**Kralcopic Pty Ltd (in administration) – Former Mining Sites**

**Community Update**

**13 April 2021**

Earth Resources Regulation provides the following community update on the actions we’re taking regarding Kralcopic Pty Ltd (in administration)’s previous mining licence sites around Bendigo, including the Woodvale Evaporation Ponds Complex and Kangaroo Flat.

Site Monitoring and Inspections

We are continuing to inspect and monitor the former mining sites to ensure the ongoing protection of public safety and the environment.

We have directly engaged ALS Global to conduct on-site environmental monitoring, with the data to be reviewed by CDM Smith – an accredited environmental auditor.

We have taken this action because Kralcopic Pty Ltd (in administration) has failed to conduct the required environmental monitoring at these sites.

Woodvale Ponds Update

All ponds have good water or vegetation cover which is a key factor in limiting dust movement.

We’ve received the initial dust monitoring results for December 2020 and January 2021, which we’ve provided to the Environment Protection Authority. The provisional observations indicate that:

* Deposited insoluble matter results were all below the PEM guideline of 4g/m2/month.
* Results are similar to previous monitoring results for the Woodvale Ponds site.
* The Woodvale Ponds do not pose a significant risk at this time.

CDM Smith is now conducting the detailed peer review. The report and results will be supplied to the community, which we anticipate will happen toward the end of April 2021.

We also expect to resume water monitoring shortly, including surface water, rainwater tanks and groundwater. We’ve engaged ALS Global to undertake this monitoring work and we will contact nearby residents to discuss arrangements for property access.

Kangaroo Flat Update

The mining plant located on the Crown Land portions of the Kangaroo Flat site became Crown property six months after Kralcopic Pty Ltd (in administration) ceased to be a licence holder. We are seeking further orders from the Supreme Court on this issue before making any on-site changes.

In the interim, we are continuing to conduct frequent inspections and stepped in to resume environmental monitoring of the Kangaroo Flat site.

We’ve also received the initial monitoring results for Kangaroo Flat for December 2020 and January 2021, which we’ve provided to the EPA. The provisional observations indicate that:

* There is some elevation in arsenic from the dust gauges compared to previous monitoring results, although there has been no activity on the site (apart from light vehicle traffic).

This data is also being sent to CDM Smith to undertake an analysis and interpretation of the results to better understand potential sources and any impacts. This analysis will be provided to the community asap once finalised.

Ongoing collection of data from the site will include data relating to surface water, rainwater and seepage monitoring.

**Voluntary Administration**

On Wednesday 3 March 2021, we were notified that Kralcopic Pty Ltd (in administration) had entered voluntary administration.

We responded immediately by raising several matters with the appointed administrator, including to inform the administrator about:

1. Kralcopic Pty Ltd (in administion)’s ongoing statutory obligations and requirements to rehabilitate the former mining sites, including essential monitoring and maintenance,
2. The transfer of the abandoned mining plant located on Crown Land to the State, and
3. The company’s outstanding payments, including the further rehabilitation bond amount for the Woodvale ponds site and court costs.

The administrator is continuing to investigate Kralcopic Pty Ltd (in administration)’s situation and is expected to make a formal recommendation about the future of the company ahead of a second creditors’ meeting scheduled for late April 2021.

We will continue to assist the administrator by providing information to inform its decision-making. If requested, we will also allow the administrator to visit the former mining sites to assess any remaining mining plant or to view the current site conditions.

We have advised the administrator that we will not provide access for any prospective investors, given that we’ve put a statutory exemption in place to preclude new licence applications.

**Supreme Court Outcome**

In August 2019, we refused to renew Kralcopic Pty Ltd (in administration)’s licences, due to its inability to provide surety that it could finance its mining activities and site rehabilitation obligations.

In October 2020, the company filed legal proceedings in the Supreme Court challenging our decision not to renew their licences. The Supreme Court upheld our decision on Tuesday 9 March 2021.

We anticipate that the Court will make further orders with respect to the mining plant in due course.

The administrator may also decide to appeal the Court’s decision.

We will keep the community updated as these matters progress.

Future Mining at the Former Bendigo Sites

We are aware of media reports about ‘anonymous mining identities’ indicating interest in obtaining licences to explore or mine on the former mine sites.

We’re responding consistently by reaffirming that we’ve put a statutory exemption in place to preclude new licence applications – our priority is the rehabilitation of the former mine sites.

The exemption also provides an opportunity to consider the future uses of the former mining sites in consultation with the Bendigo community.

Enquiries

Local residents and community members are welcome to contact Paul Rutzou, Regional Manager – North West, Earth Resources Regulation, on 0472 875 246 or via email [paul.rutzou@ecodev.vic.gov.au](about:blank), if you have any questions about Kralcopic Pty Ltd (in administration)’s former sites.

Earth Resources Regulation

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