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Application for Retention Licence RL007094

Application for Retention Licence RL007094 is situated approximately 6km south-west of the town of Ouyen and 18km north of the township of Tempy, west of the Sunraysia Highway in north-western Victoria..

The application covers an area of 782.7ha and was lodged on 4 October 2019 and accepted by Department of Jobs, Precincts and Regions (DJPR) on 22 June 2021. Basin Minerals Holdings Pty Ltd has requested an initial term of 10 years.

Subject to other requirements being satisfied, a retention licence, if granted, entitles the holder of the licence to retain rights to a mineral resource, and explore and carry out other work to establish the economic viability of mining, but does not entitle the holder to undertake mining.

Proposed program of work:

The heavy mineral sands deposit (HM deposit) hosted by RL007094 forms part of Iluka's Ouyen Project located in the Mallee region of western Victoria. The project is currently at a scoping stage prior to the initiation of feasibility studies. The application for RL007094 has been lodged to enable time to establish economic viability of the heavy mineral sand resource defined within the tenement boundaries.

The HM deposit included within RL007094 is geologically similar to the Kulwin and WRP deposits already mined in that district. It is composed of medium to fine grained sand hosting high concentrations of the heavy minerals, including zircon, rutile and ilmenite. During the life of the retention licence it is planned to conduct sufficient work as to enable decisions regarding the advancement of mining, processing and marketing options as part of a pre-feasibility study (PFS). Positive data from this would flow into the definitive feasibility study (DFS), likely to be undertaken in the last years of the retention licence.

Staged work over the course of the proposed 10 year term includes a range of activities designed to enable prefeasibility and definitive feasibility studies to be completed. These involve, but are not limited to:

- designing and enacting a community engagement plan (already initiated);
- geological drilling and sampling for purposes of mineral analysis and more detailed resource modelling and resource estimation;
- geotechnical and hydrogeological investigations;
- License to Operate activities including the preparation of an Environment Effects Statement (EES) outlining the potential environmental impacts of the project. The EES requires a number of studies including, but not limited to, biodiversity and habitat, water catchment and hydrology, visual and environmental amenity, social impact and cultural heritage surveys;
- feasibility studies, including mining and process optimisation and engineering design; and
- economic viability assessment.

Appropriate approvals for field work will be sought from Earth Resources Regulation prior to field work commencing and will include detailed rehabilitation plans, monitoring and auditing.

Field activities may be accelerated or moderated depending on technical and commercial findings, staff availability and funding.

As part of Iluka's planning processes, affected landowners will be consulted at all stages of the planning and execution phase, to ensure that the landowners' specific requirements are met and to ensure that any feedback is incorporated into the planning process.

The results of the scoping and Pre-Feasibility Studies will determine if a Definitive Feasibility Study (DFS) to support future mining of the HM resource will be undertaken. Any additional programs would only be completed after consultation with the landowners.

Local community consultation:

Iluka recognises that its environmental and community footprint impacts the company's license to operate. Iluka is committed to operating in a sustainable manner and conducts its business in a way that minimises negative impacts, at the same time delivering economic and social benefits for communities.

Iluka strives to develop and maintain robust relationships with its community stakeholders. From the outset of its activities, Iluka works to establish an open dialogue with all stakeholders, including landowners, occupiers, neighbours, community leaders, regulatory agencies, traditional and indigenous communities, and local businesses. The company consults with stakeholders regarding a variety of relevant issues including land access and impact, infrastructure, stock control, weed control, water, special local land issues, vehicle movements, sensitive flora and fauna and heritage sites.

Iluka recognises that engagement and consultation with stakeholders is integral to exploration activities and the company's exploration teams take pride in addressing the queries and concerns of those impacted.

Prior to any on ground activity Iluka will undertake a number of desktop assessments to identify affected stakeholders and to assess any potential impacts that any proposed exploration programs may have. Once affected stakeholders are identified an extensive engagement program will commence, which will include the negotiation of land access and compensation agreements.

Environment Strategy:

Iluka explores in many types of locations, each with unique environmental challenges which require varying environmental management approaches. Thorough planning ensures minimal disturbance to the surrounding environment and enables leading practice rehabilitation following exploration activities.

