

Magnetite Expansion Project

Project Information Update 4 | December 2023



Overview

The Magnetite Expansion Project 2 (MEP2) is a key part of GFG's vision to transition Whyalla into GREENIRON and GREENSTEEL hub, advance the operation towards its goal of being carbon neutral by 2030 and to continue to be a key part of the region's economy.

The MEP2 proposes to:

- increase magnetite production from the South Middleback Ranges (SMR) from 2.3Mtpa to ~7.5Mtpa at Direct Reduction (DR) quality suitable for processing into GREENIRON
- transition SIMEC Mining's production to predominantly magnetite at the same time as hematite reserves deplete
- extend the mine life by more than 20 years
- produce a high-quality DR grade concentrate suitable for feeding an Electric Arc Furnace.

The MEP2 includes the following project elements:

Mine | An extension to the current magnetite pit, additional mine infrastructure including a second 5Mtpa concentrator, a new integrated waste facility and waste rock dumps.

Power | Proposed construction of a high voltage (HV) power line and substation.

Pipeline | Proposed construction of an additional underground slurry and water pipeline approximately 60km from the SMR to Whyalla that will run parallel to the current pipeline.

Whyalla port upgrades | Proposed construction of a filter plant and dewatering facilities to receive the concentrate slurry at the Whyalla port.

