

Kingaroy Concerned Citizens Group



Public Meeting
7-00pm
Wednesday
11th May 2011



Gary Tessman

President:KCCG

- Welcome
- Apologies
- Who is the Kingaroy Concerned Citizens Group? (A Brief History)

John Dalton

Secretary:KCCG

□ **Agenda**

- 7-00pm **Welcome** Who is the Kingaroy Concerned Citizens Group? (Gary Tessman)
- 7-10pm **Why are we meeting tonight?** Recent events Cougar Update (John Dalton)
- 7-30pm **Strategic Cropping** Does it protect SB soils (Brian Tessman: QFF)
- 7-40pm **How a fully developed Bauxite Mine would operate** (Qld Bauxite)
- 7-50pm **Implications for the South Burnett** (David Carter)
- 8-00pm **Community Engagement, EPM's and SCL** (DERM: Kate Jones?)
- 8-20pm **Quick Questions From the Floor** (Gary Tessman)
- 8-30pm **How a Community Can Influence Government** (Drew Hutton)
- 8-40pm **Moving or Motions** (Gary Tessman)
- 9-00pm **Absolute Latest finish**

- **(After Meeting:** Join KCCG Donations received)

John Dalton: Cougar Energy Update

What about Linc Energy benzene?

- Letter from Rod Kent @ DERM
- Regarding Linc Energy and its benzene and toluene control, I have attached some information from the company's website, which is consistent with established UCG production theory i.e. that keeping burn chamber pressures lower than that of the surrounding groundwater pressure, ensures that contaminants are retained in or within close proximity to the burn chamber and within the coal seam that the burn is occurring in.

John Dalton: Cougar Energy Update

What about Linc Energy benzene?

- The gas produced (syngas) contains contaminants and as such a large portion of contaminants leave the burn chamber with the syngas as it is brought to the surface during production and are used commercially.
- The smaller portion of contaminants which remain in the burn chamber, are held there by keeping the chamber pressure lower than that of the surrounding groundwater



John Dalton

Cougar Energy Rehab?

- Regarding Cougar Energy:
- The Department has assessed the Final Land Use and Rehabilitation Plan (FLURP) received on 21 March 2011 and found that it did not fully meet the requirements of the Environmental Authority.



John Dalton

Cougar Energy Rehab

- The FLURP as it currently stands does not address the procedures required for decommissioning and restoration of groundwater at the site in accordance with the EA requirements.



John Dalton

Cougar Energy Rehab

- Cougar have been advised to provide details of procedures for decommission and restoration in regards to groundwater.
- As advised previously the Department will provide a copy of the FLURP once it is finalised and DERM has completed its assessment

John Dalton: Cougar Energy Update Rehab Plan.

- As I am sure you would appreciate the FLURP and ultimately the works allowed and/or required at the Cougar site, will be linked to the Departments final decision on the Notice of Proposed Action (NOPA).
- Whilst I cannot pre-empt any decision by the Department on the NOPA, I can advise that the Department will contact you as the representative of the Kingaroy Concerned Citizens group at the time the decision is made



Cougar Energy

FINANCIALS

- **In the half year to December 31, 2010 total revenue was down 48.1% to \$98,024; net loss of \$33.1 million.**

Cougar Energy

SHAREHOLDER RETURNS

- **Trailing one week:** The value of \$1,000 invested a week ago is \$900 [vs \$975 for the All Ordinaries index], for a capital loss of \$100 (or loss of 10.0%).
- **Trailing one month:** The value of \$1,000 invested a month ago is \$711 [vs \$966 for the All Ordinaries index], for a capital loss of \$289 (or loss of 28.9%).
- **Trailing one year:** the value of \$1,000 invested one year ago is \$278 [vs \$1,064 for the All Ordinaries index], for a capital loss of \$722. The total return to shareholders for 1 year is -72.2%.

□ PV\$1000	1-week	1-month	1-year
□ CXY	\$900	\$711	\$278
□ Energy	\$973	\$952	\$590
□ All Ordinaries	\$975	\$966	\$1,064

Bauxite Vs Sustainable Farming?

