FREQUENTLY ASKED QUESTIONS ON THE REX MINERALS HILLSIDE MINING PROJECT, ARDROSSAN, YORKE PENINSULA

This document is designed to provide information on the Mining Leases and Miscellaneous Purposes Licence granted to Rex Minerals Pty Ltd (Rex) near the town of Ardrossan in the Yorke Peninsula. The questions and answers provided in this document are based on topics regularly requested by the public.

Contact details for further information from the regulator is provided at the end of this document.

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What is Rex proposing for their revised Hillside Project and how will the Government consider this?

Subsequent to Rex’s 2014 announcement regarding an Extended Feasibility Study, the Department of State Development (DSD) formally requested that Rex provide detailed information about the form of any revised, staged project, and an assessment of the consistency of that revised project with the original Mining Lease Proposal (the ‘Proposal’). Rex has publicly announced the completion of their Extended Feasibility Study, but has not yet finalized a response to the Government’s request for information.

The purpose of requesting this information is to inform an assessment by Government, and determination of any process that would be necessary in order for Rex to pursue the revised project. The assessment will identify the extent to which the revised project is consistent with the Proposal – particularly in relation to predicted environmental impact – and as a consequence any subsequent assessment requirements.

Rex are the holders of a Mining Lease at Hillside, which assigns rights to the minerals provided the deposit is mined in a manner consistent with the Proposal and compliant with the terms and conditions contained in the Lease documentation.

If the assessment by Government of Rex’s revised project concludes that the revisions are not consistent with the Lease, then Rex may either further revise the project and re-submit, or apply for new or additional tenements, resulting in a new application process which will include statutory public consultation.

If the assessment by Government concludes that Rex can demonstrate that the revised project is consistent with the original Proposal, Rex must then prepare a Program for Environment Protection and Rehabilitation (PEPR).
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In accordance with the transparency of the process to date, the results of the Government assessment of whether or not the revised project is within the scope of the approved Mining Lease, and whether or not the company can proceed to submit a PEPR that will meet the requirements of the Mining Act, will be published to the DSD website.

Why has Rex been given an extension to the date to submit a PEPR by Government?

The grant of a Mining Lease to Rex carried with it a requirement for the preparation and submission of a PEPR within twelve months of the grant of the Lease. As a result of the changes in commodity markets, the conduct of the Extended Feasibility Study, and the assessment process described above, in July 2015 Rex requested an extension to this period and to the due date for the accompanying Social Management Plan.

On the basis of the active investigations being undertaken by the company into plans for advancing the Hillside project, and a request from the Hillside Community Voice that an opportunity be provided for full engagement on the content of a PEPR for the Hillside operations, Government has determined that extensions should be granted for these activities to 16 September 2016.

Ministerial Determination 05 sets out the compulsory content of a PEPR for any mining operation. Section 4 requires that any PEPR submitted by Rex must evidence that stakeholders have been engaged in the development of the PEPR – necessarily driving full transparency with the community and landholders about the project design, management strategies, and monitoring and reporting approach that will demonstrate that required environmental outcomes can be and are being achieved, and that the mine is in compliance with all Lease conditions.

DSD has made it clear to Rex that any PEPR that does not evidence thorough engagement with project stakeholders will not be accepted, and the tenement holder will be notified of the requirement to resubmit.

DSD notes that Rex have indicated that the revised project will include a staged approach to mining the Hillside deposit. For clarity, a PEPR submitted by Rex at this time need not address in comprehensive detail all operations to be undertaken over the life of the mine. Rather, and importantly, the PEPR must detail how any staging of the mine development will fit with the life-of-mine plan described in the Proposal, and how those staged operations will ensure the effective and efficient extraction of resources and achieve final closure of the Hillside mine in compliance with the terms and conditions of the Hillside Mining Lease.
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Rex also has a requirement to develop a Social Management Plan (SMP), as outlined in their Proposal, within 12 months of the grant of the Mining Lease. This date was set to ensure alignment of the development of the SMP and the PEPR ensuring that socioeconomic factors were considered when developing the mining plan. The delay to the development of the PEPR will impact the delivery of the SMP and Rex has requested an extension to the formal submission date. This should not impact the conversations that Rex is having with the community in developing the various aspects of the SMP.