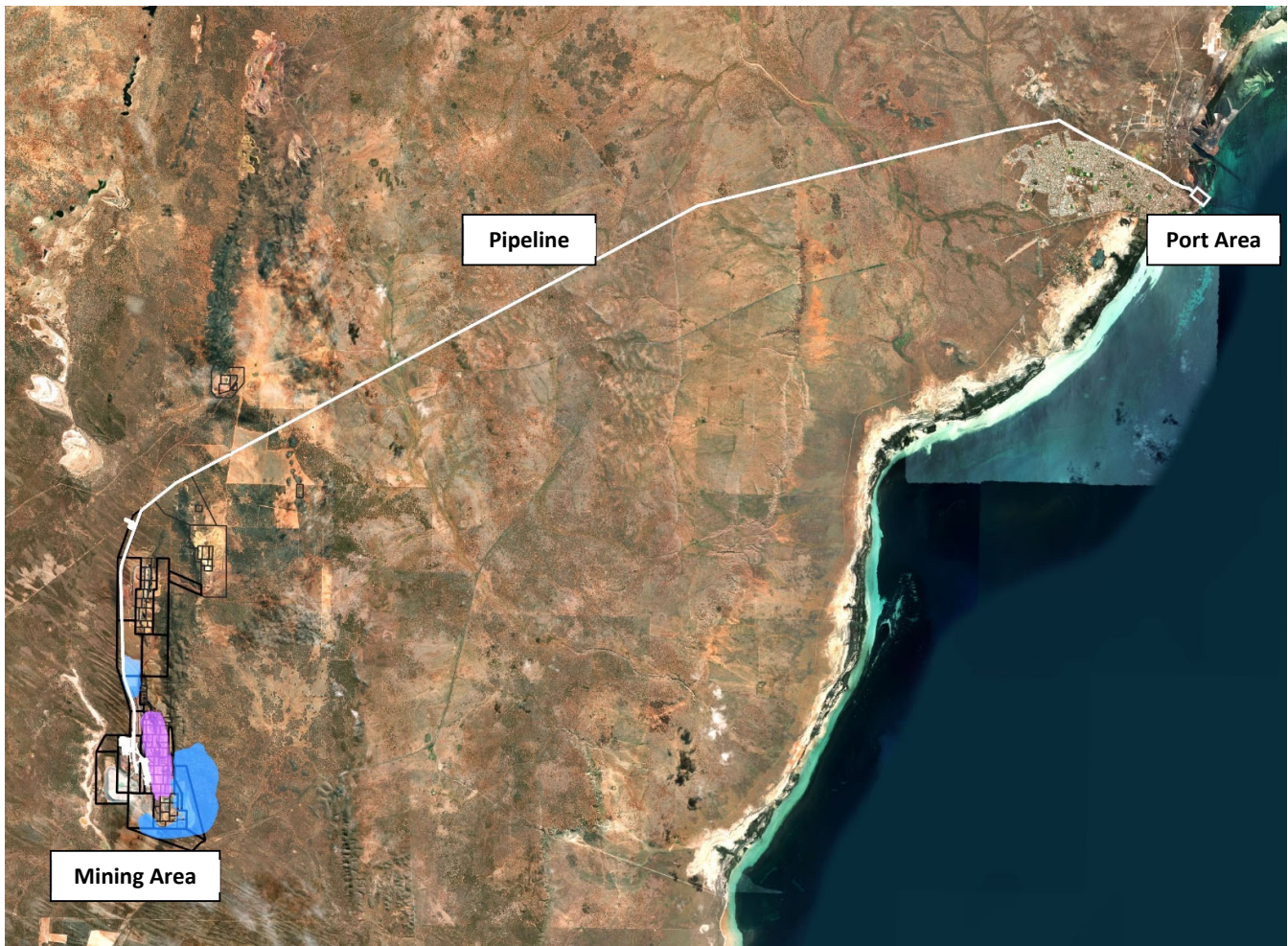


Figure 1. MEP2 Project Elements

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Project status

The project has continued to progress since the last update provided in April 2023. To follow the project's journey, which started at the end of 2021, please refer to the project updates previously released which can be requested through our contact details at the end of this information sheet. Since the last update, project news includes:

Project milestone updates

- ✓ The MEP2 Feasibility Study is currently being finalised.
- ✓ Potential investment partners are being engaged.
- ✓ Government approvals and supporting studies are progressing. A referral under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) will be submitted for MEP2 to the commonwealth Department for Climate Change, Energy, the Environment and Water before the end of the year.

Mine

- ✓ Multi-Criteria Analysis (MCA) has been completed and a final mine, waste and tails footprint has been confirmed (see Figure 2).
- ✓ An integrated waste landform (IWL) has been identified as the optimum facility for waste and tailings storage for the MEP2.
- ✓ Geochemical investigations to support the IWL design is currently underway.

Power

- ✓ A new substation has been identified through the feasibility study which is required to support the increased power needs of the MEP2.

Pipeline

- ✓ Geotechnical investigation program along the pipeline route is planned for the beginning of 2024.

Whyalla Port upgrades

- ✓ Development Application is being finalised.

Tailings Storage Facility (TSF)

Based on the outcomes of the final MCA, the selected TSF location is Site C on the southeastern side of the current SMR operation. The type of facility will be an IWL, which contains both waste rock and tailings, as opposed to a standalone facility for tailings. The external surfaces of the IWL will comprise of clean waste rock and, on closure, the upper surface will also be entirely composed of clean waste rock.

