

Fingerboards Mineral Sands Project Inquiry and Advisory Committee

Technical note

TN No: TN 032

Date: 16 June 2021

Subject: Mining licence application area

This technical note has been prepared to respond to the IAC's request on 31 May 2021 for written information about the implications of the change to the mining licence application area.

1. Application for mining licence MIN007636

Kalbar applied for a mining licence (MIN007636) for the Fingerboards Project under s15 of the *Mineral Resources (Sustainable Development) Act 1990 (Vic) (MRSD Act)* on 13 May 2021.

Kalbar lodged the application using Earth Resources Regulation's Resource Rights Allocation and Management system, which involves an online application. Once the Minister for Resources accepts and ranks the application, it will be advertised and any person may object or comment on the licence being granted under ss24 and 24A of the MRSD Act.

As explained by Mr Morris QC on Day 11 of the hearing, while the mining licence application area largely reflects the Project area shown in the Fingerboards EES, it extends beyond the Project area to the south and the north-east. This illustrated in Figure 1 below.

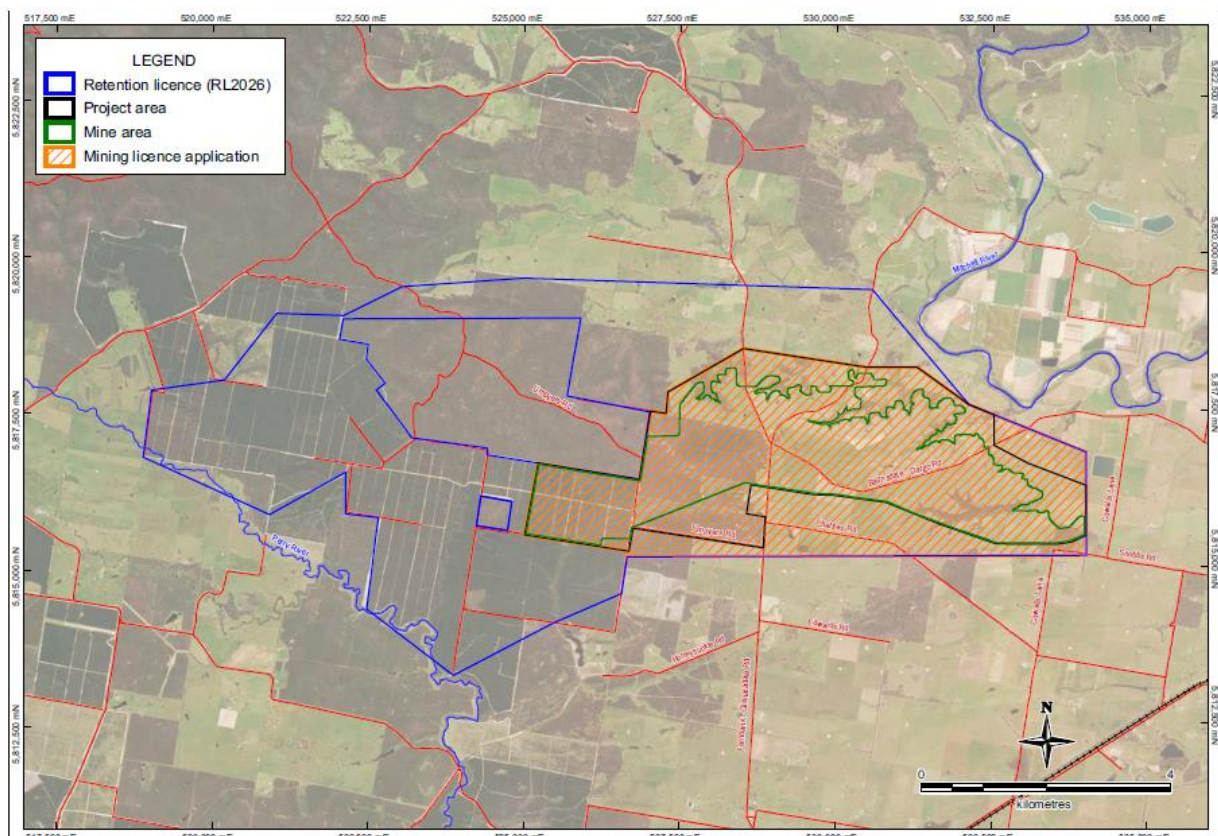


Figure 1: Extent of the mining licence application area

There are two reasons why Kalbar applied for a mining licence that extends beyond the boundary of the Project area shown in the EES:

- It would mean that the southern and north-eastern boundaries of the mining licence would coincide with Kalbar's current retention licence RL2026, therefore avoiding the need for small, isolated areas of land remaining subject to RL2026, with a different compliance regime; and
- Extension of the mining licence to the south will cover the land required for the northern part of the private haul road to connect the mine to the proposed Fernbank rail siding, as well as power and water infrastructure. This will mean that the mechanisms for occupation, and determining compensation payable to the landowners under the MRSD Act will be available in the event that Kalbar and the relevant landowners are unable to reach a commercial arrangement regarding access. Once compensation is determined, Kalbar would be able to gain access to that land for the purpose of construction and use of the haul road.

Given the change to the mining licence application area, it will be necessary to make a corresponding adjustment to the draft planning scheme amendment so that the additional land proposed to be covered by the mining licence is no longer proposed to be covered by the Specific Controls Overlay Schedule 1.

2. Work under the mining licence

Kalbar will not be able to commence work under the mining licence (if granted) until it has an approved work plan under s42(1)(a) of the MRSD Act (among other things).

No mining is proposed in the mining licence application area that extends beyond the Project area.

Indeed, any mining works within the mining licence application extension area would require either a planning permit or an assessment under s.42A of the MRSD Act – see further discussion of this below.

As noted above, the area to the south of the Project area is intended to be developed for the northern part of the haul road, which is comprehensively described and assessed in the EES and in other materials that have been tabled with the IAC.

Once the draft work plan is approved, Kalbar must carry out mining work in accordance with it¹.

3. Access to the mineral sands resource outside the mine area

If, following the EES process, Kalbar decides it wishes to undertake works that have not been assessed in the EES (such as mining within the mine licence application extension area), it would need to:

- apply for (and obtain) a work plan variation that covers the extension to the mine footprint under s41 of the MRSD Act; and
- obtain a planning permit for the new work subject to the work plan variation, unless an exemption in s42A of the MRSD Act applies.

¹ MRSD Act, s39(1)(ab)

The exemption in s42A of the MRSD Act would only apply if the Minister for Resources, after consultation with the Minister for Planning, is satisfied that the new work will not cause any significant additional environmental impacts.