- ❑ Land holders contacted by Qld Bauxite prior to exploration drilling
- ❑ KCCG contacted by landholders
- ❑ Discover EPM approved by DERM in March 2010
- ❑ Discover SCL criteria excludes volcanic soil on at least one criteria

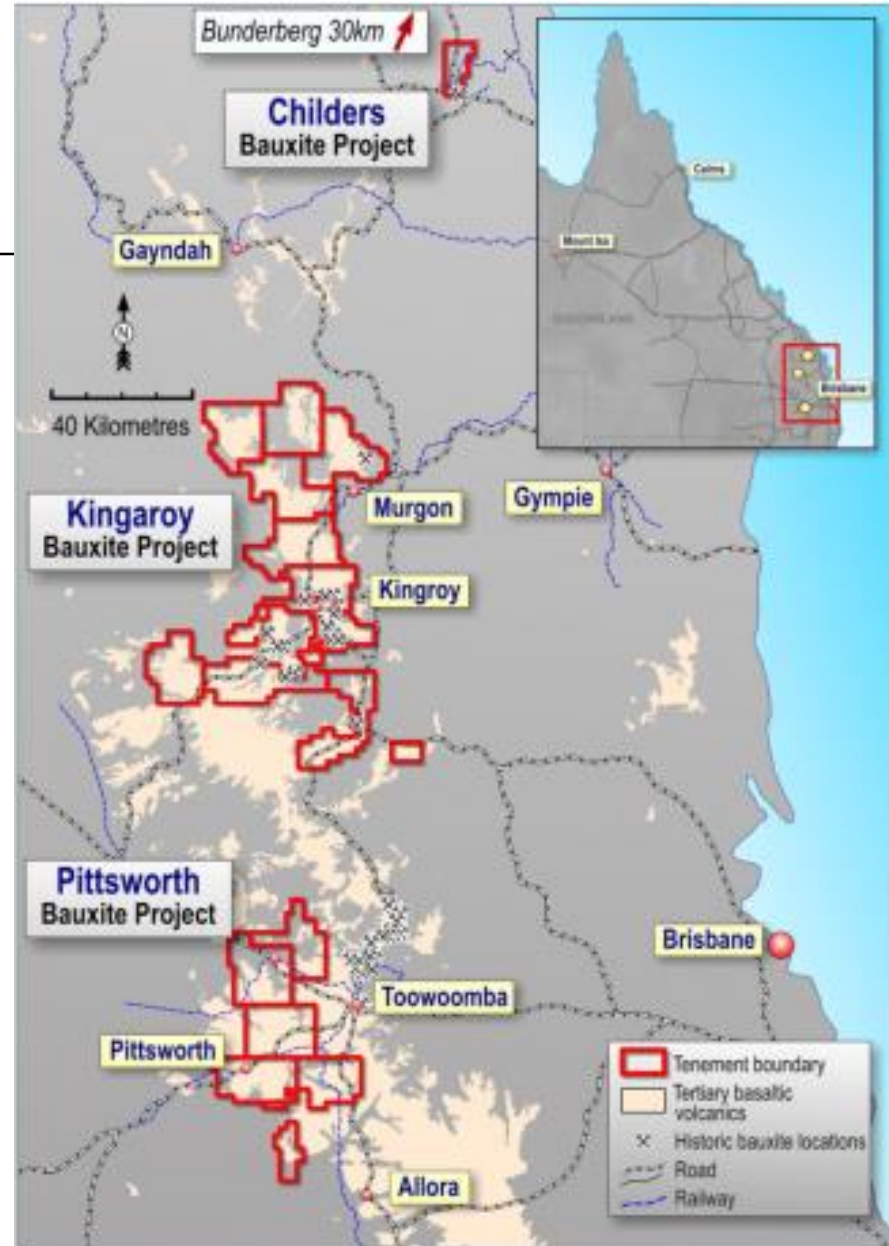


Bauxite Vs Sustainable Farming?

- Letter to Minister reminding her of previous undertaking about Community Engagement.
- Media release advising of intention to hold this meeting.



Bauxite Where??



Mayor David Carter advises that there may be overlap of EPM and MDL

- Dear Members of the Kingaroy Concerned Citizens Group
- Under the Queensland Mineral Resources Act it would be illegal for Queensland Bauxite to undertake any exploration over the Mineral Development Leases (MDL) of Tarong Energy (Kunioon) or Cougar Energy.
- Any landowner that is in these areas (MDLs) that have been contacted by Queensland Bauxite to undertake drilling on their property should refuse them entry. If you have already agreed make sure that you contact the Company and explain that they would be in breach of the Queensland Mineral Resources Act.
- If you would like more information please contact me.
- Regards
- **Cr David Carter**
- **Mayor**
- South Burnett Regional Council

Bauxite Vs Sustainable Farming?

