| **East Gippsland Proposed Mineral Sands Exploration**  **Frequently Asked Questions and Responses – Project Introduction Communication** | | | |
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| **1** | **About the proposed mineral sands exploration** | | |
| **Q 1.1** | **Where are the proposed exploration activities to be undertaken?** | | |
| A | Iluka has applied for licences to explore for mineral sands in three separate areas within East Gippsland, near the south-eastern townships of:   * Sarsfield * Nowa Nowa * Wairewa.   The sites are between the city of Bairnsdale and township of Orbost.  Bairnsdale is approximately 283 kilometres east of the Melbourne CBD.  An exploration licence gives the licence holder, exclusive rights to explore for specific minerals within a specified licence area.  Iluka prospects globally and across Australia for mineral sands. Iluka has significant technical exploration experience and capability. | | |
| **Q 1.2** | **What will be the COVID-19 safety management measures?** | | |
| A | All exploration works would be undertaken in accordance with the relevant Government’s COVID-19 health advice and precautions, at the time. This is to protect the health and safety of the field teams and the communities where they are working. | | |
| **Q 1.3** | **How big are each of the proposed exploration areas?** | | |
| A | The approximate sizes of the proposed exploration areas are:   * Sarsfield - 113 km2 (113 graticular units) * Nowa Nowa – 78 km2 * Wairewa - 164 km2 | | |
| **Q 1.4** | **What kind of minerals is Iluka looking for?** | | |
| A | Exploration is being undertaken to find:   * **Zircon –** a zirconium silicate mineral and zirconium (metal) source * **Ilmenite also known as menaccanite –** a titanium-iron oxide mineral and titanium (metals) source * **Rutile –** a mineral made of mostly titanium dioxide and titanium (metal) source | | * **Monazite –** a group of phosphate minerals, which contain rare earth elements (e.g. lanthanum and cerium) * **Cassiterite –** a tin oxide mineral and tin source. |
| **Q 1.5** | **How were the exploration areas determined?** | | |
| A | No mineral sands deposits have been discovered on the proposed exploration sites. Some deposits have been found in the past, near the Sarsfield site, by other mining companies.  Desktop research into the geological data available for the area was, undertaken to determine the exploration areas. This included past radiometric surveys of these areas, which indicated some levels of thorium were present. Thorium is a naturally-occurring, slightly radioactive chemical element. Minerals like zircon and monazite contain small amounts of thorium and uranium.  Radiometrics involves measuring the natural radiation in the earth’s surface. This information collected, can be used to understand the distribution of certain soils and rocks. A radiometric survey measures how radioactive elements are distributed, within the top 30-45 centimetres of the earth’s crust. It measures three specific elements: potassium, thorium and uranium.  Small quantities of sub-commercial grade, mineral sands have been found in the past in a nearby area by another licence holder. | | |
| **Q 1.6** | **When will the exploration activities start and be completed?** | | |
| A | The timing of licence applications being assessed, is at the discretion of the Victorian State Government Department of Jobs, Precincts and Regions (DJPR). It is anticipated this may take several months  Most licences take three to four months to process. This period can be significantly longer where there are competing applications or where processes are required to address the Commonwealth Native Title Act 1993.  The granting of a licence does not immediately imply authority to begin work. For mining, and in some cases exploration, the licensee must obtain numerous consents and approvals from other agencies, ministers, bodies and individuals before works can start. Once an exploration licence is granted, the exploration process could take many years to complete.  The three exploration licence applications in East Gippsland, are proposed for a five-year period. This could potentially be extended for an additional five years, depending on the outcomes of the initial exploration activities.  Iluka submitted the exploration licence applications on 21 July 2021. Field teams could potentially be on site in late 2022, to undertake initial drilling works. This would involve collecting soil and rock samples to a depth of approximately 50 metres, for testing. These works would take approximately one month, weather and site conditions permitting, including COVID-19 restrictions. Additional drilling works would then be undertaken in early to mid-2023, to collect more samples, as part of determining the extent of any deposits that may be found.  Exploration activities come with high-levels of uncertainty, depending on what is found. Iluka will keep key stakeholders and the community informed about the progress of the exploration works. This will include information on the Iluka website. | | |
| **Q 1.7** | **What will the exploration works involve?** | | |
| A | The initial exploration works will involve:   * Field inspections, as part of determining locations for further investigation and drilling * Drilling small numbers of impact drill holes on each of the three sites/ tenements (ie 30 or less, 50m deep), to collect soil and rock samples. Drilling works will be confined to public land, as much as practical * Laboratory analysis of samples to assess the mineral content and quality and any other relevant characteristics.   More general minerals exploration-specific information is available at:  <https://earthresources.vic.gov.au/__data/assets/pdf_file/0008/459440/What-Does-Minerals-Exploration-Involve-December-2020.pdf> | | |
