

21 January 2021

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Dear Darren,

Fingerboards Mineral Sands Project Inquiry and Advisory Committee (IAC) - Proposed Incorporation of Centrifuges

Thank you for your letter of 19 January 2021.

Centrifuges

Since raising the possibility of centrifuges with your client in December 2020, it became apparent to our client that their use in the Fingerboards Project would have many environmental advantages, which is why our client decided to put them forward for consideration by IAC as part of the Project.

The use of centrifuges would remove a source of considerable community concern and anxiety about the tailings storage facility (**TSF**), as is evident from many of the EES submissions.

Moreover, SLR has raised concerns about the water extraction rates from fine tailings which, based on our client's assessment, are well-founded. It should be apparent from the technical note that these concerns can be mitigated by utilising modular centrifuge equipment that has a long track-record of use in the mining industry to maximise water extraction from fine tailings.

The use of centrifuges also reduces the environmental impacts of the Fingerboards project in other respects, which are listed in our letter to IAC dated 18 January 2021.

We are proposing that our expert witnesses address the implications of the proposed centrifuges in their witness statements. The IAC has directed us to provide witness statements for exchange by midday Friday 29 January 2021. However, our client acknowledge that the potential use of centrifuge as an alternative to a TSF is an important issue, and that your client will need time to consider the implications of their use. We invite you to seek instructions from your client and discuss with us what type of orders might be suitable in this regard.

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With regard to your question about the revised intersection designs, the designs that were provided to the Department of Transport last week, and to IAC earlier this week, represent our client's latest design thinking about the best way to configure the roads during mining and after the mine has been rehabilitated. Our client is obviously waiting for the Department of Transport's views about the layout, so from Kalbar's perspective, both layouts are still on the table – the exhibited version, and the version recently provided to IAC. Again, our expert witness statements will address both versions.

We look forward to your reply, and are happy to discuss.

Yours sincerely,

Tim Power Partner