

Central Eyre Iron Project

**Closer Look Community Information Events
September 2011**



Response to questions raised

Introduction

The following questions were raised at a community meeting in Warramboos on 7 September 2011. Andrew Stocks, Managing Director of Iron Road Limited, addressed the questions at the meeting and undertook to produce a written response for circulation within the community. The following information honours that promise.

Definitions

A Prefeasibility Study (PFS) is an engineering study based on test work and engineering analysis, which presents enough information to determine whether or not a project should be advanced to the detailed engineering and investigative stage.

A Definitive Feasibility Study (DFS), sometimes referred to as a Bankable Feasibility Study, is a comprehensive forward analysis of a project's viability. It may be used by financial institutions to assess the credit-worthiness for project financing.

The DFS will comply with Government requirements and the results will assist with the potential preparation of a mining lease proposal and Program for Environmental Protection and Rehabilitation (PEPR) as required under the Mining Act, 1971.

Information that must be submitted in a mining proposal and PEPR include:

- Description of the mining operations proposed including mining methods and details of the existing environment;
- An assessment of the impacts of the proposed operations;
- An outline of the measures proposed to manage, limit or remedy those impacts;
- A statement of the environmental outcomes expected to occur plus a effects of the criteria to be adopted to measure those expected environmental outcomes; and
- The results of any consultation undertaken in connection to the proposed mining operations.

Iron Road intends to implement community consultative committees to assist in reviewing elements of the Definitive Feasibility Study. In addition, Iron Road will place a strong emphasis on stakeholder and community consultation during the DFS, and will hold community engagement events, as well as accepting public submissions before the report is finalised.

Questions & Answers

Timelines

When will landholders find out if their land is going to be required to be purchased?

Shortly after release of the Prefeasibility Study (PFS) in June 2011, Andrew Stocks, Managing Director of Iron Road, visited landowners that are likely to be directly affected by the mine in terms of land acquisition. The PFS findings were explained and landowners were requested to discuss with their families, in their own time, the implications of Iron Road wanting to purchase part of or all of their land.

When will you purchase the land?

No particular timeline has been set, although it is preferable that this occur by the end of 2011. To date no offers have been made either formally or informally.

How much land needs to be purchased in total, what is the timeline for this?

The land that needs to be purchased will involve property held by five families. These families are obviously aware who they are and Iron Road, at their request, will be dealing with them all privately (see above for answer to second part of question).

When will mining start to take place and in which order will the deposits be mined?

Based on current estimates, pre-stripping will probably take place during 2014, with mining by 2015. The PFS was based on the areas known as Murphy South and Boo-Loo and the Definitive Feasibility Study (DFS) is focused on these areas only.

Social Effects of the mine

How will the mine support the township of Wudinna?

A range of social, economic and infrastructure benefits are likely to flow from the project to Wudinna and other nearby townships and the Central Eyre region.

These benefits are likely to include increased:

- Employment opportunities
- Apprenticeship opportunities
- Education and training opportunities
- Support for recreation, sport and community initiatives

- Health and educational services (related to population increase)
- Personal income levels and associated increase in consumer spending
- Business development opportunities
- Economic diversification and 'drought proofing'
- Infrastructure improvements including communications, electricity, water, roads, rail and export facilities
- Reinstatement of airline services

What percentage of workforce will be 'fly in fly out'?

During the construction phase a large proportion of the workforce is expected to be Fly In-Fly Out (FIFO) due to the numbers and skill set required and the relatively short duration of the work.

During mining the emphasis is on a residential and drive in-drive out (DIDO) workforce with minimal FIFO workers. Iron Road is looking at ways to encourage residential staff and preference will be given to local and regional candidates. Iron Road will work with government and local education providers to ensure training opportunities facilitate a skilled local workforce.

Is there going to be a 'Miners Camp' and if so where?

There will be a construction camp that will be downscaled during the mining stage to house single and DIDO workers. Preliminary talks with Council indicate the camp could be situated in Wudinna to the west of the Eyre Highway, though consultation with the local community will assist in determining the best location.

Will the workforce support the likes of the local community sports club?

Yes, absolutely. It is difficult for Iron Road's current contractors to participate in sporting teams due to their work hours and rosters but when mine workers are residing in the region we anticipate that many would participate in sporting and other social activities.

Will the mining company support the families that are affected with necessary counselling?

Yes, Iron Road has already been in discussion with several members of community health in Wudinna in this regard.

How will local businesses benefit from the mine or will it all be trucked in direct from Adelaide?

