

KCGM

NEWS & VIEWS

Issue 3 March 2006

OUR NEWS *Your Views*

From the General Manager Cobb Johnstone



Welcome to the third edition of News & Views. As outlined in previous editions this newsletter aims to inform the community about KCGM operational issues, and to respond to feedback provided by you through our consultation

programs, including queries coming through the Super Pit Shop which opened in July 2005.

In this edition we would like to offer some feedback on the consultation that we have been undertaking, and address some of the issues raised as part of the proposed expansion of the Super Pit. This edition is also an opportunity to profile our KCGM Community Reference Group who provide an important consultative link to the local community.

It is also with regret that this will be the last time I will be headlining the News & Views newsletter, as I head to Sydney to take up an excellent opportunity with Sino Gold. The decision has been a hard one, however with the added bonus of being closer to family, I am afraid that my Kalgoorlie stint has been shortened much more than I would have liked. My last day at the helm of KCGM will be March 29th.

I would like to take this opportunity to say thankyou to the community of Kalgoorlie-Boulder for welcoming me and my family so warmly. It has been a privilege to be part of this progressive mining community, and of course, KCGM. We leave with great friends, and great memories.

As we go to print, there is no word yet on Cobb Johnstone's replacement.

MERCURY UPDATE

As local residents, many of you would be aware of our recent announcement regarding the identification of mercury being emitted from the KCGM operations. We are extremely concerned about this issue, however at the same time would like to reiterate that the levels of mercury in these air emissions are well below the most stringent of international air quality guidelines.

That being said, we have a dedicated team of people at KCGM who are working with the relevant authorities to reduce these emissions through a number of operational, and in some cases, longer term capital solutions.

KCGM has already upgraded ventilation in the gold room which in conjunction with some housekeeping improvements appears to have significantly lowered levels. At the carbon kilns, the mercury source closest to town, new scrubbing units were installed in December at a cost of \$1.25m and are now reducing the mercury emissions in the Fimiston area. Prior to this there were wind direction control procedures in place in conjunction with a process for regenerating low mercury loaded carbon.

At the Gidji Roaster, there are comprehensive studies underway to assess the practicality of reducing our mercury emissions. These include looking at a number of capital and operational solutions including the possible diversion of the mercury away from concentrate streams; the pre-treatment of concentrate for mercury removal before roasting and future concentrate treatment feasibility studies. We would hope to be able to discuss these with the relevant regulators in the coming months, and be able to further update the community of our progress.



MORE INFORMATION

If you have any particular concerns regarding this or any other issue, I would encourage you to contact us through our inquiry line, the Super Pit Shop on 9093 3488. Importantly, please feel free to discuss your concerns directly with any one of our Community Reference Group members – they can discuss the issue with you, and be more than happy to pass on your comments.



Consultation Update

KCGM will be releasing the final project proposal on the Golden Pike Cutback, Waste Rock Dumps and Tailings Storage Facilities, called the Public Environmental Review (or PER) in mid-2006. This is the main project document which, if approved, will enable KCGM to extend its mine life by 5 years from 2012 to 2017. At this time, the community will have further opportunity to provide feedback on this final stage of the project during an 8 week public review period.

However, KCGM has during the course of 2005, already undertaken extensive consultation with community members to determine what concerns the community may have with the Golden Pike Cutback. In a survey of approximately 400 nearby residents to the proposed Super Pit expansion, KCGM received 24 responses with nine of these raising some issues. These largely related to possible increases in noise, dust, vibration and one respondent raised questions about property values. We have outlined our responses to these questions in this newsletter.

KCGM continues to collect your feedback through the Public Inquiry Line, the Super Pit Shop and the Community Reference Group (CRG) and we encourage you to get in touch with KCGM or our CRG members if you would like more information, or wish to discuss any aspect of our operations.

What are you going to do about dust control?

KCGM has a comprehensive dust management strategy which is available on the Super Pit website (or contact us). Management includes the use of water trucks, monitoring of weather conditions, visual inspections and stopping work if necessary. As always, KCGM does not undertake surface blasts when the wind is blowing over town unless in the rare instance that it is unavoidable due to safety concerns.

As part of the PER, KCGM is in the process of undertaking a dust impact assessment to determine if additional controls are required to ensure that our emissions don't affect the community, this study will be publicly available.

What about the noise?