Factors taken into account in the design and execution of Iluka's exploration and drilling programs include the use of existing roads and tracks, current land use, weather patterns, ground and surface water systems, wildlife, vegetation and historical or heritage sites.

Exploration drilling will require the approval of a low impact exploration plan or work plan by Earth Resources Regulation, including detailed rehabilitation plans and reporting.

Areas impacted upon by drilling are kept to a minimum, and holes are immediately backfilled and plugged following completion. Drill sites are raked clean and any remaining cuttings are buried or dispersed. All litter and materials are removed, and drilling sites are relatively indistinguishable once the program is complete. Ground water intersected during drilling is recorded and surplus water controlled. Environmental management and rehabilitation activities conducted by the exploration teams are tailored depending on the natural environment.

Further details of Iluka's management of community and environment impacts can be found by following the link <https://www.iluka.com/sustainability>.

For further details please contact David Sleigh, Manager Geological Services on (08) 9360 4765 or email david.sleigh@iluka.com.



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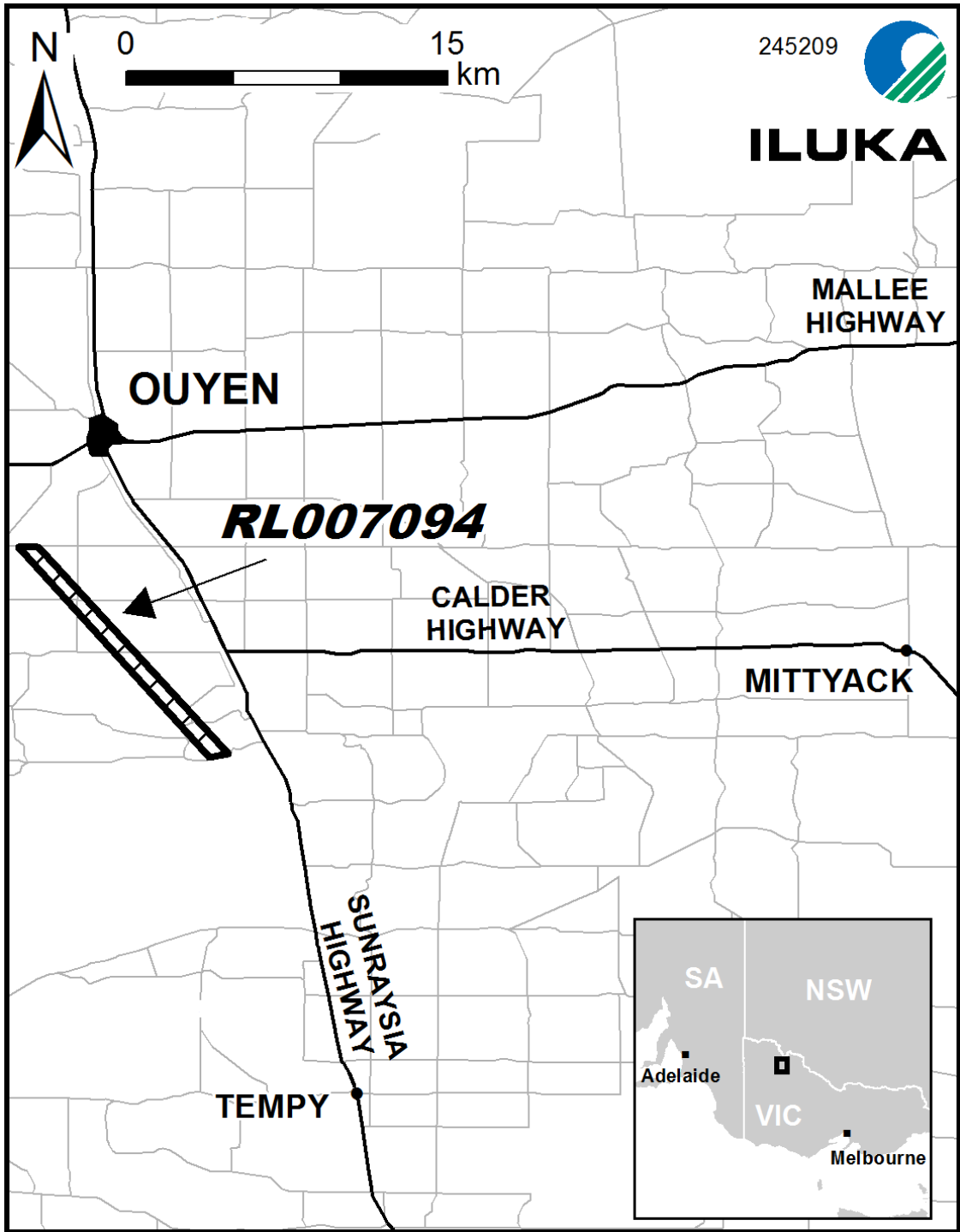


