



AUSTRALIAN ZIRCONIA LTD

ABN 51 091 489 511
(A wholly owned subsidiary of Alkane Resources Ltd)

Dubbo Zirconia Project

Community Consultative Committee Meeting

Minutes

Title:	Community Consultative Committee	Meeting Date:	05.03.2016
		Time:	4:30pm
Chairperson:	Peter Stanford		
Meeting Attendees:	Janice Hosking Helen Whiteley Clr Allan Smith, Dubbo City Council Mike Sutherland, General Manager NSW, Alkane Resources Nicole Widdison, Secretariat		
Apologies:	Mark Gardner Manny Portelli Nic Earner, COO Alkane Resources Darren Toomey, Dubbo Local Aboriginal Lands Council		
Venue:	Toongi Hall		

Agenda Item 1 Site Tour - Ore Body

The Committee members attended a site tour of the Ore body where they were shown the area. Alex Bagshaw joined the CCC for the tour only.

Agenda Item 2 Open, Welcome and Apologies

Peter Stanford declared the meeting open at 6:08pm. Peter noted the apologies.

Agenda Item 3 Declaration of Conflicts of Interest and Gifts

There were no declared conflicts of interest and gifts. All committee members have completed a pecuniary interest form.

Agenda Item 4 Previous Meeting

Agenda Item 4a

Resolution 1 *The minutes of meeting held on 2nd February 2016 were accepted as a true and accurate record*

*1st: Janice Hosking
2nd: Helen Whiteley*

Agenda Item 4b

The action list was reviewed, all actions from the previous meeting are complete.

Agenda Item 4c

There was no business arising from the minutes.

Agenda Item 5 Correspondence for Review and/or decision (Standing Item)

The Committee discussed the revised DP&E *Community Consultative Committee Guidelines*.

Alkane Resources Corporate had input into the NSW Minerals Council submission to DP&E.

Agenda Item 6 Communication Gaps - Are there any?

The committee do not see any current communication gaps and noted that the company is proactive in communicating with the community.

Alkane Resources Ltd had a stand with a display of exploration materials at the Wellington Show on the 23rd April and the Dubbo Show on the 29th & 30th April and 1st May.

Agenda Item 7 Progress at the Mine - Operational Report

Mike Sutherland gave the committee an update on the project, reiterating the importance of securing project finance. Items discussed were:

- All property deals have been settled apart from part of one of the properties. Once the sub division is registered on title for this property, settlement will occur.
- An overview was given to the committee on the property boundary, Mining Lease, Environment Protection Licence and Project Footprint.
- ASX announcement was issued on the 7th April 2016, a letter of intent with Vietnamese Rare Earth JSC has been negotiated to toll process AZL's rare earth concentrate into individual rare earth products.
- ASX announcement issued on the 24th April 2016 for a \$16m capital raising to progress the DZP through a pro-rata traditional non-renounceable entitlement offer.
- Fergus Job has been appointed the Farm Manager for Toongi Pastoral Company to manage the 2,000+ hectares of agricultural land and 1,000 hectares of biodiversity offset.
- Tomingley Gold Operations is going well with a record gold production for the quarter.
- The current state of world Rare Earths market was discussed.

Agenda Item 8 Issues arising from site inspections (if any held)

The committee had the inspection of the ore body, there were no issues raised by Committee members.

A number of issues relating to the project have been raised to the committee members unofficially, they include;

- Concerns with the level of Dust and Noise from construction and operations.
- Light Emissions from the plant and the effects it will have on the neighbours and Siding Springs Observatory (at Coonabarabran). The recently released siding springs SEPP will be reviewed.
- The increased traffic on the Obley road and the required standard of the road upgrade. In response to this, the road will be constructed to the AUSTRROADS guidelines. The Planning Assessment Commission (PAC) as part of its review of the project reviewed the road transport task extensively and changed the transport to the operational hours and imposed maximum heavy vehicle movement limits on the project. Information on the road upgrade and transport conditions will be placed in the next DZP newsletter.

Groundwater was discussed, it was noted that groundwater will be checked every quarter months for water quality and depth.

Surface water sampling was conducted on 28 February 2016 in the waterways around the project after a 100mm/24hrs event. The report has been complete and will be placed on the website once it is analysed.

Agenda Item 9 Monitoring and Environmental Performance

The groundwater sample monitoring report was discussed in agenda item 8.

The dust monitoring station that was moved from "Cockleshell corner" to "Eulandool" should be reported on shortly.

The question/issue of how the monitoring is conducted was raised by a community member and the response to that question was discussed by the committee.

It was noted that the process developed for the community to raise issues/questions/complaints worked well in this instance.

The Committee noted that feedback from most discussions with the community is they chiefly want to know when construction will commence.

Agenda Item 10 Community Complaints and responses

Discussed in other sections of the agenda.

Agenda Item 11 Information Provided to the Community and any Feedback

The Chairman said that in the future he will contact committee members that are not able to attend meetings to ensure any issues they have are raised.

Agenda Item 12 General Business

The Committee raised that the community is showing concern about the project - with the timeframe being delayed as funding is being sought. It was suggested that Alkane should promote some positive stories about existing operations e.g. Inform the community of the success/local benefits of Tomingley Gold Operations.

Agenda Item 13 Correspondence for Information

The piece of correspondence for information was discussed elsewhere on the agenda.

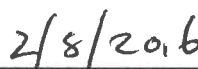
Next Meeting: 2nd August 2016

The meeting closed at 19.20.

Signed as a true and accurate record:



(Signature)



(Date)



(Name)