Why has Rex withdrawn their application for a Miscellaneous Purposes Licence at the Ardrossan Port

As detailed in the DSD Assessment Report, the assessment of the application for a Miscellaneous Purposes Licence (MPL) relating to infrastructure at the Port of Ardrossan was deferred by Rex Minerals. Rex has now withdrawn their application pertaining to the Port. In processing the withdrawal the Department will formally notify direct landowners and the council of this action and update its databases to reflect the withdrawal. The withdrawal of the application does not prevent the project going ahead as approved, providing all required authorisations are in place.

What has been assessed and approved by Government?

In August 2013, following several years of technical investigations, design, and discussion with many stakeholders including the local community and Government, Rex lodged applications, with the South Australian Government, for mining tenements to support the development of their Hillside Copper, Gold, and Iron Ore mine.

Rex proposed an open cut and underground mine producing 75,000 tonnes per year of copper, 60,000 ounces per year of gold and 1.2 million tonnes per year of iron ore over a proposed mine life of 15 or more years. The final open pit at Hillside would be approximately 500m deep, 2.4km long and 1.2km wide, situated within one kilometre from the west coast of Gulf St Vincent.

On July 28, 2014, after more than six months of detailed assessment by technical experts working for and within the South Australian Government, the Minister for Mineral Resources and Energy formally offered to Rex, with conditions, the following mining tenements including:

- A Mineral Lease (ML) for an open pit and underground mine, a processing plant and waste storage landform facility;

- An Extractive Minerals Lease (EML) for the sale of any excess extractive minerals derived during highway realignment operations; and
• A Miscellaneous Purposes License (MPL) for a power line and pipeline corridor between the proposed mine site and the Port of Ardrossan (Power line and Pipelines MPL)

When does mining start? What comes next?

Currently, Rex has satisfied the first of the two stage process in developing a mine. The government has carefully considered the environmental, social and economic impacts posed by the operations, the potential for treatment, through mitigation or management, of those impacts, and whether any residual impact posed by the project is acceptable. Government has consequently offered the mining tenements (mining lease, extractive minerals lease and miscellaneous purposes licence) to Rex with a significant number of conditions and performance requirements that must be met.

The grant of mining tenements represents the primary mining approval. Before commencing mining operations or preparatory works Rex are required to develop and submit for approval, within 12 months, a comprehensive operational mining plan called a Program for Environment Protection and Rehabilitation (PEPR) for the Hillside mine, and gain an operating licence under the Environment Protection Act.

The PEPR describes how the conditions and requirements of the mining tenements will be achieved. It will include all of the specific details of any monitoring programs required to demonstrate the mine is meeting the conditions of the offer.

Rex will also need to secure access to any land which it requires for operations but does not own, secure funding, employ a workforce of staff and key contractors to support their proposed activities, and pay the required rehabilitation liability bond to government to cover the maximum rehabilitation liability of the site.

How does Government know the mine won’t damage the environment?

The Hillside project has been subjected to one of the most comprehensive environmental assessments of any project in South Australian history, considering potential impacts from the mine during construction, operation and post mine completion.

The environmental assessment has used technical specialists from government including the Department of State Development, the Environment Protection Authority (EPA), and the Department of Environment, Water and Natural Resources, as well as government’s independent technical experts in air quality, geotechnical engineering, tailings storage and geochemistry.
During the public consultation of the project, held for eight weeks, 266 submissions were received and many environmental considerations were raised, all of which were considered during the detailed environmental assessment by the government. These considerations include:

- Air Quality
- Noise and Vibration
- Blasting
- Soil/Land Disturbance
- Native Vegetation
- Native Fauna
- Visual Amenity
- Heritage
- Surface Water
- Public Safety
- Traffic
- Radiation
- Socio-economic Impacts
- Land Access
- Groundwater
- Adjacent Land Use and Protection of Third Party Property
- Weeds, Pests and Plant Pathogens
- Coastal and Marine Environment
- Visual Amenity
- Heritage
- Radiation
- Socio-economic Impacts
- Land Access
- Coastal and Marine Environment

In operation Rex will be subject to strict regulation and monitoring, including the continuous monitoring of dust, noise and meteorological conditions. Reporting of the monitoring results, including real-time dust and noise monitoring, will provide the public the opportunity to validate the mines performance for themselves.