- ❑ **EPM granted March 2011**
- ❑ 5,968 km² of bauxite prospective terrain
- ❑ •Potential to contain high quality gibbsitic bauxite with a low reactive silica content
- ❑ •The South Queensland Projects consist of the following three project areas:
 - ❑ –Childers Project
 - ❑ –Kingaroy Project
 - ❑ –Pittsworth Project
- ❑ •Close to road and rail transport
- ❑ •**Landholder consultation has been undertaken and favourable response received**
- ❑ •No native title claims over granted tenure
- ❑ •Access for exploration granted



2009 Toowoomba Chronicle Report



- A Bauxite Future For Kingaroy?
- **November 19, 2009** - A report in today's **Toowoomba Chronicle** has hinted that a bauxite mine and aluminium refinery could form part of the South Burnett's future.

Sydney-based bauxite explorer **Volcan Holdings** has applied for mineral exploration permits at Kingaroy, Childers, Pittsworth, Ravenshoe and Atherton.

Volcan chairperson **Mrs Pnina Feldman** told the newspaper they wouldn't have taken up the tenements if they didn't think they were worth it. She said world demand for aluminium was growing and her company had received a lot of investor interest.

In a **project report** (2Mb PDF), Volcan Group Chief Geoscientist **Dr Simon Pecover** said extensive deposits had been located previously at Kingaroy.

Exploration almost 10 years ago had located major deposits considered to be suitable for establishing local alumina refineries using the Bayer process.

The Bayer Process involves washing the ore in a very hot solution of caustic soda converting the alumina to aluminium hydroxide and creating a leftover red mud.

Bauxite:

Bayer Process “Red Mud”

- **Red mud** is a solid^[1] waste product of the Bayer process, the principal industrial means of refining bauxite in order to provide alumina as raw material for the electrolysis of aluminium by the Hall–Héroult process.^{[2][3][4]} A typical plant produces one to two times as much red mud as alumina.^[5] This ratio is dependent on the type of bauxite used in the refining process.^[3]
- Red mud is composed of a mixture of solid and metallic oxide-bearing impurities, and presents one of the aluminium industry's most important disposal problems. The red colour is caused by the oxidised iron present, which can make up to 60% of the mass of the red mud.^{[2][3][4]} In addition to iron, the other dominant particles include silica, unleached residual aluminium, and titanium oxide.^[6]

Red mud near Arvida, Quebec (Canada).



Bauxite:

Bayer Process “Red Mud”

- Red mud cannot be disposed of easily. In most countries where red mud is produced, it is pumped into holding ponds.^{[2][3][4]} Red mud presents a problem as it takes up land area and can neither be built on nor farmed, even when dry. Due to the Bayer process the mud is highly basic (caustic) with a pH ranging from 10 to 13. Several methods are used to lower the alkaline pH to an acceptable level to decrease the impact on the environment. Research is done to find a suitable way to utilize the mud for other applications,^{[2][3][4]} but drying the mud requires much energy (latent heat for water evaporation) and can represent high costs if fossil fuels have to be used in the drying process.

Bauxite:

Bayer Process “Red Mud”

- In October 2010, approximately one million cubic meters of red mud from an alumina plant near Kolontár in Hungary were accidentally released into the surrounding countryside in the Ajka alumina plant accident, killing nine people and contaminating a large area.^[7] All life in the Marcal river was said to have been "extinguished" by the red mud, and within days the mud had reached the Danube river.

Strategic Cropping Land Criteria

- ❑ **Eastern Darling Downs zone**
- ❑ To be classified as strategic cropping land, the area must meet all of the following criteria.
- ❑ **Criterion 1**
- ❑ Slope is less than or equal to 5 per cent.
- ❑ **Criterion 2**
- ❑ The average density of rocks of greater than 60 mm diameter in the soil surface is less than or equal to
- ❑ 20 per cent.
- ❑ **Criterion 3**
- ❑ The average density of gilgai microrelief of greater
- ❑ than 500 mm depth is less than 50 per cent of the land surface.
- ❑ **Criterion 4**
- ❑ The soil depth is greater than or equal to 600 mm.

Strategic Cropping Land Criteria

- **Criterion 5**

- The site has favourable drainage.