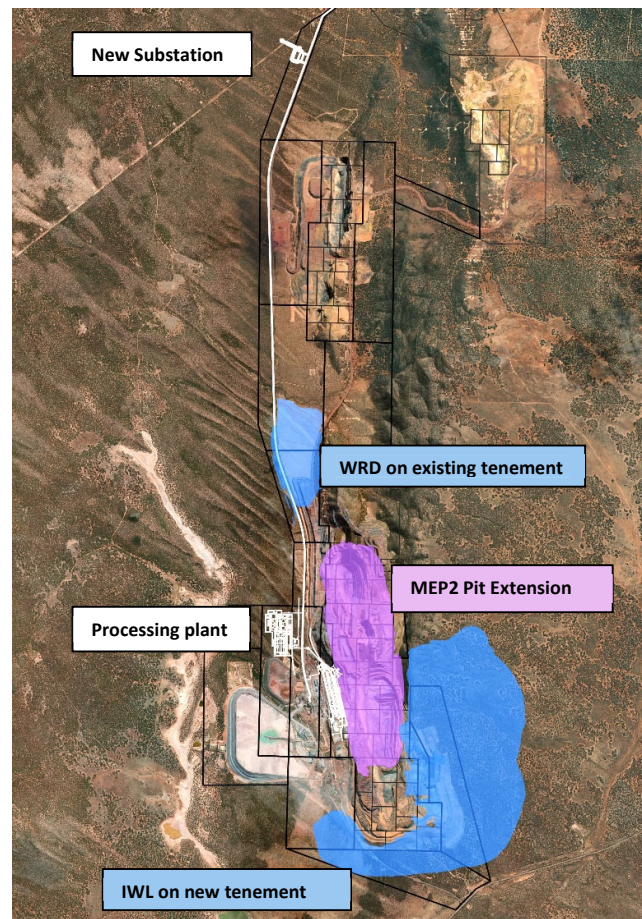


Figure 2. Proposed MEP2 mine footprint

Detailed design on the IWL is currently ongoing and will be used to feed into existing impact assessment work.

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Power

The feasibility study undertaken by SIMEC, identified that a new electrical substation will be needed to provide power to MEP2 operations at the mine site. This substation will connect the EP Link transmission line with the proposed new high voltage transmission line.

The substation would be located on an existing SIMEC tenement, north of the main SMR operating area and approximately 400m southwest of the existing substation with a footprint of approximately 4.6h (see Figure 3).

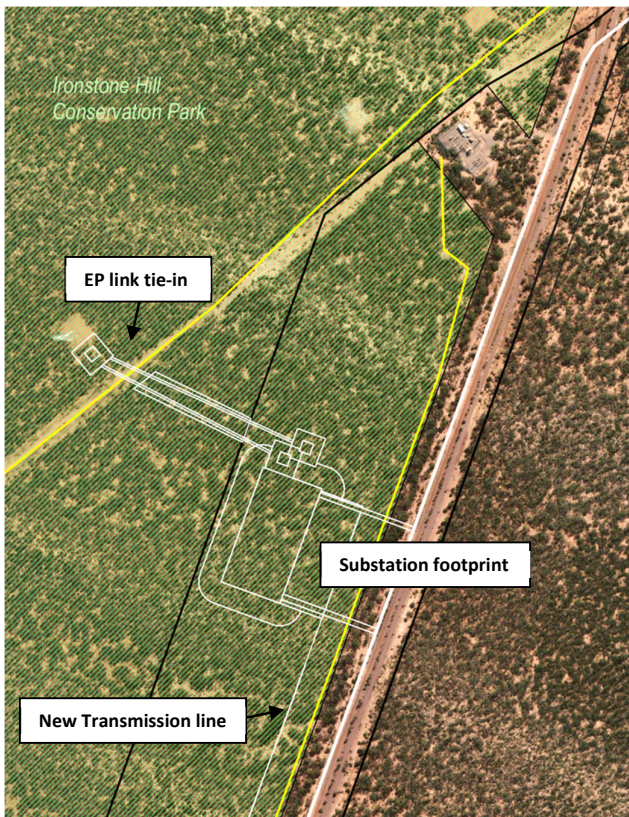


Figure 3. Conceptual substation layout

SIMEC Energy are working closely with ElectraNet and the Department for the Environment and Water (DEW) to deliver the new substation while minimising environmental impacts to Ironstone Hill Conservation Park to the greatest extent possible. The substation footprint will be included in the Projects EPBC referral.

Environmental and Technical Studies

Various environmental and technical studies are being undertaken to support the projects development, regulatory approval process and to ensure that all impacts can be minimised or well managed.

Hydrogeological Investigations

New groundwater bores have been drilled for the IWL located directly southeast of the current operation to obtain groundwater data for use in hydrogeological modelling work.

Ecological Studies

Ecological survey work has largely been completed with the final orchid survey carried out in Spring 2023.