Rex’s compliance reporting will contain the results of all monitoring activities, and this will be available to the public.

**What if the Hillside project changes, or Rex discovers another potential mine?**

The assessment of the Hillside project has been undertaken on the scope of work outlined in the proposal. If Rex propose changes to the scope of works beyond what has been outlined in the mining lease proposal these must go through a separate assessment and approvals process, which would include consultation with the community.

Any proposal to develop another mine on the Yorke Peninsula would require a new Mining Lease Application which would be subjected to the same extensive studies, regulatory approval processes and public consultation that the Hillside application has been subjected to.

**What happens next?**

The process outlined in the below chart details the steps that will be undertaken following the offer of the Mining Lease on 28 July 2014.
### HILLSIDE COPPER PROJECT – NEXT STEPS

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Department of State Development (and other Govt agencies)</th>
<th>Rex Minerals (SA) Pty Ltd</th>
<th>Community and Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 July 2014</td>
<td>Department gives conditional approval for the Hillside Copper Project</td>
<td>Rex receives details of the conditions of approval</td>
<td></td>
</tr>
<tr>
<td>Within 21 days of conditional approval, but can be extended</td>
<td></td>
<td>Rex reviews the conditions and either accepts or rejects the conditions</td>
<td></td>
</tr>
</tbody>
</table>

#### A. If Rex accepts the conditions of the approval

<table>
<thead>
<tr>
<th>After receipt of acceptance</th>
<th>Department notifies Rex of the grant and issues the formal documents</th>
<th>Rex receives formal documents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As soon as practical following the grant</td>
<td>Department notifies the landowners and parties who made a submission to public circulation of the grant, including the conditions imposed on Rex</td>
<td>Landowners and parties who made a submission to public circulation receive notification of grant and conditions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department publically releases the details of the grant of the leases and miscellaneous purposes licence, the conditions and the assessment report</td>
<td>Details of the grant are publically available on Department website</td>
<td></td>
</tr>
<tr>
<td>Within 12 months of the grant, PEPR must be submitted</td>
<td>Conditions of approval, legislation and policy set the requirements for the PEPR document</td>
<td>Community provides input to PEPR through ongoing consultation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department assesses the PEPR</td>
<td>PEPR must contain evidence of extensive community consultation in the development of an ongoing community engagement plan</td>
<td></td>
</tr>
<tr>
<td>As soon as practical following the approval</td>
<td>Should the assessment of the PEPR have a positive result the Department approves the PEPR and makes it publically available</td>
<td>PEPR is publically available on Department website</td>
<td></td>
</tr>
<tr>
<td>Within 12 months of approval of the PEPR, work must commence—or can apply for an extension to this time frame</td>
<td>Rehabilitation bond is held by the Department. Rex provide evidence of public liability to the Department</td>
<td>Rex pays its rehabilitation bond to the Department. Rex are required to obtain public liability insurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other agencies assess applications for environmental approvals</td>
<td>Rex must obtain any other required environmental approvals, for example EPA licences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Land access arrangements can be made at any time throughout the process but must be finalised before Rex commences any mining operations on the land</td>
<td>Before undertaking any work on land Rex must finalise land access arrangements with landowners</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rex commences work at Hillside Copper Project</td>
<td>Land access arrangements are finalised</td>
<td></td>
</tr>
</tbody>
</table>
What will the mine look like?

The Rex mining lease proposal took into consideration a Visual Amenity Assessment which included graphics depicting the mine site during and after operation, supported by 3D modelling. It explains the visibility of mine infrastructure at various mine development stages from vantage points around the mine site. This appendix is available to be viewed at: http://www.minerals.statedevelopment.sa.gov.au/mines__and__developing_projects/developing_projects/rex_minerals_hillside_copper_mine_proposal

The large waste rock landforms that will be built have been designed to screen the mining operations, processing plant and pit from the public road and provide noise attenuation to local communities. The waste landforms will be progressively rehabilitated and re-established with native vegetation to minimize visual impacts.