The Golden Pike cutback will not proceed until there has been a new sound bund built between the proposed cutback, and the Bypass road. Noise modelling has been undertaken that shows that the expected noise levels are generally consistent with the noise levels currently monitored and so no significant change in noise levels is expected.

However, there may be "new" noises that are not

noticed from the current operation during the initial stages of the cutback (first 6 months) when mining is nearer to the surface. Although they are not necessarily louder than the current levels they may be more noticeable because they are different.

KCGM's noise management practices include the use of noise bunding, fitting quieter reversing alarms and restriction on the use of equipment during night times. Further investigations are being undertaken to determine if additional noise controls may be required.

What about the risk of fly rock?

KCGM can safely engineer blasts that will not create unnecessary fly rock (which is the rock that has potential to 'fly' out from a blast). We are confident that with our extensive experience, electronic detonators and improvements in stemming design and procedures, fly rock will not be an issue. KCGM has commissioned a comprehensive report on flyrock from blasting which will be available to the public as part of the PER. This report will also be independently reviewed through the Department of Industry & Resources.

Blasts – why do they seem to be getting bigger?

In the last edition of News & Views we gave quite a detailed look into how we blast at KCGM. As a result of this information we have had more inquiries about our blasts, particularly asking why some of them appear to be getting "bigger". This effect is being particularly noted from Open Pit blasts in the Chaffers area (south end of the pit) and also from Brownhill (North end of the pit).

One of the effects of using electronic detonators is that the blasts do last slightly longer than normal. So although the noise and overall vibration levels are generally lower, they are longer. Thus people who may have been used to a louder, shorter and more intense vibration are now experiencing a slightly longer, though in many cases lower intensity, effect.

As the pit gets deeper, these effects will be less noticeable.

What about property prices?

There are no indications that the Golden Pike expansion could affect property prices. The real estate market, which is influenced by many economic factors, is not dependent on any one variable. However a strong local economy is usually indicated by a healthy real estate market and positive business confidence. The KCGM operations play a significant role in the local economy, and the only statement we could confidently make is that a shortening of KCGM's





mine life would most likely have a significant impact on local business confidence.

KCGM passively acquired all residential properties in the Safety Exclusion Zone corridor (SEZ) some years ago.

What happens when KCGM closes?

Closure planning is a key part of KCGM's operations and a Conceptual Mine Closure Strategy will be available to the public as part of the PER.

KCGM has committed to a lasting tourism legacy in the form of the Super Pit Lookout, and in the shorter term, working with the Loopline to ensure that the Loopline Railway provides a positive tourism experience.

The 2017 Super Pit model in the Super Pit Shop is a blank canvas, you're suggestions can be recorded in the Shop, and entered into the Public Inquiry Line system and will be taken into consideration when detailed closure planning swings into full action in 2012 (5 years before potential closure)!

KCGM will be seeking community input for the final closure planning of the Super Pit, and in 2007 we hope to be able to outline a process which will invite the local community to offer their suggestions for closure.

SPONSORSHIPS

KCGM is committed to investing in the local community, and we are proud partners of a number of local organisations. If you are interested in applying for sponsorship, you'll need to be aware of our Sponsorship Policy, and tailor your application to satisfy the criteria. To apply for funding you can pick up forms from the super pit website, or in person at the Super Pit Shop. We also recommend you discuss your sponsorship idea with us before spending valuable time on submitting an application.

Once an application is received it is assessed by the PR Manager against the sponsorship criteria, and recommendations are put forward to the KCGM Management Team at the monthly Safety Environment & Community Relations Forum. The recommendations are then presented to the KCGM Community Reference Group on the last Thursday of the month, it is after this session that sponsorship applicants are advised of the result.

In future editions of News & Views we will be showcasing some of our major partnerships.

KCGM SPONSORSHIP POLICY

KCGM will;

- Consider partnerships that enhance inclusion within the City's diverse community, in particular programs that target the Indigenous community, young people, seniors and young families.
- Support community development strategies that:
 - improve education and economic self-sufficiency
 - Sustain a healthy and safe community
 - Provide strong pathways to youth and Indigenous employment
 - Promote the history and cultural identity of the City
 - Enhance and protect the natural environment
- Provide assistance to partner organisations, supporting them to Communicate to a diverse community demographic.
- Form partnerships that provide opportunities for KCGM staff to Contribute to community development.



The Community Reference Group

The KCGM Community Reference Group (CRG) was formed in 1999 to facilitate consultation and communication with the community. They have been invaluable in providing feedback from the general community on how the KCGM operations are viewed, and how we are handling issues as they arise.

