

Magnetite Expansion Project



Project Information Update #3

April 2023

Project Updates

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

While the scope of the project extends all the way to the Whyalla Steelworks, this update will cover:

- the outcomes of the Multi-Criteria Assessment (MCA) for the new Tailings Storage Facility (TSF) location, which was undertaken by SIMEC Mining in the latter half of 2022 and into 2023
- other project elements, e.g. expansion pipeline infrastructure
- plans for a dedicated worker's accommodation facility
- upcoming study work to be undertaken as part of the feasibility study (FS)

As referred to in our Information Update #2, MEP2 transitioned into its feasibility study (FS)

stage of the Project in July 2022. This study phase is expected to conclude in mid-2023.

The FS includes engineering design and cost estimates of the proposed project with an accuracy of -15/+20% to determine the commercial benefit of MEP2 and provide the support evidence to enable engagement with potential investors, as well as better informing our stakeholders.

The FS is being funded internally by SIMEC Mining.

TSF MCA Outcomes

In the latter half of 2022, SIMEC Mining undertook the process of completing a Multi-Criteria Analysis (MCA) for the new Tailings Storage Facility (TSF). The intention of the MCA was to identify a location that would provide the best balance between social, stakeholder, economic, environmental, technical, cultural and

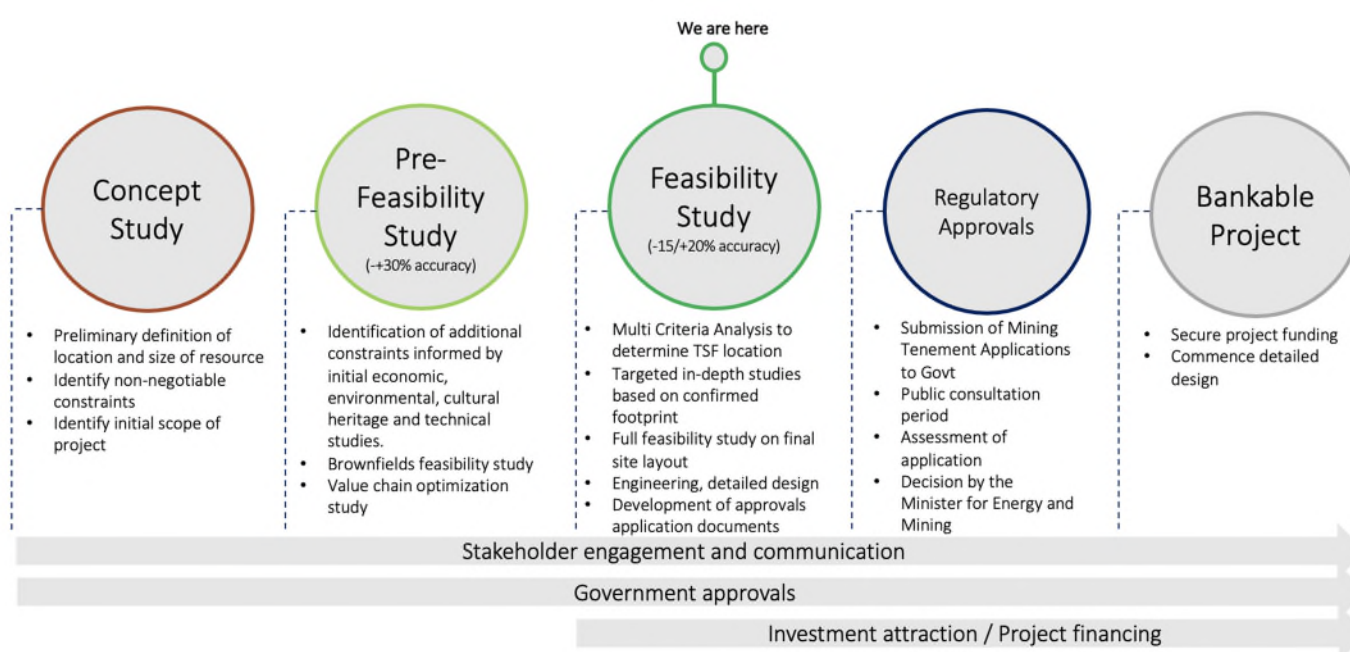


Figure 1. Study Phases of MEP2

regulatory aspects that are critical for the success of the Project.