Should I be worried about Uranium or Radiation with the mining that will occur?

This is an understandable question given just the word 'uranium' worries some people. It may be helpful to state what we know:

From the comprehensive assessment of all of the information provided during the application process, we know that operations at the Hillside mine will be safe for the public, residents and workers.

We know there is uranium that occurs naturally in the ground and along the cliffs on Yorke Peninsula – it has always been there, and is safe.

We know that over the life of the mine and after closure there will be low, but safe levels of uranium at Hillside, within the mine, and in the mine waste. It will not increase over time, and it will not become unsafe in the future.

The uranium content of the ore and concentrates produced by the mine are very low and the EPA has not yet made a determination as to whether the Hillside mine will be licensed under the Radiation Protection and Control Act. However, based upon the, information provided by Rex Minerals, the EPA has determined that the operation can be conducted in a manner that will ensure protection of people and the environment. Irrespective of the outcome of the licence
determination, the requirements of the RPC Act will be applied to ensure the safe operation of the Hillside mine, just as they are for other South Australian mines.

State regulators will strictly oversee the operation, and demonstrate to the community and workers that people are safe. South Australia is nationally and internationally recognised as a leading regulator of uranium mines. The level of expertise within the EPA is long established and involves regulation of not only mining but also other activities where radioactive materials are present.

In developing the standards for the Rex mine, government has worked intensively with radiation protection specialists, mining engineers, geochemists, and environmental scientists in the comprehensive review of the Hillside mine. We all want confidence when it comes to uranium mining, and to maintain South Australia’s exemplary record in uranium mining regulation. We understand that food producers in the region are proud of their reputation as clean green producers and we will not be jeopardising this in any way.

Rex will need to demonstrate to the regulators that all the standards and processes are being completely followed. If the mine becomes operational, part of this demonstration will include the monitoring of the mine workers, who will work every day at the ore body, to evidence that exposure levels are low and safe.

On average, Australian’s receive about 1.5 millisieverts radiation exposure each year from natural background radiation. The radiation dose for mine workers is expected to in general be less than this natural background. Any radiation exposures for the public would not be expected to be detectable above the natural background.

Won’t the processing of the ore mean that any uranium on the site will be concentrated in the tailings dam and this can then leak out into groundwater?

The processing of the ore itself would not concentrate uranium on site.

The remaining small portion of uranium is contained within the tailings and waste rock.

Rex has calculated that the average uranium concentration in the tailings will not be more than 0.0057% which is near the average ore body grade. The tailings composition and all mining areas will be regularly checked as part of the compliance audits.

At these low levels, we know there is no risk to human health or the environment.

The lining of the dam is specifically designed to minimise any potential leakage. The tailings facility is designed with an engineered liner and an underdrainage collection system, which directs any
captured seepage to a collection pond for reuse in the mines processing plant. Should any leakage enter the underlying rock there is a further significant confining natural ‘clay’ layer between the rock and the groundwater.

The tailings facility will be monitored to ensure any seepage does not present the potential for any environmental impacts. There will be a complete protocol planned and tested ahead of time to manage any detected leaks and resolve issues if they occur.

The management of tailings is a monitored activity and the Act has a range of enforcement options and penalties available to the regulator to ensure compliance, including powers to shut down the mine.

We will continue to provide information about this issue and will have both our own uranium experts and independent experienced experts available for discussion on this topic for the community and other interested people.

**What about the comments from academics and others who say the dust will end up in the sea or even as far as Adelaide?**

Government understands that the Gulf is precious, and the home to fishing, aquaculture and tourism industries that are critical to our State.

Rex have been required to investigate all possible impacts on the Gulf from their project. Potential impacts from mining activities were explained in detail in their mining lease proposal. Potential impacts from activities from ship loading at the port were detailed in the assessment of the port infrastructure upgrade under the *Development Act 1993*.

