Lower Murray Exploration

November 2020



EARLY EXPLORATION DRILLING

Iluka will be commencing early exploration fieldwork in two tenements it holds in the Coorong area of South Australia in November/December 2020.

Iluka is an Australian based, international mineral sands company with expertise in exploration, development, mining, processing, marketing and rehabilitation. Iluka currently has operations in Australia and Sierra Leone; projects in Australia, Sri Lanka and Sierra Leone; and a globally integrated marketing and distribution network.

Iluka is a global supplier of zircon and titanium minerals, distributing to a variety of customers, reflecting the diverse end uses of mineral sands products.

Iluka has had a presence in South Australia since 2004, when our Jacinth-Ambrosia deposit, 300km Northwest Ceduna was first discovered. In 2005 Iluka opened a corporate office in Adelaide and production commenced at Jacinth-Ambrosia in 2009, which is the world's largest zircon mine. Iluka is conducting early exploration activities in other regions of South Australia.

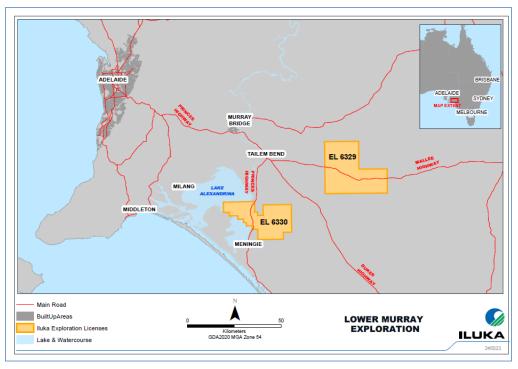


Figure 1 – Map of South Australia showing two Iluka Exploration Licenses (EL) in yellow.

Early exploration program

The Lower Murray Lakes Exploration Program encompasses two initial assessments, which Iluka calls Ashville EL6330 and Alexandrina EL6329, in the Coorong area of South Australia. The areas for exploration are located approximately 100km from Adelaide, close to Tailem Bend.

Ashville EL6330 is close to Meningie and the drilling is situated on Freehold land where Iluka has negotiated an access agreement with the Landowner.



Alexandrina EL6329 is located around the settlement of Peake and drilling is situated on Crown Land (road reserves). Permits have been obtained from the relevant district council.

Initial drilling is expected to commence in December 2020 once field work assessments are complete. It is estimated that drilling will take approximately 15 days.

In accordance with <u>the South Australian Community guide to Early and Advanced Exploration Activities in South</u> <u>Australia</u>, this exploration program is considered 'early exploration.' It is low impact on community, landowners and the environment, with minimal ground disturbance and rehabilitation.

Iluka employees and our contractors will be accommodated in Tailem Bend. Wallis Drilling is Iluka's drilling contractor and WorkZone Traffic Control will implement our traffic management plan.

Please visit the FAQ section below for more information.

Compliance

Iluka's Exploration team coordinates the approvals and permitting required to enable us to safely access and complete our exploration activities. For our drilling program in the Lower Murray Lakes, we are complying with the following regulations and laws:

Regulatory laws

- Mining Act 1971 (SA)

Heritage laws

- Native Title Act 1993 (Commonwealth)
- Native Title (South Australia) Act 1994
- Aboriginal Heritage Act 1988 (SA)
- Heritage Places Act 1993 (SA)

Environment laws

- National Parks and Wildlife Act 1972 (SA)

In addition to complying with external requirements, Iluka must also follow our own Health, Safety, Environment and Community standards. The policies relating to these standards are available for viewing <u>here</u>.

Community engagement

Iluka will engage with stakeholders and members of the community throughout the exploration process.

Information is also available via an engagement website established for the Iluka's exploration program at www.iluka.com/engage/exploration .

You can contact Iluka by phone on 1800 305 993 (24/7) or by email at community.support@iluka.com .

Useful links

• For information on South Australia guidelines for exploration activities visit, <u>Mineral Regulatory Guidelines</u> MG27: Community guide to early and advanced exploration activities in South Australia (2020).



Frequently Asked Questions

What is exploration?

Exploration in geological terms refers to a wide range of activities which aim to discover minerals and establish the location, significance and extent of their presence. Exploration aims to increase the understanding of minerals at the specific location, especially determining if there is sufficient quantity and quality for mining to be economically viable.

What is an Exploration License?