The MCA reviewed five (5) optional sites within the vicinity of the existing Magnet pit operation. These are presented in Figure 2.

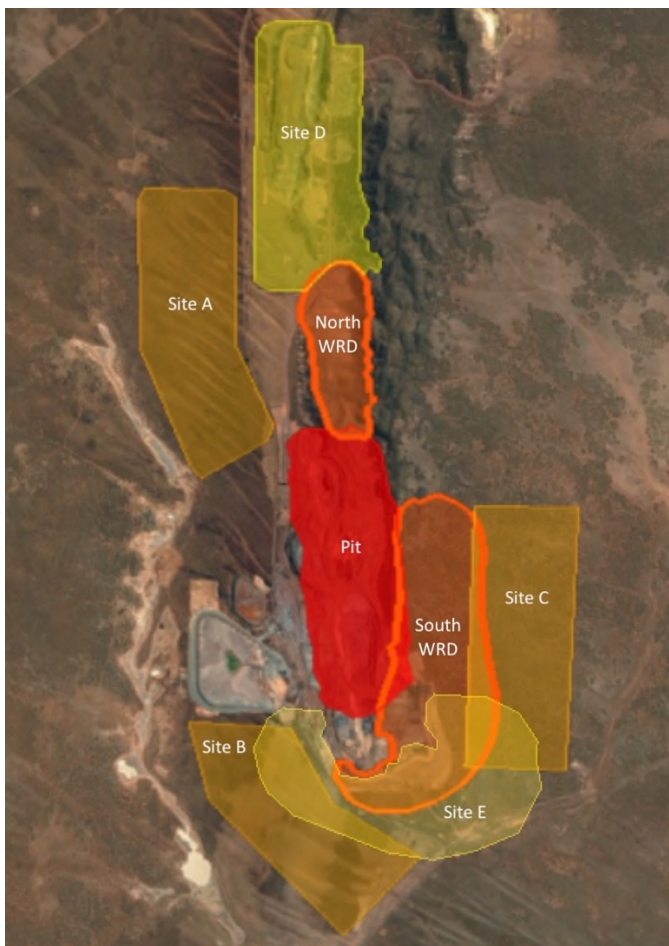


Figure 2. 2022 MCA TSF Options

Based on the initial findings of the MCA, sites A and E were found to be unsuitable options to progress further, while sites B, C and D were identified as potentially viable options.

To allow the Feasibility Study to progress, site B has been selected as the Base Case location.

The purpose of a base location is to complete additional work on the technical design components and costings for comparison of the

other locations still being considered. Part of this work will also include further environmental, social and technical assessments on the base case, and a modified site C and site D.

This will provide a improved assessment process across the three sites to understand the most viable option for the project.

Co-disposal

As part of the studies, SIMEC Mining will be revisiting the type of facility proposed for site C to consider combining both tailings and waste rock material in one landform, known as a co-disposal facility, rather than a standalone TSF.

This option would involve a footprint increase of approximately 20-25% compared to the standalone south waste rock dump but less than the size of a standalone TSF and waste rock dump, site C.

Co-disposal is an alternative option for tailings disposal that was initially thought not to be economically feasible for the project prior to the Pre-Feasibility Study stage. However, when this stage was completed, it identified the benefits of having one landform including reduction of costs and infrastructure associated with linking individual sites and their environmental impacts.

Together with improved economies of scale for the optimized project, these factors, justified further investigation into the co-disposal option.

The feasibility assessment of the co-disposal option is still in the preliminary stages.

As part of the parallel study work, SIMEC Mining explored the feasibility of a sixth location option (designated site F), which would see the new dry stack TSF being located atop of the existing wet TSF. It should be noted that this option would also require the new processing plant to be relocated.

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Figure 3 shows the MEP2 TSF location options currently being considered by SIMEC.

A final location is expected to be selected by end of **April 2023**.

