



Residents for Responsible Mining

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Bindoon rocked by Bauxite

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A GROUP of Bindoon farmers have hit back at claims by Bauxite Resources that they are conducting a smear campaign against the company and have called into question the viability of its mining and alumina refinery aspirations.

At a meeting of the Residents for Responsible Mining in Subiaco this week convened by Clair Medhurst and Derek Gascoine, the pair accused Bauxite Resources of not considering the cumulative long-term impact of bauxite mining on the Darling Scarp region and for not following due process.

“Our property and town planning rights have been ignored,” they said.

Bauxite Resources has publicly stated it will initially produce 1.2 million tonnes per annum (July-December 2010) from Hare’s farm near Bindoon, before ramping up to 2.4Mtpa next year and ultimately reaching 6Mtpa from state-owned lands.



Bauxite Resources ore being loaded onto a ship bound for China

Three trial shipments have already left Kwinana and arrived in China with Bauxite Resources hoping to shortly finalise an offtake deal with its Chinese partner, Shangdong Provincial Bureau of Geology and Mineral Resources.

The Chinese group took a \$A9.85 million direct equity investment in the company last year.

Residents for Responsible Mining comprises around 70 second and third-generation agricultural families from the Bindoon area and was formed in October last year after Bauxite Resources started a four-month, 130,000-tonne trial mining and 16-kilometre haul road campaign in the area.

The company also had a proposal before the Chittering Shire to increase the scale of operations to 3Mtpa.

This was knocked back, according to Medhurst, on the grounds that mining was not permitted under the Town Planning Act because it would damage the agricultural zoning and activity, and cause road, dust and noise problems.

Since then, Bauxite Resources has applied for a mining lease on Hare’s farm via the Western Australian Mining Act.

It undertook the trial campaign under an extractive industry licence, which normally applies for sand and gravel mining.

Ron Renton, an independent Bindoon farmer and 40-year veteran of the mining industry – half of that spent in the bauxite game – also attended the meeting and accused the company of merely mining the stock exchange and stretching the truth.

His most recent position was in a management role with Compagnie des Gauxites de Guinee, the largest single producer of bauxite in the world with operations in Guinea.

He also challenged Bauxite Resources chairman Barry Carbon and managing director Daniel Tenardi to attend a public forum to discuss the viability of the operation, based on the published 18Mt resource.

“My problem is that when you try and look at their announcements to the ASX, there is no published concept study, prefeasibility study or even feasibility study, let alone an internal rate of return or net present value,” Renton said.

Bauxite Resources is, however, carrying out a bankable feasibility study into developing an 800,000tpa alumina refinery in the state’s South West by 2014 after signing a memorandum of understanding last year with another

Chinese group, Yankuang Coal and Alumina Smelting Group. The latter will fund 75% of the cost of the refinery.

"My major problem is that these guys, in my mind, do not have a project which is one of the reasons why they are not prepared to put out any studies or environmental and social impact assessments," Renton said.

This is one of the main bugbears of the group, and Medhurst believed a public environmental review needed to be put in place before Bauxite Resources started mining at the 1.2Mtpa rate.

Other issues raised by the group included roads and road safety, residential and visual amenities, water and the impact to local flora and fauna.

"They will need vast amounts of water and water is very scarce in the region and sourced from aquifers," Medhurst said.

Water is also zoned for agricultural use within the shire, not industrial use.

"One of the biggest issues is massive uncertainty because there has been no disclosure of a forward plan or information," she said.

"They have had one meeting with the community and that only came about because it was instigated by our actions.

"There were no public meetings or initiative on the part of Bauxite to hold talks with the impacted farmers before they started mining."

The sheer size of Bauxite Resources' holdings in the region, which total around 23,000 square kilometres, was also unclear, as only five areas have actually been granted.

This was confirmed by Tenardi.

So just where the JORC resources occur and where the company will be mining to meet the 6Mtpa rate is unclear, Medhurst said.

Tenardi said the company had sufficient bauxite on its granted tenements to sustain the 6Mtpa rate and would soon be announcing a JORC reserve for the area.

"Yes, people wanted a total footprint of our proposed operations, but there was no way I could give them that as we are still exploring and developing," he said.

"We have made no statement that we would be mining 6 million tonnes out of the Chittering Shire."

Medhurst added that during the trial mining campaign, residents recorded up to 6000 truck movements on the 16km haul road, and at its peak one truck was noted every four minutes.

Bauxite Resources has stated it will use smaller trucks (less than 65t) as part of Stage 2, but Medhurst said this would translate into even more truck movements for the shire.

Chittering Shire president Alex Douglas echoed the concerns of the local group and said the council was not content with the amount of information released by Bauxite at any one time.

"They don't seem to have a large detailed plan and they don't have guaranteed access of any of their resources," he said.

"We understand it is beyond our scope to say yes or no to a mining development, but we would like to retain some ability to influence how their operations are conducted and would like a seat at the table."

According to the Environmental Protection Authority, Bauxite Resources was yet to submit a document so the agency was unsure as to what level of assessment would be required.

Tenardi told *MiningNews.net* that Bauxite Resources had already indicated to the EPA areas in three different shires that it would be looking at mining.

"We have not said specifically where we will be getting that 6 million tonne per annum from and the EPA is currently doing an assessment," he said.

"We put a referral into the EPA in early December that is currently under review and they are meeting with us on Friday. As part of the referral, we refer to a 6 million tonne per annum operation in 2011 and at a meeting with them we indicated roughly where those sites would be and the various sidings we would need to use.

"But we have not submitted a referral to the 6 million tonnes yet and the agreement with the EPA was that we would submit the 1.2 million tonnes for this year (Hare's farm) and then follow up with the 6 million tonnes, and this we have prepared and are ready to present and should be sorted out at Friday's meeting."

Tenardi acknowledged the company had made mistakes in the past by not consulting residents, but was adamant the process would not be repeated.

"I stood up at a community meeting and took full responsibility for that, but since then we have been up-front with the shire," he said.

He said the company had also agreed to form a consultative committee to work through the issues of road use and water with residents.

"We now have two people who have put up their hands, one as chairman and one as the deputy chairman, and we have nominations from about 14 groups," Tenardi said.

"We will be meeting with them to work through all of these issues and we have solutions for water and road use that we are prepared to put forward, but I cannot detail them at this stage."

He said it was Bauxite Resources' intention to have multiple sites and avoid concentrated road haulage in one area and that it already had up to 80 agreements for land access with landowners in the area.

Tenardi added the company was also repairing damage caused to a section of haulage road previously used.

"While we contributed to the damage, the road was poorly constructed and if you were to compare us with other road users in the district, we are a very minor group," he concluded.