| **Q 1.8** | **Will access to my property be required?** | | |
| A | Drilling works will be confined to public land, as much as practical. An Iluka representative will contact property owners, in the unlikely event the field team needs to access private property. | | |
| **Q 1.9** | **Will I be compensated for access to my property?** | | |
| A | Exploration licence conditions require a licensee to take all reasonable steps to minimise the impact of exploration on a landholder. Under the *Mineral Resources (Sustainable Development) Act (1990)*, compensation is also payable for any or all the following should they arise from exploration work or a proposal to carry out the activity on or below private land:   * deprivation of possession of the whole or part of the surface of the land * damage to the surface of the land and to any improvements on the land * severance of the land from other land of the owner or occupier * loss of amenity including recreational and conservation values * loss of opportunity to make planned improvements * any decrease in market value of the owner’s or occupier’s interest in the land * any reasonable incidental expense in obtaining or moving to replace land (when required).   A *Land Access and Compensation for Landholders* factsheet, is available on the Earth Resources Regulation website:  <https://earthresources.vic.gov.au/__data/assets/pdf_file/0010/459460/Land-access-and-compensation-for-landholders-December-2020.pdf>  More general minerals exploration-specific information is available at: <https://earthresources.vic.gov.au/community-and-land-use/landholder-information/minerals-exploration>  <https://earthresources.vic.gov.au/__data/assets/pdf_file/0008/459440/What-Does-Minerals-Exploration-Involve-December-2020.pdf> | | |
| **Q 1.10** | **Will my property value or business be impacted by the proposed exploration works?** | | |
| A | Property owners and businesses should obtain their own independent, professional advice about their individual circumstances. | | |
| **Q1.11** | **Could the exploration drilling works impact the groundwater system?** | | |
| A | The exploration works are not expected to have any impacts on the groundwater system. | | |
| **2** | **Exploration licence application and assessment process** | | |
| **Q 2.1** | **What does an exploration licence allow Iluka to do?**  **Iluka’s rights and responsibilities?** | | |
| A | An exploration licence will provide Iluka with:   * exclusive rights to explore for specific minerals within a specified licence area * permission to undertake exploration activities, including drilling, water sampling and other minimally invasive surveys.   No mining activities are permitted to be undertaken.  Frequently asked questions, relevant to affected property owners are available on the Earth Resources Regulation website. Go to: <https://earthresources.vic.gov.au/community-and-land-use/landholder-information/faqs> | | |
| **Q 2.2** | **When was the exploration licence application submitted?** | | |
| A | The licence application was submitted on 21 July 2021. | | |
| **Q 2.3** | **Who is responsible for assessing and approving the licence application?** | | |
| A | The Department of Jobs, Precincts and Regions is responsible for assessing and granting exploration licences in Victoria. The process is administered by the Earth Resources Regulation section of the department.  For more information about the exploration licencing process, go to:  <https://earthresources.vic.gov.au/licensing-approvals> | | |
| **Q 2.4** | **Will Traditional Owners be consulted, as part of the licence application assessment process? Will Traditional Owners be compensated?** | | |
| A | The Gunaikurnai People will be consulted as part of the exploration licence application process.  Iluka will engage with the Gunaikurnai People directly to understand Native Title requirements and compensation arrangements. | | |
| **Q 2.5** | **When will the outcomes of the licence applications be known?** | | |
| A | The timing of licence applications assessment is at the discretion of the Victorian State Government Department of Jobs, Precincts and Regions (DJPR). The licence applications went in on 21 July 2011. The applications were accepted by DJPR on 4 August 2021. Advertising was completed via print media on 11 August 2021 and website advertising occurred from 9 August 2021 to 3 September 2021. The objection period ended on 8 September 2021. | | |
| **3** | **About mineral sands** | | |
| **Q 3.1** | **What are mineral sands used for?** | | |
| A | Mineral sands are used for a wide range of domestic and industrial purposes. For example, Zircon is used:   * to manufacture ceramics (eg wall tiles, bathroom accessories and tableware * in a range of personal care products (eg deodorant and cosmetics) * in air and water purification systems.   Titanium minerals, including ilmenite and rutile are used to produce:   * pigments for colourants in paints, paper and plastics * sunscreen * knee and hip replacements. | Other mineral sands are used to make:   * renewable energy infrastructure like wind turbines * roofing and construction materials * home office products * kitchen tools * automotive equipment * sporting goods * health care products. | |
| **Q 3.2** | **Are there any human health risks involved in the proposed exploration activities?** | | |
| A | There are no human health risks associated with mineral sands exploration, for field teams or the communities, where they are working.  Any mineral sand products removed from the ground during exploration activities are extracted in their natural form. Mineral sands may contain very low levels of radioactive or hazardous materials, like uranium or crystalline silica. The presence of these elements in mineral sands deposits is typically so low that the risk is like standing on a black sand beach.  For more information, go to the Earth Resources website, which includes the *Mineral Sands Exploration in Victoria (2021*) factsheet  <https://earthresources.vic.gov.au/geology-exploration/minerals/mineral-sands> | | |