It is the express intention of Iron Road to source locally first and regionally second. Iron Road intends to identify and potentially assist those who seek new or expanded business opportunities.

What effect will the mine have on the local cemetery?

None.

How will the local township of Warrambo and the residents there be affected?

The proposed mine site is approximately 6km to the east of Warrambo and any negative impacts associated with the mine's activities (dust, noise, vibrations, light spill etc) are expected to be negligible.

However, the project does represent an opportunity to reinvigorate Warrambo through attracting families to the town and associated economic opportunities (see benefits described above for Wudinna).

How much will local businesses have to increase prices to compensate for the higher living costs in the community?

Social impacts of the mining operation will be examined in detail during the Definitive Feasibility Study (DFS) and during the community consultation process. However, higher living costs are not necessarily certain.

How will the mine affect the Warrambo silos and the farmers who deliver their grain?

The silos are unaffected. Please see below for the second part of the question.

How will the mine change or affect the current road structure?

The mine is likely to impact current access along part of Kimba Road. This will be subject to investigation during the DFS and discussed during the community consultation process with a view to involving the community in identifying how alternatives could be safely and effectively managed.

Will Warrambo Community Club be affected? – this club is very important to the local community.

The mine will not encroach on the oval or the Club. The Club is expected to benefit from increased membership and funding.

How many extra children will the mine bring to Wudinna School?

Social impacts of the mining operation will be examined in detail during the Definitive Feasibility Study (DFS) and during the community consultation process. Iron Road intends to encourage families to move into the region which will have a positive outcome on school enrolments which in turn could mean a larger curriculum offered to students.

Will the mine put extra pressure on the hospital, doctor and police in Wudinna?

A population increase associated with the mine will improve funding, services and staffing thresholds and likely result in an expansion of existing services and facilities. All stakeholders and interested parties will be consulted during the community consultation process and the DFS.

Will the mine attract families to the district, if so where will they live?

The mine is expected to employ approximately 480 permanent employees for 30+ years. The preference is for a residential workforce that will reside in nearby towns. DIDO employees may reside in more regional centres further afield, eg. Port Lincoln, Ceduna, Whyalla, Port Augusta, Streaky Bay.

Environmental Effects

When will an environmental impact study be completed and available to the public for comment?

The DFS will be conducted during 2012 and a large component will include the undertaking of various environmental studies. The regulatory process involved in lodging a mining proposal with PIRSA requires Iron Road to consult with the community on all aspects of the environmental studies and the proposed impacts and outcomes.

How close can you live to the mine?

Many communities around Australia live adjacent or close to existing large mining operations, eg. Strathalbyn SA, Hunter Valley NSW, Parkes NSW, Orange NSW, Boddington WA, Kalgoorlie WA. The exact distance in the case of Iron Road's mine will be determined during the DFS once the extent of the final pit is known. The mine site will be approximately 6km from the nearest township of Warrambo.

How large will the exclusion zone around the mine be?

The mine boundaries are unknown at this stage since resource drilling to define the orebody is still in progress. Once this is complete the area impacted by the mine will be determined during the DFS (see answer above to “When will mining start to take place and in which order will the deposits be mined?”).

What distance from the mine will suffer the effects of the dust?

There are strict requirements with respect to dust that will be imposed on the mining operation by the regulator (PIRSA) and dust and its management measures will be examined in detail during the DFS. Effective dust control/suppression and real time dust monitoring will be a major factor during mining and processing. Modern mining operations are successful in dust control.

What will the impact of the dust be to neighbouring houses?

Please see above.

Will the dust impact on the growing crops?

Please see above.

Will the dust impact on the rain water collected on neighbouring houses and sheds?

Please see above.

What will be the impact of blasting to neighbouring houses?

All waste rock and ore will be dug out until a depth of 40-80m with blasting only required thereafter. The pit is likely to have a large berm constructed around it to contain noise and any other impacts of blasting.

Will the mine have any impact on the already evident magnesia salinity swamps in the area?

Groundwater studies conducted during the PFS indicated no issue in this regard. During the DFS a more comprehensive groundwater study is required with all impacts on existing systems assessed.

Why should a few investors make a short term profit to the detriment of our long term viability?

A large mining operation such as the one proposed demands a large amount of capital provided by many investors at considerable risk. The investment is a long term one and will have significant economic benefit to both the region and South Australia.



visit the Iron Road website at
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to view the *Closer Look* Central Eyre
Iron Project community presentation
please visit
www.ironroadlimited.com.au



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