

## HILLSIDE MINE ACCESS TO RIVER MURRAY WATER

### HOW CAN THIS BE JUSTIFIED?

Remember headlines like this during the 2008-2009 drought?

#### ***Murray flows lowest in a century***

*"The amount of water flowing into the stricken Murray River between January and March was the lowest for that quarter in the 117 years that records have been kept.*

*An unprecedented drought has thrown the river system into decline, according to the guardian for the river.*

*"We've had big droughts before and big floods before, but what we didn't have was climate change," said Rob Freeman, the chief executive of the Murray-Darling Basin Authority.*

<http://www.smh.com.au/environment/water-issues/murray-flows-lowest-in-a-century-20090407->

Remember the impact on the lower River Murray and Coorong?

#### ***Narrung Wetland during and after drought***



Photo; Adrienne Frears



Photo Kate Mason

Source: Creating refuge habitat during drought at Narrung wetlands in the Lower river Murray, South Australia

## Background

In 2013, Rex Minerals reached agreement with SA Water to access River Murray water for their mining operations at Hillside.

That agreement involved

- Increasing the size of a planned 43 km water pipeline from Auburn to Port Wakefield and
- Constructing a new pipeline from Auburn to Ardrossan, and from there to Hillside.

According to Rex, this pipeline will bring an extra 2 Gls ,(gigalitres), of water to Ardrossan and *"will secure the potable water capacity required for the anticipated start-up of production at Hillside"* (Rex Minerals Mining Lease Proposal, Section 3.3.4.1, p. 3-9 and Section 8 - 102, 2013). and

At the mine site, River Murray water will be used to

- rinse chlorides from the ore concentrates
- provide potable water for the Hillside workforce and
- suppress dust on Hillside's topsoil stockpiles and
- at mine closure, fill Rex's 12 km long slurry and sea water pipelines between Hillside and Ardrossan (Rex Response to Government . 2014; Issue No. 8).

According to Rex Minerals, the mine will have access to 1.5 Gls of this water per year with the remainder (0.5 Gls) made available to supplement the water supply for other users on the Peninsula (Rex Minerals' MLP, 3.3.4.1: 3-9, 2013).

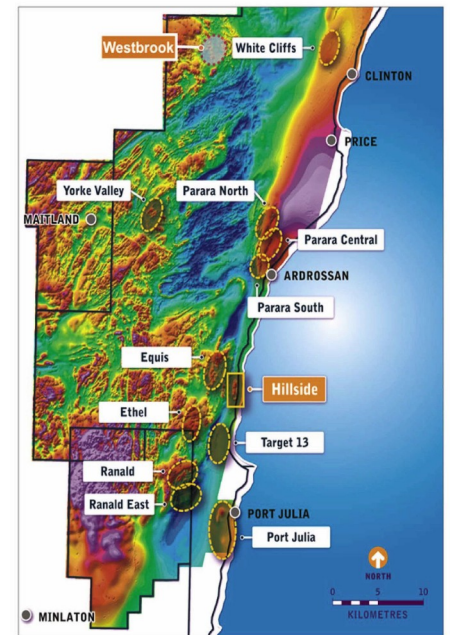
## But once Hillside becomes operational, will Rex's potable water requirements increase?

Rex clearly plan to expand their mining operations beyond Hillside.

In a 2013 presentation (ASX Spotlight May 2013, Hong Kong, Singapore), Rex Minerals' CEO Mark Perry noted that, in addition to Hillside, *"within our existing exploration licence, there are 50 highly prospective targets that we will start to aggressively look at as we get through funding and start to build the plant". Through the use of haul roads into Hillside "we can increase the life of Hillside"*.

This work is progressing. In Feb 2014, Rex released an updated map showing 12 'satellite targets' within the vicinity of Hillside where preliminary testing has shown economically viable copper depositions. (Rex Minerals' ASX Media Release, 24 Feb 2014: 27. .

In addition, there are at least another 16 exploration companies now operating on Yorke Peninsula, with over 95% of the region now under exploration licence. Two of these companies – Marmota Energy and Adelaide Resources – have already announced promising copper discoveries.



**If more mines go ahead on YP, how much more River Murray water will these other mining companies require? Will any be left over to supplement community supplies? Probably not!**

## What will happen when drought returns?

While we are not currently experiencing water shortages, it is certain that prolonged and severe dry periods will return to SA in the near future. Yet ,the Government is silent on whether, when this happens, Rex Minerals' Hillside mine supply will be subject to the same severe water restrictions as other mains water users?

## Questions the SA Minister for Water and the River Murray must answer!

- Why has the Government agreed to allow Rex Minerals to use River Murray water for mining purposes?
- Has the Government forgotten the devastating impact on the River Murray and the ecological health of the Lower reaches of the Murray and the World Heritage Listed Coorong?
- Has the government forgotten its pledge to increase the environmental flows for the River?
- Has the Government forgotten the stringent water restrictions imposed on Riverland market gardeners, and other primary producers during the 2008-2009 drought?