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DUBBO ZIRCONIA PROJECT (DZP)

Community Newsletter No. 7, 16 November 2012

A new Alkane video explaining the strategic importance of the Dubbo Zirconia Project has been released on the Alkane website www.alkane.com.au

Project development update

Since our last community newsletter, we've reached a number of project development milestones.

Plant location

The location of the mineral processing plant and its associated solid and liquid storage facilities will be finalised in the next few weeks. These facilities are essential for storing waste materials leftover from the process of separating the minerals and rare earths from the ore.

Once the project footprint is finalised, the Alkane team will then commence a series of dust, noise and emissions modelling projects. These will form part of the DZP Environmental Impact Statement, due to be submitted to the NSW Government later this year. The waste characterisation work will include a chemical analysis of the ore tailings to determine the chemical components of both the solid and liquid materials, so that we can design appropriate storage facilities to house them.

Environmental update

Baseline radioactivity summary

As advised in public presentations, the DZP ore deposit contains low levels of the radioactive metals uranium and thorium. A survey for a baseline radioactivity summary has recently commenced. The purpose of this survey is to develop some data around current radioactivity levels at the DZP site before mining commences, and to compare these figures to future measurements that will be taken over the life of the project. Radioactivity occurs naturally in soil, air and water, and so we're expecting to find evidence of some NORM (Naturally Occurring Radioactive Material) radioactivity around the site; this will be carefully monitored over the coming years to ensure that the health and wellbeing of both of our workforce, the local population and the surrounding environment is maintained.



Installing a dust gauge and radiation monitors

New habitats for threatened species

One of the most intriguing aspects of Dubbo's natural landscape is some weird and wonderful animals that have made themselves at home in the region. Alkane remains committed to protecting these animals, and our recent research into the Pink-tailed Worm-lizard is a great example of our efforts.

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Pink-tailed Worm-lizard habitat

Those of you who have read previous versions of this newsletter may know that the Pink-tailed Worm-lizard is listed as a vulnerable species under the *Threatened Species Conservation Act 1995* and the *Environmental Protection and Biodiversity Conservation Act 1999*. A number of these lizards live at the DZP site, and so Alkane has engaged Dr Arthur White, one of Australia's most respected herpetologists, to assist in developing an artificial habitat to ensure they remain protected throughout the mining process.

The man-made habitat uses cement roof tiles to attract ants, which the lizards love to eat.

The ants burrow underneath the tiles and the lizards follow, creating a safe environment in which they live and feed. These man-made habitats will allow for the safe relocation of lizards that are currently living within the DZP perimeter; Dr White and his team are hoping to engage the Dubbo Field Naturalists and Conservation Society to assist with the project so that the biological knowledge of these vulnerable reptiles remains in the Dubbo community.

Community engagement update

Visual impact assessment

A visual impact assessment measures the level at which the mine site changes the appearance of the landscape in which it exists. It will form an important part of the overall Environmental Impact Assessment. Alkane staff have been visiting the farms near the DZP site and taking photographs of their existing views in preparation for the development of a 3D model of the DZP, which will give Dubbo locals a clear idea of what they can expect to see once the site is completely developed.



View southeast from above the Obley Road towards proposed DZP



Tony Fuller (DAA) discussing job opportunities with Peak Hill Wiradjuri

Employment and training opportunities

Alkane staff continue to work with the Central West Aboriginal Mining Steering Committee and the Regional Governing Committee on identifying the skills that mining companies are seeking for projects in the Central West of NSW. This work will help committees, schools and training organisations make informed decisions about the sort of education and training opportunities they offer to help develop work-ready graduates for the DZP.



Grandale House

Alkane recently purchased “Grandale” (off Benolong Road, a 660 hectare property, which lies within the project area, sports a beautiful three bedroom home made from sandstone.



Grandale Homestead

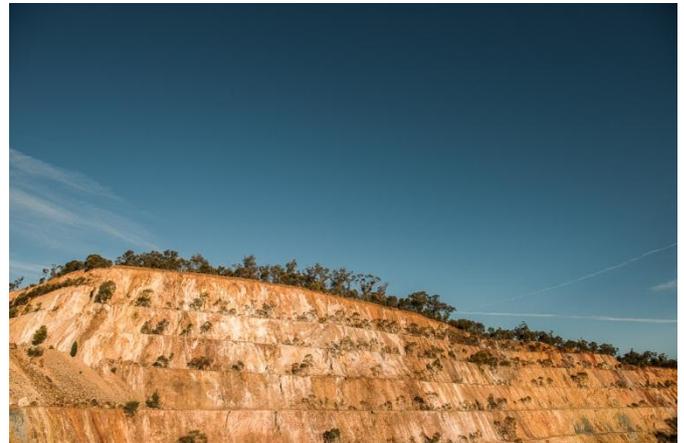
Alkane Zirconia Limited (AZL) is currently looking for suitable tenants through Bob Berry Real Estate for the house only.

The property will continue to be used for mixed farming, on a smaller scale, once the projects gets underway. The Alkane team will ultimately engage in some biodiversity offset planting and management of the remnant bush to offset the environmental impacts of the DZP. The Pink-tailed Worm- lizard has been found on Grandale.

Invitation to Visit the Peak Hill Gold Mine

At a recent community meeting at Toongi an offer was made to take a bus from Toongi to the Peak Hill Gold Mine to specifically see how a mine site can be progressively rehabilitated and closed. The afternoon of 24 November is proposed to run such a tour. Anybody interested in this tour proposed to depart from Toongi Hall at 1pm returning by 4.30pm please contact Mike on 6882 2866

Do you have a friend, neighbour or colleague who might be interested in this newsletter? Please ask them to contact Mike Sutherland on the details below so they can be added to our consultation database.



Open Cut Experience mine tour at Peak Hill

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