| **4** | **About Iluka** | | |
| **Q 4.1** | **Who is Iluka?** | | |
| A | Iluka Resources Limited (Iluka) is an international mineral sands company, with expertise in exploration, project development, mining, processing and rehabilitation.  With over 60 years’ industry experience, Iluka is a leading global producer of zircon and the high-grade titanium dioxide feedstocks rutile and synthetic rutile. Additionally, Iluka has an emerging portfolio in rare earth elements (rare earths).  Headquartered in Perth, Western Australia, the company’s portfolio includes mining and value additive processing operations in Australia and Sierra Leone; projects in Australia, Sierra Leone and Sri Lanka; and a globally integrated marketing and distribution network.  Iluka’s Australian workforce includes 700 employees and 500 contractors.  Iluka’s purpose is to deliver sustainable value and its values includes:   * Act with integrity. * Demonstrate respect. * Show courage. * Take accountability. * Collaborate. | | |
| **Q 4.2** | **Is Iluka an Australian-owned company?** | | |
| A | Iluka an Australian Stock Exchange (ASX) listed company. | | |
| **5** | **Mining operations, if the exploration licences ares approved and Iluka finds deposits** | | |
| **Q 5.1** | **What would be the assessment and approval process?** | | |
| A | If, through our exploration activities, we determine that economically viable mineral sand deposits are present, Iluka will consider the social, economic and environmental risks associated with the development of mining operations.  We are currently in the exploration phase for this project, therefore, no timeframe is known regarding the potential commencement, lifespan and closure of mining operations. | | |
| **Q 5.2** | **When could mining potentially start and be completed?** | | |
| A | Exploration does not always lead to mining. Due to the difficulty of identifying commercial ore bodies, only about one in 1,000 exploration projects progress to the mining stage.  A mineral deposit must first be determined as economically viable before any further activity can proceed. This will depend on a variety of factors including the size and grade of the resource, the predicted price of the mineral, accessibility, transportability and expected efficiency of production.  For minerals sands mining operations at any to the proposed exploration sites, further assessments and approvals would be required under Victorian and Commonwealth Government legislation, including:   * Victorian Environment Effects Act 1978 * Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).   Applications for mining activities involves detailed, stringent planning approvals and regulatory controls. Studies are undertaken to assess potential environmental, social and economic impacts, how these will be managed, and extensive consultation with communities. This process can take between 10 and 20 years from the commencement of exploration to approving a commercially viable minerals development project. | | |
| **Q 5.3** | **Would the mine operations footprint be the same as the size as the exploration footprint?**  **Could the mining footprint be bigger or smaller than the exploration footprint?** | | |
| A | Generally operational mining sites are smaller than exploration areas. | | |
| **Q 5.4** | **What could be the potential local or regional benefits if mining proceeded?** | | |
| A | Iluka has safely and sustainably developed, operated and rehabilitated mineral sand mine sites across Australia. At other sites, more than 300 jobs have been created during construction and, some 140 staff and contractor positions created during operations.  Mineral sands products can support Australia become more sustainable. They are essential for developing renewable energy infrastructure, like such as wind turbines.  A new, mineral sands mine in East Gippsland could create new local and regional jobs and diversify the local economy. The actual benefits would be assessed and determined, as part of future feasibility studies, environmental assessments and planning processes. | | |
| **Q 5.5** | **Are there any potential human health risks involved in minerals sands mining?** | | |
| A | There are no human health risks associated with mineral sands mining or transport, for workforces or the communities, where they are working.  Any mineral sand products removed from the ground during exploration activities are extracted in their natural form.  Mineral sands may contain very low levels of radioactive or hazardous materials, like uranium or crystalline silica. The presence of these elements in mineral sands deposits is typically so low, the risk is like standing on a black sand beach.  For more information, go to the Earth Resources website, which includes the *Mineral Sands Exploration in Victoria (2021*) factsheet  <https://earthresources.vic.gov.au/geology-exploration/minerals/mineral-sands> | | |
| **Q 5.6** | **How would the mine sites be rehabilitated?** | | |
| A | Iluka’s mineral sands mine sites are progressively rehabilitated.  Mine operations are staged, to efficiently extract mineral sands and progressively backfill the mined areas. This enables mined areas to be rapidly repurposed. | | |
| **6** | **Community enquiries** | | |
| **Q 6.1** | **Who do I contact, if I have questions about the proposed exploration works?** | | |
| A | **For more information about the proposed exploration works in East Gippsland:**  **W**: <https://iluka.com/>  **P:** 1800 305 993  **E:** [communities.support@iluka.com](mailto:communities.support@iluka.com) | | |