The result of the mining lease assessment concluded there will be no discharges to the Gulf from the Hillside mine via surface or groundwater. The dust from the mine can and will be managed in a way that ensures there will be no impact on the marine environment.

To demonstrate this to the community, Rex has undertaken monitoring of the marine environment between Pine Point and Ardrossan and has established the baseline for the seagrass area and seabed sediment composition. The monitoring will continue throughout the life of the mine, to evidence that the mine is not impacting on the marine environment. This information will be made public through Rex’s compliance reporting to provide confidence to the local community and the industries that make their income from this Gulf region.

The assessment of the proposed mine, by the regulator and its independent expert, included specific detailed in-depth analysis of dust generated from the site. The small amount of dust entering the marine environment will contain only a fraction of the concentrations of copper and
uranium that are present in the ore and at levels far below those that would impact on human health, the marine environment, adjacent crops or livestock.

Rex will be required to undertake comprehensive management supported by continuous dust and meteorological monitoring. Results of the monitoring will be available in real-time and online to enable the community to access this information at any time and provide Rex with the ability to demonstrate and explain to the community that there are no impacts due to dust.

Rex will be proactive in the management of dust and should the monitoring network identify the potential conditions that may lead to an exceedance of allowable dust limits, Rex will immediately implement a range of strategies to modify operations and avoid a breach. At certain times Rex has acknowledged this will result in the ceasing of some activities completely until conditions improve.

Once mining is completed, there will no longer be any mining activities to generate dust. All open areas will be rehabilitated and re-seeded to prevent dust generation.

**How long will mining last?**

Rex’s application for the Hillside mine has indicated the resource will provide a mine life for 15 or more years.

The approval that has been offered to Rex for Hillside specifically restricts operations to the activities described in the mining lease proposal for the Hillside mine.

Should Rex propose to significantly modify those operations, then that proposal will also need to meet all of the extensive requirements of the Mining Act and any other relevant legislation. It would have to go through all the requirements and processes that Rex have gone through for the last five years with the government on this current mining lease proposal.

The offer of mining tenements given to Rex only relates to the current Rex Minerals Hillside project and nothing else. A term of 21 years has been offered to allow operational planning and post closure rehabilitation.

**Does the grant of the mining lease give Rex the right to access my land?**

No. There are no provisions in the Mining Act for miners to compulsory acquire land. Rex cannot undertake any mining or construction until they have reached an agreement with the landowner or by an order of the Court.

The recent offer of the leases and licence does not give Rex any new rights to access land. Rex will need to either purchase the relevant land or negotiate a land access agreement including any
Rex Minerals Hillside Mining Project: *Frequently Asked Questions*

waiver agreements as required under the Mining Act 1971 before they are able to enter the land to commence mining operations.

If Rex and the landowner cannot reach an agreement, Rex will need to consider making an application with the appropriate Court seeking an order of the Court to access the land. A landowner is entitled to appropriate compensation paid by Rex for access to their land for mining.

The Mining Act includes a specific provision where the landowner can apply to the Land and Valuation Court seeking an order for the miner to purchase their land where mining operations will substantially affect the owner’s use and enjoyment of the land.


**What will the landscape look like when it is finished?**

A critical component in the assessment of Rex’s Hillside project relates to rehabilitation and mine closure. The proposed lease conditions as well as the PEPR will require infrastructure on site to be removed, the site tidied, the waste rock landforms shaped and re-vegetated for long term stability and visual amenity, and measures put in place to protect public safety.

Government will also be requiring Rex to pay a substantial financial bond to cover the full cost to government should it be required to undertake rehabilitation and mine closure. The appropriateness and level of the bond is reviewed regularly to ensure the liability cost is covered.

Through discussion with the community Rex has identified that a key outcome of the closure for the community is for Rex to return as much of the land as practicable to agricultural use.

Not all of the area of the mining lease will be able to be returned to agricultural use: that is a reality of a mine like this. At completion of closure, Rex anticipates more than 50% of the land can be returned to agricultural use, and a further 30% will be replanted with native vegetation. The remaining area will be the pit void.

