

WIMMERA PROJECT UPDATE



ILUKA

MAY 2020

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THE WIMMERA FINE MINERALS PROJECT IS AT AN EARLY PLANNING STAGE AND DOES NOT YET HAVE GOVERNMENT APPROVALS OR A FINAL INVESTMENT DECISION BY THE ILUKA BOARD. THE PURPOSE OF THIS NEWSLETTER IS TO UPDATE PROJECT STAKEHOLDERS AND OTHER INTERESTED PEOPLE ON ILUKA'S PROGRESS TOWARDS DEVELOPING A VIABLE PROPOSAL.

ENVIRONMENTAL EFFECTS STATEMENT

The Wimmera Project is subject to State and Commonwealth statutory approvals processes, and is currently at the 'Scoping Requirements' stage of the Environmental Effects Statement (EES) process under Victorian legislation.

Iluka is undertaking a range of engagement activities with the goal of exceeding minimum requirements and enabling communities and stakeholders to learn more and have a say about the assessment of the Wimmera Project.

COMMUNITY DROP-IN SESSION WELL ATTENDED

To support EES Scoping Requirements stage, Iluka held a community drop-in session at the Noradjuha Memorial Hall on Wednesday March 11, 3-8pm.

The Iluka project team and environmental consultants held discussions with about 30 people who attended the session steadily throughout the day. A representative of Victorian Government regulators involved in assessing the project also attended to discuss the assessment process.

Matters raised by attendees included:

- groundwater and nearby swamps;
- visual impact;
- biodiversity impacts – in particular cockatoos;
- social investment and economic impacts; and
- process and timing for land access .

There was also discussion about some contextual issues for Iluka in the region, including uncertainty surrounding Pit 23 at the Douglas mine site, and the importance to the community that residual rehabilitation works were completed at the former Echo mine void.

Overall, feedback from the session was positive, with most survey respondents indicating they were satisfied with the project information provided, the drop-in session, and overall engagement.



FUTURE ENGAGEMENT

Due to the COVID-19 global pandemic, Iluka has suspended face-to-face community forums planned as part of the EES engagement process for the Wimmera Project for now. This unfortunately also meant that the Iluka Wimmera Project information Centre at Horsham Real Estate Office, 15 Fibrace Street, Horsham, had to close its doors for the foreseeable future. Once the pandemic passes, we will schedule forums in various locations in the project area and broader region.

In the meantime, Iluka continues to engage with land owners and other project stakeholders primarily by telephone, teleconference and online communications. Online engagement will continue via the project website, which presents project details and ways to ask questions or provide feedback. The web address is iluka.com/engage/Wimmera.

PRE-FEASIBILITY STUDIES

Pre-feasibility studies (PFS) form essential inputs to a company's decision to proceed with more detailed studies, and eventually to invest capital in a project. They also provide information required for government approvals documentation.

A focus of the Wimmera Project PFS is to determine a mining and processing method that will deliver the optimal, most marketable suite of products, which will establish the commercial viability of the project.

Establishing commercial viability for the Wimmera Project is inherently complex, because it depends on bringing multiple products - zircon, titanium dioxide and rare earth products - to market. These minerals occur with natural radioactive elements, which need to be removed and disposed of safely to meet stringent regulations governing product quality and mine waste management. Also, the fineness of sands at the Wimmera Project means traditional mineral separation methods are not effective and new technologies are required.

Therefore, Iluka is working through a protracted PFS process that involves the development of innovative solutions to the particular technical challenges. It is hard to say how long this will take, but Iluka's current expectation is that PFS will continue for another 12 to 18 months. The effect of the COVID-19 pandemic on timelines is also being monitored.

We recognise that the uncertainty around timing is frustrating for many project stakeholders. However, it is essential to take the time needed to establish a commercially viable project for any of the broader community and socio-economic benefits to be realised in time.

WIMMERA TEST PIT

In Q4 2018, Iluka excavated the WIM100 test pit primarily to bulk sample about 1500 tonnes of ore and enable pilot testing to be undertaken. Drilling conducted ahead of the test pit provided valuable information about soil and aquifer characteristics, geotechnical stability and groundwater that will inform the mining methods, mine design and associated costs of mining the WIM100 deposit.

This work was regulated under an approved Exploration Work Plan, in accordance with the Mineral Resources (Sustainable Development) Act 1990 (MRSDA) and Exploration Licence EL4282.

The first stage of rehabilitation, which involved the backfilling of overburden into the pit, was successfully completed in March 2020. The next step is the replacement of the subsoil and topsoil, which was removed and stored for reinstatement prior to test mining. This is scheduled for completion in March 2021. Stability of rehabilitated mine pits is an expectation of both community members and regulators, and this approach enables Iluka to monitor and demonstrate performance of the pit backfill prior to replacement of the subsoil and topsoil layers. The knowledge gained will enhance our approach to rehabilitation of the Wimmera mine.

OTHER ISSUES AND ACTIVITIES

Iluka is aware of community expectations that we address other issues and activities in the region, and we are working on these.

We have moved to address uncertainty around plans for Pit 23 at the Douglas mine site. Iluka has been using the pit to receive and store by-products from the Hamilton MSP, retaining both Pit 23 and Hamilton MSP for potential integration into future mine developments in the Murray Basin region.

Iluka has brought forward a review of potential Murray Basin mine development options. We are conducting detailed scenario analyses to establish whether Hamilton MSP and Pit 23 will be required to make development viable at any of Iluka's deposits in the broader Murray Basin. We aim to conclude the analyses and provide clarity to the public on the future of Pit 23 by the end of 2020.

Iluka is rehabilitating its former mine site at WRP, near Ouyen. Rehabilitation work at Kulwin is scheduled to restart in Q3 this year, unless deferred due to COVID-19 restrictions. At this stage, major earth works and placement of top soil at WRP and Kulwin are scheduled for completion in 2021. Iluka plans to recommence rehabilitation earth works at the Douglas site during 2021.

Addressing outstanding issues in line with community expectations is central to Iluka's aim of mutually beneficial coexistence with agriculture in the Wimmera region.



FOR MORE INFORMATION:

For more information about the Wimmera Fine Minerals Project including project background, reports, and engagement opportunities, visit iluka.com/engage/wimmera. Alternatively, call Iluka on 1800 305 993 or email wimmera.project@iluka.com.

www.iluka.com