These surveys have identified a number of listed species or habitats that are considered vulnerable or endangered and matters of national significance under the *Environment, Protection and Biodiversity Act 1999* (EPBC Act).

These species include:

- Malleefowl
- Sandhill Dunnart
- Western Grasswren
- Southern Whiteface
- Desert Greenhood Orchid.
- Chalky Wattle
- Yellow Swainson-pea

SIMEC Mining will be preparing and submitting a referral to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) under the EPBC Act.

The EPBC Act is the key Commonwealth legislation to protect and manage environmental matters. There are nine matters of national environmental significance protected under the EPBC Act including listed threatened species and ecological communities. Under the EPBC Act, any action that has or is likely to have a significant impact on a 'matter of national environmental significance' requires approval from the Commonwealth Minister for the Environment (deemed a 'controlled action').

SIMEC have worked hard to reduce its impact on the environment but given the nature of the project, there will be vegetation clearance required for some aspects

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of the project. The total footprint required for the purposes of the project will be included in the referral that is due to be submitted to DCCEEW within the coming months.

To learn more about the referral and assessment process visit the Department of Climate Change, Energy, the Environment and Water:

<https://www.dcceew.gov.au/environment/epbc>

Geotechnical Investigations

Preparation for geotechnical investigations is currently being undertaken for all elements of the project from mine pit to port, including throughout the pipeline. These investigations will provide a better understanding of the ground conditions and soil make up along the proposed pipeline route. We are currently anticipating these will commence in the first half of 2024.

Air Quality Studies

Four air quality monitors have been set up in areas around the SMR mine site which will report on dust levels in real time. SIMEC intend to install two more, one to the north of the site and one to the west of the site.

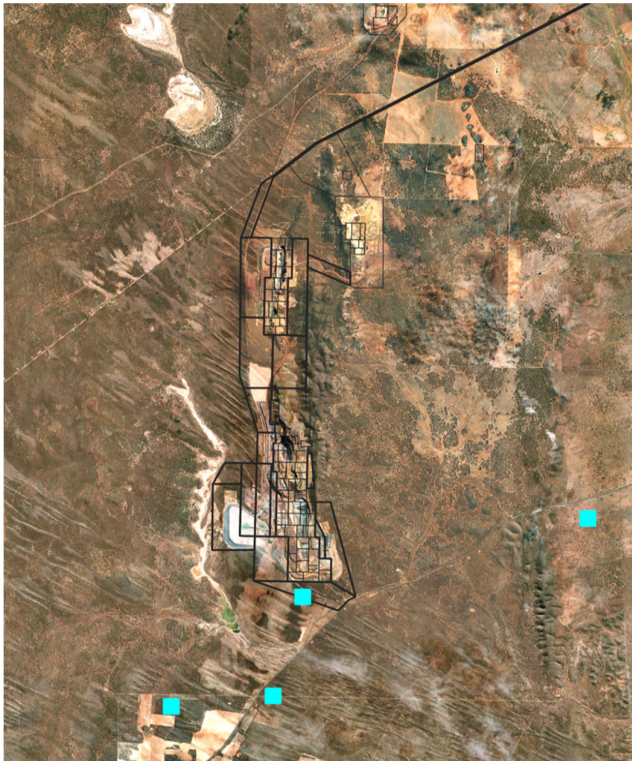


Figure 4. Current SMR dust monitoring locations (blue squares)

There are also plans to expand on the existing dust deposition network to the east to collect additional data on dust activity in the area.

Other environmental impact assessment work is ongoing.

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:

- Project news updates.
- Any proposed changes to the project when they become available.
- Environmental and technical study findings.

Stakeholders and community will be informed through a variety of mediums including:

- Information sheets
- Email updates
- Newsletters

Further Information

For further information, please contact SIMEC Mining's Community and Stakeholder team on the following details.

M: 0423 937 526 / E: mep2@simecgfg.com

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

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