The detailed plan outlining the mine closure and rehabilitation process is provided in the PEPR, and must be developed in consultation with the local community and landholders throughout the life of the mine. Community input in relation to mine closure will be ongoing and critical throughout the life of the mine.

Open Pit:
Rex Minerals Hillside Mining Project: Frequently Asked Questions

- The proposed pit outline will be 2,400 metres long and 1,000 metres wide with steep slopes to a depth of up to 450 metres. Underground mining will go a further 250 metres below the open pit.

- After the mine has closed, the pit would slowly fill with water from runoff and inflow from groundwater. Modelling predicts the pit will receive, rather than lose ground water to the surrounding environment.

- As a result of underground mining, significant backfilling of the pit is unachievable economically and practically, though some backfilling is possible.

Waste Land Forms

- There are three proposed waste land forms, which as well as storing waste rock (rock without significant mineralisation), will incorporate the integrated Tailings Storage Facility (TSF), screen the plant from road users, and assist in shielding the open pit from the road and local Pine Point residents.

- The waste rock dumps will vary in height from 20m high to a maximum height of 115m above ground level. Once the mine is finished, the slopes of the waste rock dumps will be contoured and rehabilitated with Rex indicating a focus is on maximising the return of lower slopes to agricultural purposes.

If there is copper in the dust, could it affect livestock or water tanks?

The assessment of the proposed mine, by the mining regulator, the Environment Protection Authority and an independent expert included specific detailed in-depth analysis of dust generated from the site. The conclusion of that assessment is that dust from the mine can and will be managed in a way that ensures there will be no adverse impact on human health, the environment, adjacent crops or livestock.

Rex will be required to comprehensively manage potential dust sources, and to evidence successful management through continuous dust and meteorological monitoring. To enable the community to access this information at any time the results of the monitoring will be available in real-time and online. During the life of the mine, Rex will also be required to undertake testing of rainwater tanks in the vicinity of the mine, to demonstrate that there is no cause for public concern.

Should the monitoring network identify conditions that may lead to an exceedance of allowable dust limits, Rex must immediately implement a range of strategies to modify operations and avoid a breach. At certain times Rex has acknowledged this will result in the ceasing of some activities.
completely until weather conditions are more favourable and / or further control measures have been implemented.

The small amount of dust emitted from the site will contain only a fraction of the concentrations of copper and uranium that are present in the ore and at levels far below those that would impact on human health, the environment, crops or livestock. Uranium at Hillside does not pose any risk to the public or environment.

Once mining is completed, there will no longer be any mining activities to generate dust. All open areas will be rehabilitated and re-seeded to prevent dust generation.

**How much cropping or agricultural land is being lost to mining?**

The Hillside Mining Lease has an area of just under 3,000 Hectares of the 470-540,000 Hectares of Yorke Peninsula under crop annually as recorded in the Department of Primary Industries and Regions *Crop and Pasture Reports*.

Part of the Mining Lease will continue to be managed as productive crop land, meaning a reduction on Yorke Peninsula during the life of the mine of less than 0.4%. At the end of mine life, there will be an ongoing loss of 877 Hectares, or 0.16% of Yorke Peninsula’s cropped land. The final area not returned to agricultural land represents the open pit (approx. 260Ha) and those areas too steep for agricultural pursuits on the contoured landforms which will be replanted with native vegetation (approx. 620Ha).

**Will local landholders have a say in the approval process after the Government’s offer is made?**

Rex will need to prepare a plan in consultation with the community for the safe operation of the mine. This plan is known as a Program for Environment Protection and Rehabilitation (PEPR). It will detail how it will listen to community concerns and achieve the required standards.

Rex, in direct consultation with the local community, is also required to develop the Social Management Plan committed to in their Mining Lease Proposal. This will include a Communication Management Plan, Local Employment Management Plan, Local Business Development Plan and Community Relations Management Plan. The government expects Rex to continually engage, communicate and interact with the community over the mine life to address their concerns.
Will any compensation be offered to farmers if damage is caused to their land, crops or livestock as a result of the mine?

The Hillside project has been subjected to one of the most comprehensive environmental assessments of any project in South Australian history, considering potential impacts from the mine during construction, operation and post mine completion.

