 hour average dust levels for complaint days from November 2014 to January 2014. All of these days were below the compliance level of a 24 hour average of 50ug / m³ for PM 10.

Alistair pointed out two days during this period where there were 'spikes'. Alistair went through the example of Tuesday 16 December 2014 which was a day when the mine's TARP was triggered. On this particular day there was a period when the dust levels exceeded the 60ug / m³ for PM 10 for a period longer than one hour. Action at the mine as a result of the TARP being triggered included progressively responding and involving more of the operation for every hour the level remained high until the mine was shut down after three hours at this reading.

Alistair presented some graphs that showed a comparison between the levels of dust at Kanmantoo and the State averages on various days in December 2014. He explained that the EPA collected data across the State and referred to Greg's presentation earlier on the agenda.

Alistair summarised the findings from the investigation as:

- The mine was found to be compliant with air quality criteria during the period investigated
- Dust appeared to originate from a range of sources including the mine
- DSD has requested the mine to improve its Trigger and Response Plan criteria by including wind speed and not just dust concentration over time.
- The complaints and the subsequent investigation had improved the understanding of the mine's contribution to dust and assisted with continual improvements at the mine
- Data showed two incidences of significant mine dust contribution (or spikes) on complaint days with all other incidences of minor/negligible contribution on complaint days during Dec 2014 and Jan 2015

Next steps

The Chair pointed out that dust complaints are based on community experience (and expectations) and therefore an explanation must be found.

Some directions for further investigation were identified including:

- further identifying local dust sources like dust rising from the movement of stock and other traffic on unsealed roads in the area
- exploring and better understanding the impact of other weather / meteorologic factors

Action: The Chair was asked to have further discussions with the EPA about the potential for broader dust monitoring. An example was provided related to dust monitoring recently at Golden Grove.

Both Steve and Alistair mentioned that they had made preliminary contact with the Bureau of Meteorology in order to better understand the potential of other weather conditions to impact on the appearance of dust in the air.

Action: The Chair was asked to liaise with Steve and Alistair in their approaches to the Bureau of Meteorology and identify any relevant matters for the KCCCC.

Action: Steve was asked to consider making real time dust monitoring data available to the public on-line in much the same way that the EPA is now providing air quality information for other parts of the State.

The KCCCC agreed that the presentations of the Regulator and the EPA in particular helped the community to better understand dust issues and what is being done to improve dust management at the mine.

Action: Garry and the Chair were asked to arrange for a consolidated presentation of the information from the Regulator and the EPA to be offered to interested community groups. The Kanmantoo Action Group (KAG) was noted particularly but the KCCCC was encouraged to identify others.

7. Master Plan for the Kanmantoo Callington area

Fiona provided a summary of the work of the Master Planning Working Party since the last meeting of the KCCCC. This including

- advancing the draft Community Discussion Paper
- considering how best to promote consultation with the wider community on the Discussion Paper
- considering a meeting with Government Ministers and key Departmental Executives
- linking in with the District Council of Mt Barker's Strategic Planning that includes a public meeting at Callington on 25th March 2015
- identifying and working with leadership groups in the community like Landcare and the Oval Committee to support these groups and tie in what they are doing with the Kanmantoo Copper Mine's Mine Closure Plan

The content of the draft Discussion Paper was ratified by the KCCCC and it was agreed to move ahead with engaging with the wider community. The KCCCC felt it was important to avoid confusion in the community about the DCMB Strategic Planning and the work of the Master Planning Working Party.

Action: The Chair was asked to discuss with Fiona the timing and other matters related to engaging with the community on the Discussion Paper particularly given that the 25th March

event by DCMB is only about two weeks away. All KCCCC members were urged to attend the DCMB event if possible.

It was pointed out that Hillgrove was considering inviting the Resources Minister to inspect the mine sometime in the future. It was agreed that it would be sensible to seek an opportunity to schedule a meeting with the KCCCC as part of this visit.

Action: The Chair was asked to speak with Steve about an opportunity to include a meeting with the KCCCC as part of any site inspection by the Minister for Resources in the future.

8. Community Action List

The Chair said that it was planned to have the Community Action Plan available on the new KCCCC webpage when it was launched in the near future.

Administrative items

9. KCCC Website

The Chair reported that the design work for the new KCCCC website had been completed and reviewed by two review teams (KCCCC and Hillgrove) for usability, the technical accuracy of background information and suggestions for improvement.

The Chair said that the next step was to establish an Editorial Committee that would have responsibility for reviewing content before uploading, along with other duties.

Action: The Chair was asked to progress the formation of the Editorial Committee and launch of the website between meetings by circulating information by e mail to KCCCC members.

10. Stakeholder representation on the KCCCC

This item was carried over to the next KCCCC meeting

11. Other business

11.1. KCCC Annual Progress Report 2014

The Chair explained that under the Terms of Reference of the KCCCC (item 5 - The role of the KCCCC) the Committee is to 'prepare an annual report and other documentation outlining the activities and achievements of the KCCCC'.

A draft Progress Report had been circulated to KCCCC members between meetings. The KCCCC accepted the draft Progress Report.

Action: The Chair was asked to forward the Progress Report to Hillgrove Resources (who are responsible for the KCCCC) and copy Director of Minerals, DSD for information.

11.2. Premier's Award submission

The Chair explained that Hillgrove had nominated the KCCCC for the Premier's Award for excellence in supporting communities. The Chair made it clear that the suggested nomination was for the KCCCC and not Hillgrove Resources (acknowledging that Hillgrove is a member of the KCCCC).

The Chair said that the KCCCC had been circulated with details over the last week and had been asked to consider whether to accept the nomination and provide a submission. The KCCCC had agreed to draft a submission for consideration at this meeting.

The KCCC considered the following points:

- there was a small cash prize associated with the Award that could be directed to community benefit in the event of a successful submission
- The Awards offered an opportunity to raise the status of community initiatives particularly in Master Planning where State Government support may be required.
- there was the potential for criticism of the KCCCC from some who may perceive the submission as promotion of the mine

The KCCCC noted that:

- the submission was from the KCCCC not Hillgrove Resources
- the submission mentioned challenges as well as opportunities associated with the relationship between the mine and the community
- there were no individuals named in the submission with the focus placed on the community and its style of 'self -help', with the aim of promoting the community, not the mine

The KCCCC agreed to proceed with the submission

Action: The Chair was asked to accept final comments from KCCCC members on the submission and submit it.

11.3. Status of the KCCCC

The Chair said that currently the KCCCC was an informal body established, maintained and the responsibility of Hillgrove Resources.

The Chair asked the KCCCC to consider what role it wished play in the Master Planning and implementation process as well as other initiatives like the new website. He said that if the role went beyond the KCCCC Terms of Reference (i.e. providing advice, comments, suggestions etc.), then the KCCCC should reconsider its status as an informal body.

A discussion paper on these matters had been prepared and was tabled.

It was agreed to consider the issues raised and bring these back to the next KCCCC meeting for decision.

12. Next meeting and close

Meeting closed at 10.00pm.

Next meeting TBA.