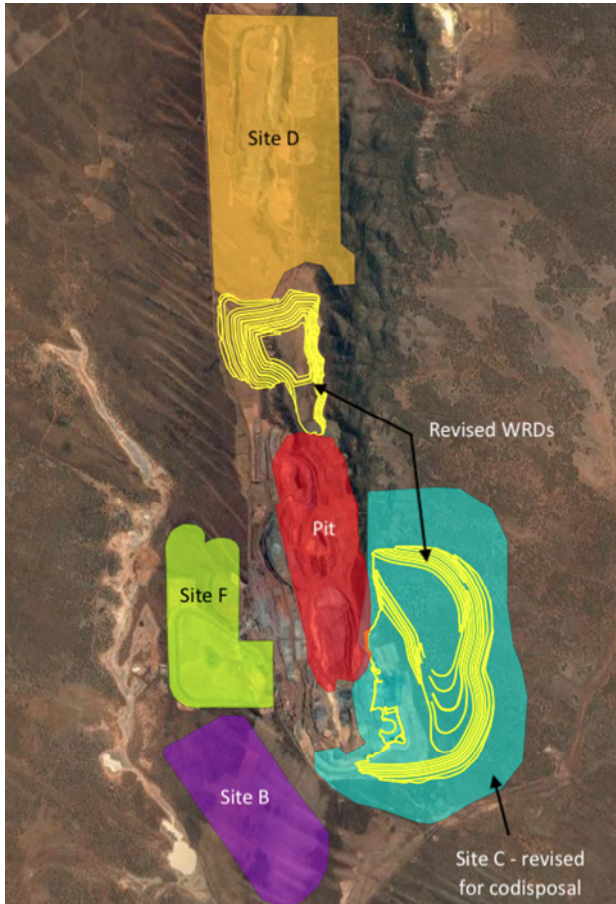


Figure 3. 2023 TSF Options and revised WRD design – does not include footprint for topsoil stockpiles and ancillary facilities

Other Project Elements

Mining Area

Thus far, no material changes to the footprint required for the pit or processing area have been identified throughout the Feasibility Study.

In addition to the footprint required for the pit, processing plant, WRDs and TSFs, stakeholders should be aware that other facilities, including stockpiles, conveyors, and access tracks, will be required to support the upgrades to the mine.

The additional area required for these facilities is still being estimated. Once an estimate has been developed and suitable locations for these facilities have been identified, this information will be shared with stakeholders.

SIMEC Mining and its environmental consultants are in the process of undertaking studies to support regulatory approvals required under the *Mining Act 1971*. These studies include ecology, groundwater, noise, air quality, visual amenity, and traffic impact. Ongoing engagement will be undertaken with stakeholders where these studies need to be completed.

The indicative timeframe for lodgement of the Mining Proposal and other related applications, including those required for the pipeline, powerline and TSF, is mid-2023.

Pipeline

A new slurry and water pipeline will be required to support the transport of an increased volume of magnetite from the mine to Whyalla.

The new infrastructure is expected to follow the same route as the existing pipeline. It will be constructed underground within the existing 50 m miscellaneous purpose licences (MPL69 and MPL70) and adjacent to the existing pipeline corridor at the Whyalla end.

Laydown and equipment storage areas may be required during the construction phase only. SIMEC Mining expects to confirm this in the near future and will engage with affected stakeholders.

Within the Whyalla Steelworks site, deviations are expected to the route so the pipeline can feed into a new filter plant.

The current review work being undertaken includes ground-truthing the existing pipeline corridor and landscape to better understand the route, the existing environment and topography,

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and any challenges that might impact the proposal.

Power

Additional infrastructure to supply power will be required for MEP2.

We are working in partnership with ElectraNet to identify the best solution to access power requirements.

We will engage with affected stakeholders once a solution and/or options are identified.

New Filter Plant and Upgrade to Whyalla Port

The development of a new filter plant is to accommodate the higher volumes of concentrate from the SMR operations coming in via the new slurry pipeline.

The filter plant is there to reduce the water content of the concentrate, for sale and/or used as a pellet product in steelmaking. The recovered water from this process is then reused to reduce impact on potable water consumption (water supplied from the River Murray system).

The plant is proposed to be located within the Whyalla Steelworks, although the exact site is yet to be confirmed. A base-case location is currently being assessed in the feasibility study and is adjacent to the existing Pellet Plant and near the Outer Harbour export facility.

While existing port facilities will be utilised where possible, some additional infrastructure will be required, including new reclaimers and conveyors. Depending on the location selected for the filter plant, stockpiles will be stored in existing sheds, or a new shed will be constructed for additional storage purposes.

Stakeholder engagement will be undertaken to gauge community sentiment associated with the proposed development at the Whyalla Steelworks.

A development application will be prepared and submitted under the *Planning, Development and Infrastructure Act 2016* and stakeholder feedback will be included.