Should Rex accept the offer, develop a PEPR and proceed to operations they will be subject to strict regulation and monitoring, including the continuous monitoring of dust, noise and meteorological conditions. Reporting of the monitoring results, including real-time dust and noise monitoring, will provide the public the opportunity to validate the mines performance for themselves.

Any damage to neighbouring property that has not been previously agreed between the parties is unacceptable, and Rex will be required to prevent this from occurring. In the event that damage does occur, Rex would be required to rectify/provide compensation for that damage.

The combination of the Ceres Windfarm and this mine will together have a material impact on our regional landscape. How does this align with our regional landscape and community, in particular the significant tourism and recreational focus?

During operation, and particularly after mining has been completed, the mine will be required to minimise negative visual impact, through landscaping and screening, however both the windfarm and mining developments will result in changes in local visual amenity.

The government assessment of these projects has considered the potential impacts on the local environment and community, and on balance determined that – subject to significant regulatory conditions – they can be developed in an environmentally responsible manner, with effective mitigation and management strategies available for controlling impacts and ensuring that the projects can be undertaken in a manner that is acceptable to, and provides a benefit for, the local, regional and broader South Australian community.

Why did it take so long to grant the lease? How does the public know if any of the conditions have been changed?
The grant of a Mining Lease is the first formal stage for a company moving to develop a mining operation. The Lease specifies the environmental outcomes to be achieved and which must be set out within the mine operational plan, and details the conditions which must be adhered to in operation. Lease conditions are developed specifically for each approved mining lease application and the same process of review is undertaken by all companies.

The consideration of the offer is therefore an important procedural step which allows companies to undertake detailed legal and technical review of the conditions offered by the government. It is not a negotiation process; it is an opportunity to ensure that there are no misunderstandings regarding the intent, interpretation and application of lease conditions during all mining phases including operation and closure; no unintended consequences of the conditions, and that the company is prepared to take on the liability of the Lease on the terms and conditions offered.

During the consideration period for the Hillside Lease, Rex sought explanation and further clarification of a number of the terms and conditions of the mineral leases and license. The Department of State Development met with Rex Minerals to understand the issues raised by the company, and to provide explanations and clarification of the various issues raised. The Department also undertook a comprehensive review of each of the issues raised by Rex, and sought relevant advice from the Government’s technical experts.

The Government review of the Lease and License Documents identified a number of minor alterations that could be made to provide additional clarity for the tenement holder, for the community, and for Government. Importantly, the alterations have not reduced the level of protection afforded to the public or the environment through the terms and conditions applied to the mineral tenements.

The Government also has a newly adopted format and framework for Lease documents and this will have contributed to the time required by Rex to understand and evaluate the condition set offered for the Hillside Mine.

**What do the Rex announcements made on 8 August mean for the Hillside project?**

On 8 August 2014, Rex announced the formation of an advisory board and an extension of the Feasibility Study to pursue lower capital start-up options for the Hillside project near Ardrossan on the Yorke Peninsula.

It is understandable that this announcement raises a series of questions for community and other observers.
Rex Minerals Hillside Mining Project: Frequently Asked Questions

Rex have publicly stated that it remains focused on developing a large scale copper-gold-iron ore mine at Hillside, but that it is investigating smaller scale start-up options to reduce the Project’s start-up capital cost.

As the extended feasibility study is not yet complete, to date Rex has not provided specific details on any alternative start-up options. Should Rex contemplate any changes to the proposed operations that are not within scope of the current tenement proposals, these would need to be reviewed by government to determine what processes Rex will need to follow to pursue those options.

How do I get further information? Where do I go?

Once Rex has made a decision on the offer made by government, the full decision including the comprehensive Assessment Report for the Hillside project will be made available online by the government at:

Rex’s website includes company background, contact details and further information at www.rexminerals.com.au.

The government and the regulators will continue to make themselves available to the public to listen and talk about concerns and issues. This will include having experts in specific fields, such as dust movement or radiation, available, and other mining professionals also available to address questions. The government is focused on ensuring the community is confident that the mine is running safely and professionally at all times.

Contact Details

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