

Background

Following the last information sheet, provided in April 2022, the purpose of this update is to provide further communication on the status of the second stage of the Magnetite Expansion Project (MEP2).

While the scope of the project extends all the way to the Whyalla Steelworks, this update will cover aspects of the Project in the vicinity of the South Middleback Range (SMR) and relates to the following key elements of MEP2:

- Interim outcomes of the pre-feasibility study (PFS) and supporting work undertaken during this period
- Transition into the feasibility study (FS) and due diligence associated with this transition
- Studies to be conducted during the FS phase that will support regulatory approvals

Project Update

The MEP2 pre-feasibility study (PFS) is now reaching completion, with outcomes supporting a progression to the Feasibility Stage of the Project with positive commercial outcomes and with manageable risk. The PFS assessment included mining, processing and tailings technology, energy and water supplies, stakeholder, environmental, regulatory, commercial, and marketing aspects.

It also included a comprehensive mining optimisation study. The outcomes of this study determined that the mineral resource able to be economically mined is larger in size than previously used in project assumptions which is good news for mine longevity and commercial fundamentals.

To reach this material, the proposed pit footprint has expanded, as indicated in Figure 1.

Due to the increase of predicted material from the pit, the amount of waste rock and tailings that needs to be disposed of during the life of the project will also see an increase.

As such, the previously presented Waste Rock Dump (WRD) and options for Tailings Storage Facility (TSF) footprints have also needed to be expanded.

