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Dubbo Zirconia Project (DZP) Community Newsletter

ISSUE 13 / JUNE 2015

DZP development application approved

On the 29th of May it was announced that the NSW Planning Assessment Commission (PAC) has approved the development application for the Dubbo Zirconia Project (DZP) – marking one of the most exciting and significant milestones for the Project.

Development consent can be considered a 'green light', meaning Australian Zirconia Limited (AZL), a wholly owned subsidiary of Alkane Resources, is now able to move ahead with applications for the Environmental Protection Licence (EPL) and Mining Lease, as well as secure project financing.

"There's still a way to go until construction begins, but we are delighted to achieve development consent for the Dubbo Zirconia Project, and are looking forward to taking the next steps towards establishing this globally significant operation. At this stage we are hoping to commence construction towards the end of 2015."

**Ian Chalmers, Managing Director
Alkane Resources**

The approval to proceed comes almost two years after the Project's Environmental Impact Statement (EIS) was lodged with DPE in June 2013 and subsequently reviewed by the NSW Planning Assessment Commission. The PAC gave conditional approval in February this year, with determination following DPE finalising the consent conditions.

"Our team has put an enormous amount of work and thought into the EIS, which comprises a comprehensive study of potential impacts to both the environment and the community and how to minimise them," said Ian. "We are excited to be bringing a new business to Dubbo – one which will generate significant employment and economic benefits for the wider community for years to come."

In addition to thanking its own dedicated team, AZL extends sincere thanks to consultants RW Corkery & Co (based in Orange, NSW), who put enormous effort into developing and managing the very large and complex EIS. The company also appreciates the cooperation and patience from the Toongi community over a long period of time, as well as the input and support from local and state government representatives.



Mike Sutherland, Ian Chalmers and Nic Earner (L to R)

Photo supplied by The Daily Liberal

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So what happens next?

Now development consent has been granted, AZL will seek to complete two final steps before construction commences later this year:

- Obtain the **Environmental Protection Licence (EPL)** from the NSW Environment Protection Authority, which imposes quantifiable and measurable limits around the impacts of the project on the community and environment.
- Obtain the **Mining Lease**, involving approval of the **Mine Operations Plan (MOP)**, from the NSW Department of Resources and Energy (DRE). The MOP details the stages of construction and associated impacts, and outlines the plan for how the mine will be progressively rehabilitated. DRE will hold an environmental bond over the project.

Concurrently, AZL will also seek to finalise the first stage of finance for this billion dollar project. We expect these activities will be completed before the end of this year, with the view to commencing construction before Christmas.

What will you see?

The first stage of construction is expected to commence at the end of 2015 and extend throughout 2016. It will involve approximately 100 Ha of earthworks and establishment of the support infrastructure for the project, and take around a year to complete:

- **Water supply** – Construction of the water supply pipe line between the Macquarie River and the DZP site will commence.

- **Road works** – AZL will spend around six months upgrading Obley Road and Toongi Road. This will involve widening, straightening and installing bridges and culverts, and will be designed and constructed in accordance with Dubbo City Council requirements.
- **Site Earthworks** – Earthmoving equipment will arrive to install erosion and sediment control structures, ponds and site roads, and commence forming the land to be used for the processing plant.
- **Power line construction** – AZL has completed negotiations with 15 landowners to identify the power supply route. Essential Energy will oversee the environmental and heritage assessments before approving the route, after which construction of the 132kV power line will commence.
- **Establishment of site construction office**

All the packages of work and equipment identified in the Front-End Engineering Design (FEED) (including the earthworks, crushing plant, acid plant, control and instrumentation – and many more) have been out in the marketplace for tender or Expressions of Interest (EOI) and are now being evaluated.

Public information meetings

AZL will hold public meetings to provide more detailed information on how the project will move forward, including the construction schedule, financing strategy and management plans covering environmental and safety issues. These are likely to be held during August/ September at Toongi Hall and the Dubbo RSL. Look out for the dates and venues to be announced soon.

Anticipated DZP Timeline



[#] Subject to standard assessment and determination periods

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Community

DZP Community Consultative Committee

To facilitate communication about mine operations and environmental performance, AZL will soon be establishing the DZP Community Consultative Committee (CCC). This is a common practice and, in providing a forum for open discussion between mining companies and the community.

The DZP CCC will be headed by an independent chairperson and comprise varying numbers of representatives of the local community, local council, AZL and other key stakeholders. In addition, State Government representatives may attend as needed at the request of the committee. Calls for self-nominations to the DZP CCC are expected to occur later this year.

Local businesses can expect to grow

Once construction of the DZP gets underway, AZL predicts its workforce will rise to around 400 people (Alkane employees, consulting engineers and construction teams) during the two-year construction period – generating significant economic activity within Dubbo and surrounds.

Just one group to benefit from this up-scaled population will be providers of both long and short-term accommodation. Steven Hornby, Property Manager for Quest Apartments Dubbo, said the locally owned franchise has been waiting with baited breath for the DZP Mining Lease approval, as they are anticipating another significant increase in business.

“We’ve already seen a steady rise in business with Alkane’s nearby Tomingley Gold Mine, and we’re expecting it to step up again with the Dubbo Zirconia Project,” Steven said. “It’s going to be nothing but positive for us, as well as for all the other companies Alkane and its employees deal with. The amount of business to local restaurants is also quite amazing.”

Quest Apartments Dubbo, which operates 65 serviced apartments, recently notched up its 35,000th guest after just over three years of operation. Last November, the business was awarded “Australian Franchise of the Year 2014” out of Quest’s 150 franchises nationally. Steven acknowledged the business generated by local mining operations significantly contributed to this recognition.

“Alkane is a fantastic company to deal with at every level,” Steven said. “The company is a good corporate citizen and has been an enormous support to our business.”



*Steven Hornby, Property Manager
Quest Apartments Dubbo*

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Grooming the next generation

At the recent Western Plains Tertiary Information Day held at Dubbo College, Mike Sutherland, Alkane General Manager NSW, discussed the DZP with year 12 student Michael Jeffrey, who is the recipient of a NSW Mining Scholarship sponsored by Alkane.

Alkane is pleased to be a sponsor of the NSW Mining Scholarships, which are obligation-free and designed to raise awareness and provide insight into careers in mining. Michael, who is the elected school captain of Dubbo College, aims to study engineering at the University of Sydney.



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Dubbo College student Michael Jeffrey (left) meets Mike Sutherland, Alkane General Manager NSW

Frequently asked questions (FAQ)

In response to questions raised by the community, Alkane maintains an up-to-date [FAQ](#) page on the Alkane website. The [DZP Progress](#) page provides videos, infographics and fact sheets to explain the project and its products.

If you have any questions or would like to find out more about the Dubbo Zirconia Project please contact Mike Sutherland, General Manager NSW (msutherland@alkane.com.au) P: 02 6882 2866.

Uranium exploration licence declined

Alkane Resources has formally declined the offer to apply for a separate exploration licence for uranium and thorium. The licence was offered by the NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS), Division of Resources and Energy.

Alkane has no intention of mining, producing, or selling uranium from the Dubbo Zirconia Project site.

Contact Us

Subscribe to our Community Newsletters and find out more information about Alkane Resources and the Dubbo Zirconia Project on our website:

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Or you can email us at: mail@alkane.com.au

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