Worker's Accommodation

A dedicated, accommodation facility is being considered for the purposes of housing workers during the construction phase of the project. Based on current knowledge, it is estimated that the facility will need to be sized to account for approximately 1000 personnel.

Several sites are being investigated and are subject to internal approval processes.

As per the new filter plant and upgrade to the Whyalla Port area, Stakeholder engagement will be undertaken to gauge community views and feed into the decision-making process. This feedback will contribute to the development application under the *Planning, Development, and Infrastructure Act 2016*.

Technical and Environmental Study Work

A range of technical and environmental studies have either been conducted or are currently being undertaken. These relate to the optional TSF sites, as well as for other project elements (e.g. power, slurry pipeline, etc).

These studies include:

Flora and Fauna

Flora and fauna surveys have been undertaken to provide an accurate description of vegetation and its condition. Targeted ecological surveys for key threatened species (including the Sandhill Dunnart, Malleefowl, Chalky Wattle, Yellow Swainson-pea and Western Grasswren) have also been undertaken. A report summarising the outcomes of the most recent survey is currently in development.

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Due to the presence of threatened species in the project area, the Project will be referred to the Commonwealth Government under the *Environment Protection and Biodiversity Conservation Act 2004*. Outcomes of survey work will be considered as part of this referral.

Geotechnical Investigations

The purpose of geotechnical investigations is to better understand the subsurface conditions and provide suitable parameters to assist in the design and construction of projects.

Geotechnical investigations are required across a number of the project sites, including new infrastructure associated with the mine site (new processing plant, conveyor, proposed TSF options and new filter plant). These investigations require the installation of new boreholes and test pits for data collection. It is anticipated that additional locations will be required as the project progresses.

Engagement of any affected landholders will be conducted prior to any geotechnical investigations taking place. SIMEC Mining are currently working towards enabling these investigations to be completed.

It is anticipated that investigations will continue throughout the Feasibility Study and, where necessary, into the detail design stage.

Hydrogeological Investigations

The purpose of hydrogeological investigations is to inform the business of the presence of groundwater and how it interacts with the subsurface (soil, rocks, aquifers). This is important to determine factors which may impact or support a location for infrastructure development.

The location of bores is subject to the positioning of the TSF options and associated infrastructure.

Similar to the geotechnical investigations, engagement of any affected landholders will be conducted prior to any hydrogeological investigations taking place. SIMEC Mining are currently working towards enabling these investigations to be completed.

Dust

Dust monitoring is an important activity the business currently undertakes to understand the impact of its operations on the local environment (location and/or vegetation).

For the mining operations at SMR, an existing air quality model is currently being updated to include proposed operations under MEP2. As part of the model, new dust monitoring units will be installed to complement and expand the current dust monitoring system.

An update to the existing air quality model for the Whyalla Steelworks will also be undertaken, to incorporate the new Filter Plant and associated infrastructure. This will assess impacts of dust as well as key airborne pollutants that may be emitted as part of new operations.

Geochemistry

The importance of geochemistry investigations is to understand the composition of the ore body and the surrounding subsurface content.

The testing of ore and waste rock is required to contribute to the completion of a full geochemical assessment for the project and future management plans.

Geochemical analysis is also being conducted on tailings samples, which have been generated for the purpose of undertaking testwork.

Heritage

Understanding both Aboriginal and European heritage of the local area is an important component of MEP2.

Aboriginal heritage surveys have been completed for all project areas that have currently been identified.

Noise and visual impacts

To understand the implications of MEP2 on nearby neighbours (receptors), a noise and visual assessment is being conducted to determine the level and type of impact.

A noise model will be used to assess whether receptors (homesteads, businesses, etc) are likely to experience noise impacts and whether additional controls need to be incorporated as part of the design.

A visual assessment will be used to provide stakeholders with illustrations of how the proposed new operations will sit within the landscape.

Stakeholder and Community Engagement

SIMEC Mining remains committed to engaging with stakeholders and community as the magnetite expansion project progresses.

Importantly, information will be shared at key milestones and at points of interest which may include:

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

Stakeholders and community will be informed through a variety of medium including, but not limited to:

- 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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W: <https://gfgalliancewhyalla.com/>

- <https://www.gfgalliance.com/media-release/gfg-alliances-greensteel-journey-starts-with-magnetite/>