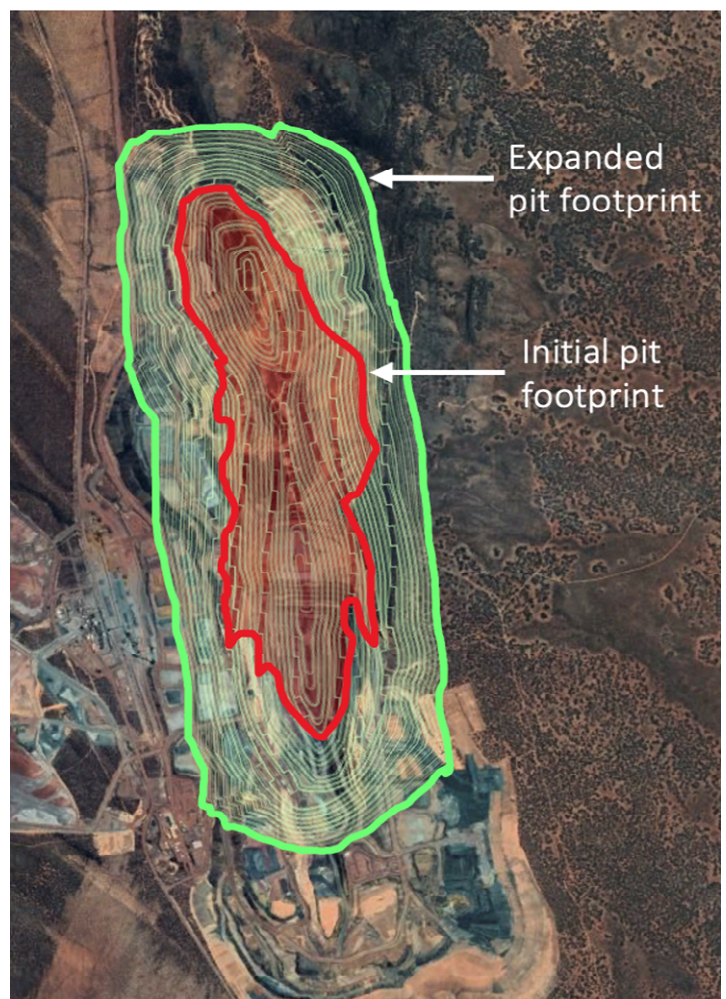


Figure 1. Pit expansion

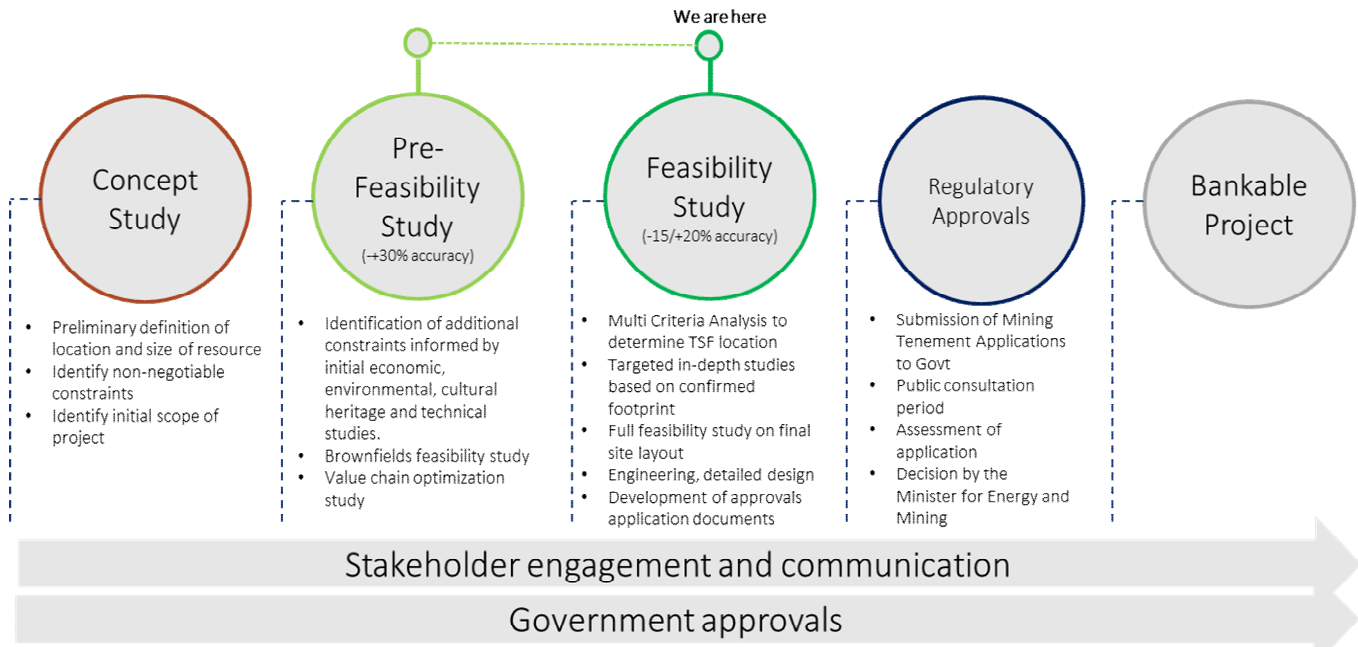


Figure 2. Study Phases of MEP2

The project has now transitioned into the FS phase. SIMEC Mining have received approval and funding to proceed to this phase

As part of the early FS works, SIMEC Mining will be undertaking an assessment of the location options proposed for the new Tailings Storage Facility (TSF). This will consider criteria including stakeholder, regulatory, environment, economic and technical factors. This type of assessment is known as a multi criteria options analysis (MCA) and will be conducted throughout July and August.

The outcomes of the PFS and the MCA will be used in conjunction with further studies undertaken to refine the site layout, as well as the mining and processing methodology. Development of regulatory approval applications will run in parallel with the Feasibility Study.

Ongoing Regulatory Matters

Following the MCA process, SIMEC Mining intend to undertake further studies and considerations in the coming months. These include:

Dust

The existing SMR dust model will be updated to incorporate operations proposed under MEP2. Results will be used to assess whether receptors are likely to experience dust impacts from mining activities.

An enhanced dust monitoring programme will be implemented, with the aim of providing an updated baseline for this modelling work.

SIMEC Mining are planning install monitoring infrastructure and start the programme in August/September 2022.

Flora and Fauna

Additional surveys will be required to cover any gaps in studies undertaken so far to provide a description of vegetation and its condition. This is likely to occur in August/September 2022.

Targeted ecological surveys for key threatened species (including the Sandhill Dunnart, Malleefowl, Chalky Wattle, Yellow Swainson-pea and Western Grasswren) will also be required.

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Based on the species in question, we anticipate that this will occur throughout Spring 2022.

Geochemistry

Further testing of ore and waste material is required to inform a full geochemical assessment for the project. This assessment will provide the basis for future management plans.

Groundwater

New groundwater bores will need to be drilled to inform hydrogeological investigations and provide infrastructure for monitoring. The number of bores to be drilled in each location is dependent on the selected TSF location.

Depending on the TSF location, drilling is likely to be undertaken in September/October 2022.

Heritage

Heritage surveys will be required to cover areas that have not previously been surveyed.

The timing for these surveys is to be confirmed.

Noise

Prior to submission of regulatory approval applications, a full noise model will be developed for the proposed operations, to assess potential impact areas.

Other Project Stages

As previously communicated, the Magnetite Expansion Project is currently split into three stages, Magnetite Expansion Project Stage 1 (MEP1), Magnetite Expansion 2 (MEP2) and Magnetite Expansion 3 (MEP3).

An information sheet will be provided over the coming month regarding Stage 1 of the Project.

Engaging with the Community & Stakeholders

As the project progresses, we will continue to engage with stakeholders when there is news to share from the feasibility study. This may include:

- Any proposed changes to scope and footprint
- Environmental and technical study findings

These updates will be provided via:

- Information sheets
- Email updates
- Project website

Further Information

For further information, please contact SIMEC Mining's Community and Stakeholder Engagement Advisor.

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