For a business like Iluka, an Exploration Licence secures the right to explore for minerals, but not to mine or sell those minerals. Before granting or renewing an Exploration Licence, the Department for Energy and Mining assesses the exploration company's proposed work program to determine whether the company has the experience and funds necessary.

Has Iluka secured land access required for the drilling?

Requirements for access to land for exploration activities in South Australia are set out in the Mining Act. Iluka must negotiate an agreement directly with the landowner that includes the conditions of entry, and also serve a notice of entry at least 21 days prior to commencing exploration activities.

To conduct exploration activities at the Lower Murray Lakes Project several permits and authorities are required and have been obtained. In addition to obtaining regulatory approvals, we negotiate directly with land owners for access to their land.

How are Native Title rights protected?

An exploration licence or a mineral claim does not give Iluka the right to carry out exploration activities on land on which Native Title is held.

Part 9B of the Mining Act SA sets out Native Title requirements for mineral exploration. Activities that affect Native Title may only be undertaken if they are authorised by a Native Title Agreement under the Mining Act SA or an Indigenous Land Use Agreement registered under the Commonwealth Native Title Act. Where Iluka's proposed exploration activities affect Native Title, Iluka has negotiated a Native Title Exploration Agreement.

What happens if Iluka discovers something of potential Aboriginal cultural heritage value?

If an Aboriginal site or object is discovered, any work that may impact the site or object must be stopped and everything left in place. Iluka is required to comply with the Aboriginal Heritage Act 1988, which protects all Aboriginal sites, objects and remains. Under this Act it is an offence to damage, disturb or interfere with an Aboriginal site, objects or remains without authorisation from the relevant minister.

What happens if Iluka intersects groundwater during drilling activities?

As part of the South Australian Program for Environmental Protection and Rehabilitation (PEPR) Iluka has assessed the risk of intersecting groundwater during proposed drilling activities. Iluka acts in accordance with advice from the Department of the Environment and Water and has control strategies in place to prevent cross contamination of confined aquifers.

What are you drilling/looking for?

Iluka explores for mineral sand ore bodies. Zircon, titanium dioxide, ilmenite are all types of mineral sands we mine and process. Once we have drilled, the samples are taken and assessed in a laboratory to determine if they contain mineral sands. Mineral sands are products that are used in paint, ceramic tiles, water filtration, food, plastics and paper.

How long will the drilling take?

In general, drilling normally runs for approximately 14 to 21 days. It can vary due to the location, land access arrangements, weather, cultural, pastoral or community activities. It may also be impacted by commercial activities, like securing a drill rig or other necessary equipment.

Iluka plans our work to ensure it has minimal impact on surrounding communities. Prior to drilling, we often spend time in the community doing preliminary fieldwork and meeting with stakeholders.

What are you doing to prevent the spread of COVID-19?

In accordance with government requirements, Iluka has a COVID safe plan for all its business activities. Iluka has created an Exploration COVID-Safe Plan that specifically addresses risks relating to our exploration activities. You can request copy of the plan by emailing communities.support@iluka.com.



What will we see?

Iluka's field exploration team operates in a manner to ensure minimal impact and disturbance to land owners, community and the environment. If you do see us, we are usually a crew of four to five people, operating about four vehicles.

Drill rig - We use a small, mobile, off road drill rig mounted on a four wheel drive or small truck. It is managed by our contractor Wallis Drilling.

Support vehicle – Carries personnel and cargo required to safely perform drilling operations. **Logging vehicle** – Used by the Geologist on site to pan for samples as they are taken from the earth.

Other – Depending on the area being explored, we may have extra vehicles or a trailer for moving crew or other items. In some cases we may have a small bobcat on site.



Figure 2 Iluka rig with 3 support vehicles. Cataby, West Australia.

What will you leave behind?

Iluka is bound by a Program for Environmental Protection and Rehabilitation for each exploration program in South Australia. This ensures we identify all environmental impacts that may result from the proposed exploration activities, assess each site prior to starting work, and rehabilitate it after our drilling program is complete, in line with regulatory standards. All rehabilitation is monitored to ensure compliance.

The photos below show the stages of drilling and rehabilitation at an Iluka site, Yellabinna Regional Reserve, South Australia.



Before - drilling



During - Drilling



After - drilling and rehabilitation

How can I contact Iluka about exploration drilling in my area? You can contact Iluka directly on 1800 305 993 (24/7) or email <u>communities.support@iluka.com</u>.