Figure 1: RL007094 Location



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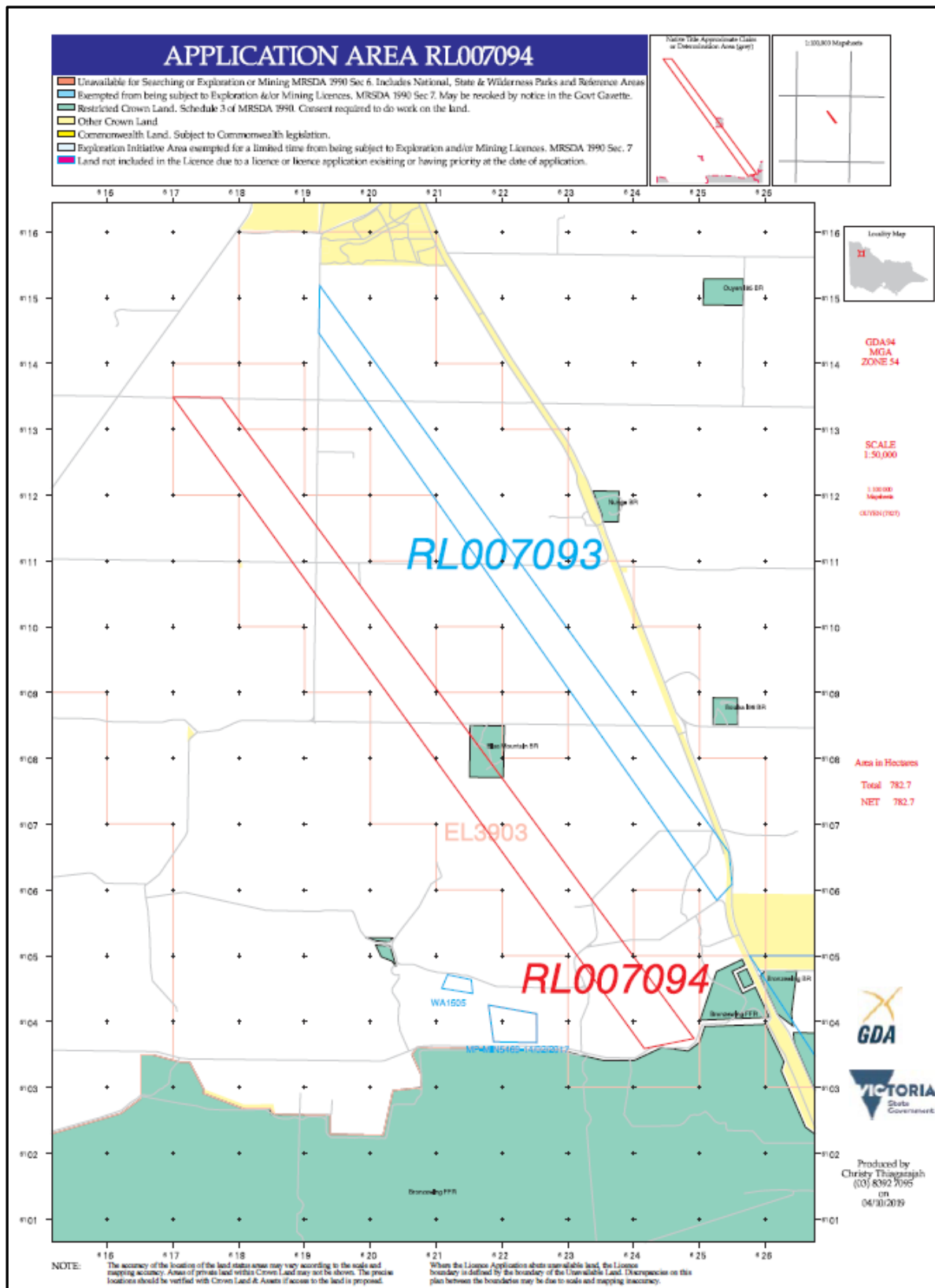