We have included a profile of just some of our CRG members, who can bring any issue you may have regarding KCGM operations to the monthly CRG meetings. Minutes from these meetings (once confirmed) are placed on our Super Pit website www.superpit.com.au.

In the upcoming editions of News & Views we will profile other members of the KCGM CRG, however you can also find out about them from our website and at the revamped Super Pit Lookout. If you are interested in joining the CRG, or simply want to find out more about the group, please contact the PR team at the Super Pit Shop, or one of the CRG members directly.



CRG MISSION STATEMENT

The Community Reference Group will be a link between KCGM and the community to provide information and open two way communication, to ensure all views are heard and to create an atmosphere of trust and harmony

This will be achieved through consultation on issues of importance to the community in relation to KCGM's performance and future planned activities so that the community and KCGM achieve as far as possible each others long term needs and expectations.



Murray Joyce

Murray Joyce is a Justice of the Peace. He served the Royal Flying Doctor Service as a Councillor for 27 years and is a Life Member of the RFDS. He is a member of the Eastern Goldfields Regional Fishing Advisory Board and is Tribunal co-chairman, Goldfields Football Commission. Murray worked in the gold and nickel industry for 37 years in Engineering and Human Resources and has a long association with apprentice training. Today, Murray Joyce is a small business owner.

"In the beginning, the miner dug his hole and pitched his hut close near by so he could guard his ground. Then there were lots of holes and huts all over the landscape, and the holes became mines that employed other men and they mined the gold in harsh conditions.

"The holes grew into mines that became the richest square mile on earth. The huts became houses, close to the gold. Ever since that day, new houses are still being built as miners and others want to live and work in the biggest inland city in Australia.

"The KCGM-CRG a link between Paddy Hannan and his disciples".



Anne Petz

Anne was sole proprietor of Boulder's Leading Edge Video for over 20 years until it was sold in 2003; it is still the only video library that has remained in business since the start of videos in the Goldfields. She has been Involved in the Boulder Promotion & Development Association, from its inception. She was the Secretary for two years and was appointed coordinator in 1999. If it's happening in Boulder – Anne will know about it! Mainly responsible for the marketing and promotions of the Boulder Central Business District, BP&DA now have a permanent office at 27 Burt Street Boulder.

"By being on KCGM's CRG I can find out information which is relevant to my position as coordinator of Boulder Promotion & Development Association. The meetings give us in-depth knowledge that we can relay to others. In all cases I have found KCGM to be open & accountable.



Deborah Botica

Deborah was born in Kalgoorlie/Boulder and is married with 5 children. Deborah works at Bega Garbiringu Health Services as a Coordinator/Nurse Educator in the Learning Centre, teaching Aboriginal Health Workers since 2003. Deborah is in her last year of study for a Bachelor of Social Science majoring in Gerontology. Elected as a city councillor for the City of Kalgoorlie Boulder since 1995, she has been actively involved in many committees.

"I have had a long standing interest in the environment and want to see the community's interests and issues addressed in a positive and proactive manner. I strongly support KCGM's initiative to involve community representation in setting up the CRG committee and believe that it is achieving good results for the community and the company. I have been an advocate for the community and I network widely and I want to have a better understanding of the issues faced by the mining industry and help to resolve differences and achieve win/win outcomes, which provide a long term future for the region."

GOT AN ISSUE WITH KCGM? WANT TO GET IN ON THE AGENDA?

If you would like to discuss an issue you have with KCGM, you can contact one of our CRG members and have it discussed at a Community Reference Group meeting.

Anne Petz	(08) 9093 3938
Deborah Botica	(08) 9021 6467
Faun McGowan	0409 115 748
Guy Brownlee	(08) 9021 3888
Jamie Murphy	0400 420 576
Kathleen Stanick-Bentley	(08) 9022 7501
Kevin Smallhorn	(08) 9021 2420
Murray Joyce	(08) 9021 4262
Peter Lilly	(08) 9088 6001



If you have missed out on previous issues of News & Views and would like a copy, please contact our PR Office on 9093 3488 or visit the team at the Super Pit Shop, 2 Burt Street Boulder. It's also available online at www.superpit.com.au

KALGOORLIE CONSOLIDATED GOLD MINES

*Private Mailbag 27
Kalgoorlie WA 6433
Public Enquiry Line
(08) 9022 1100*