- **Criterion 6**

- For non-rigid soils, the soil at 300 mm and 600 mm soil depth must be greater than pH 5.0.
- For rigid soils, the soil at 300 mm and 600 mm soil depth must be within the range of pH 5.1 to pH 8.9, inclusive.

- **Criterion 7**

- Soil at 600 mm depth or shallower contains a chloride content of less than 800 mg/kg.

- **Criterion 8**

- The soil water storage of the soil is 100 mm or greater to a soil depth or soil physico-chemical limitation of up to
- 1000 mm.



Strategic Cropping Land Criteria

- **Minimum area requirements**
- Mapping of strategic cropping land will be based upon the soil resource. In the Eastern Darling Downs zone, an area of soil that meets the site assessment criteria (above) must be 50 hectares or greater and at least 50 metres wide to be defined as strategic cropping land.

Motions

- That KCCG, in conjunction with QFF and Agforce, make a submission and deputation to DERM to present proposed amendments to SCL that will include volcanic soils of the South Burnett region.
- That KCCG seeks clarification from DERM about the level of protection inclusion in SCL will provide from mining activities such as QLD Bauxites proposed development.

Possible Responses to Requests to Explore for Bauxite

- Yes, I trust you completely, so come on in and drill
- Go away and don't come back!
- Meet to discuss at your expense at my solicitors office.
- Or

Possible Responses to Requests to Explore for Bauxite

- *Sample letter of response from Landholder to Queensland Bauxite:*
- 11-5-11
- Dear Mr Derriman,
- Thank you for your phone call concerning access to my land for exploration by Queensland Bauxite.
- I would like to advise you that I will not be entering into any negotiation with Queensland Bauxite until the matter of Strategic Cropping Land (SCL) proposed for South Burnett volcanic soils is resolved.
- I particular, I am waiting for the State Government to consider the submission from Kingaroy Concerned Citizens Group about specific SCL criteria elements, and also advise me of the level of protection our land will receive should the Government accept the inclusion of our land under the proposed SCL legislation.
- Obviously, should our land be protected from mining by the SCL legislation, then exploration for bauxite would be pointless, as the EPM could never advance to MDL status. Therefore, this need for advice is in the best interest of Queensland Bauxite share holders as well as the best interests of sustainable farming in the South Burnett.

Possible Responses to Requests to Explore for Bauxite

- Also, I have not been fully informed by the Queensland Government of all aspects of your proposal to explore for bauxite. I believe it is necessary and more objective to receive such information from the Government rather than from the mining company itself.
- The information that I require includes:
 - A copy of your application to acquire the EPM
 - A copy of your EPM and all supporting detail.
 - A copy of the undertakings given to government about your operations.
 - Copies of maps showing all EPCs and MDLs on and surrounding my property
 - Clear and concise advice about the rights and responsibilities of both the company and the landholder.
 - An outline of the future operation should it be fully developed to production stage, and the relative merits of such an industry for this region.



Possible Responses to Requests to Explore for Bauxite

- The items above are fundamental to informed decision making about your proposal to explore for bauxite on my property.
- I will contact you once the matter of Strategic Cropping Land is resolved, and once I have received sufficient information from the State Government on which to consider your request.
- Yours faithfully
- (Landholder)

Bauxite Vs Sustainable Farming?

- ❑ People only give up something important if some greater need is apparent.
- ❑ Examples: A moral imperative is necessary to sacrifice ones life in a war OR donate to the red cross.



Bauxite Vs Sustainable Farming?

- ❑ What compelling reason (or moral imperative) has been established to consider trading in our fertile soils for a bauxite industry?
- ❑ Food security is a current world wide concern to the extent that other countries are currently buying Australian farms to ensure future food sources.



Bauxite Vs Sustainable Farming?

- Though demand for aluminium is expected to rise in the future, (mostly due to Chinese manufacturing), much of it is used on consumer goods that are much further down the hierarchy of human need (eg: mag wheels)
- Australia is currently grappling with the tension between short term prosperity from mining verses longer term prosperity from farming.





Bauxite Vs Sustainable Farming?

- There is no apparent moral imperative to sacrifice our fertile food producing soils of the South Burnett for the **corporate convenience** of Qld Bauxite or the **political convenience** of the Queensland Government.

Bauxite Vs Sustainable Farming?

- Local action is perhaps the only thing that is standing in the way of a future generation looking at a local second-hand bauxite mine, comparing it photos of the district that we have inherited from our previous generations, and asking of us tonight:
- “Why didn’t they stop this? What were they thinking?”