Figure 2: RL007094 DJPR Area Map



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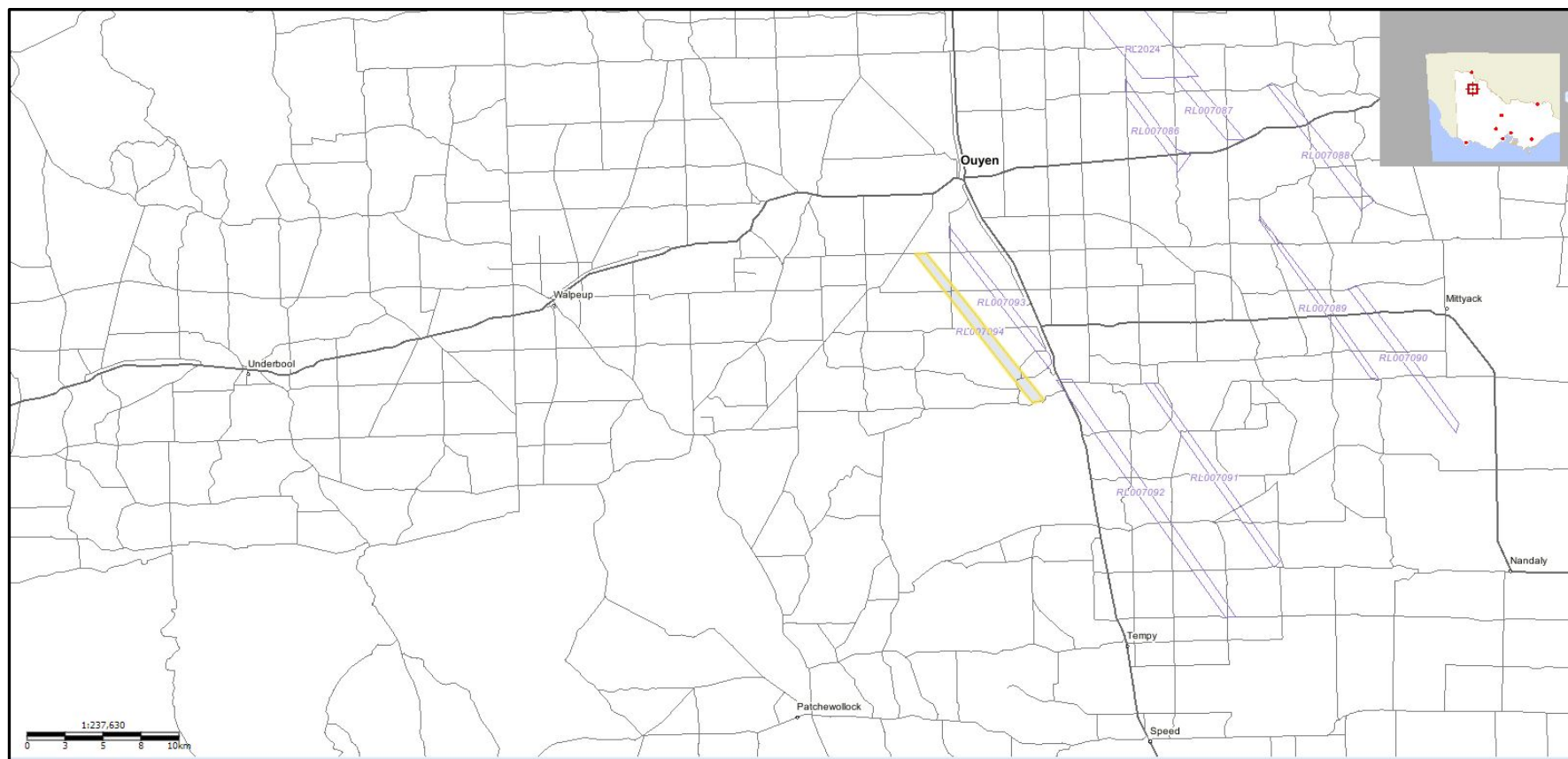


Figure 3: RL007094 Location within wider Victoria

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