

18 January 2021

Mr Nick Wimbush
Chair of the Fingerboards Mineral Sands Project Inquiry and Advisory
Committee
Planning Panels Victoria
1 Spring Street
Melbourne Victoria 3000

By email: Fingerboards.IAC@delwp.vic.gov.au;

Dear Mr Wimbush

Fingerboards Mineral Sands Project – Public Hearing

We act for Kalbar Operations Pty Ltd, proponent of the Fingerboards Mineral Sands Project (**Project**).

We are writing to inform the IAC about two changes to the Fingerboards Project proposed by our client, which it believes will substantially address a number of concerns raised by EES submitters, and provide conceptual design drawings for the southern haul road/infrastructure corridor and Fernbank rail siding, as well as road designs discussed with the Department of Transport.

Tailings centrifuges

Our client has been investigating the potential for including centrifuges as part of the Project to put beyond doubt concerns raised by some submitters around the sensitivity of the EES water impact assessments to the assumptions made in the Project water balance provided in EES Appendix A006 (Appendix A).

Enclosed with this letter is a technical note setting out further information about the proposed centrifuges, including noise frequency. Technical notes have been used as a way to convey information in recent planning and environmental assessment hearings so that they can be readily tabled and made publicly available.

The technical note indicates that there would be clear advantages for the Project if centrifuges are included:

1. Centrifuges would provide certainty about water recovery from the fine tailings that is independent of climatic and soil conditions.
2. There is no need to construct the temporary tailings storage facility (TSF) or the in-pit fines TSFs if centrifuges are used, as they create a dry cake from fine tailings.

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3. Centrifuges allow the continuous backfilling of the mined voids without the need to rip and remove in-pit fine TSFs before the commencement of rehabilitation operations, which means that the disturbed mining area is smaller, and rehabilitation can occur sooner after the completion of mining in any particular area.
4. The continuous mining and backfilling operation significantly reduces overburden haul distance, which in turn reduces noise and dust generation.
5. Any risk of seepage from fine tailings is removed as this material is fully dewatered to a state that will only retain capillary moisture that cannot seep to the environment.

In the process of preparing the technical note, it has become evident that one of the assumptions that underpins the Project water balance in EES Appendix A006 (Appendix A) - the water recovery rate from fine tailings – is incorrect. The assumption used in the Project water balance is that around 80% of process water will be recovered from fine tailings, noting minor variations depending on whether conditions are dry, average or wet (see values provided in Figures 8.1- 8.3 of Appendix A006 (Appendix A) to the EES). As set out in the technical note, Kalbar expects that a water recovery rate of around 55% for fine tailings is more accurate, with the remainder subsequently lost to evaporation.

The effect of the incorrect assumption is that in the EES scenario (i.e. no centrifuges), less water will be recovered from fines tailings for reuse in mining operations than previously thought.

Inclusion of centrifuges in the Project would ensure maximum recovery of water from the fine tailings, and would mean that the EES's assumed water recovery rate of 80% from fine tailings holds true. For this reason, and for the other Project benefits associated with centrifuges listed above and in the technical note, Kalbar proposes to include centrifuges as part of the Project.

We have provided the technical note to East Gippsland Shire Council, and will forward copies to EPA Victoria, Department of Transport, the water authorities and Mine Free Glenaladale.

Proposed road deviation and intersection geometry

Kalbar has been discussing the implications of the Project on roads and the optimal road layout with the Department of Transport. Attached for your information is a copy of an email and the draft plans that Kalbar sent to the Department of Transport on 14 January 2021.

Southern haul road/infrastructure corridor and Fernbank rail siding

Since publishing the EES, Kalbar commissioned the enclosed concept designs for the southern haul road, infrastructure and Fernbank rail siding. These drawings present more design information about these elements of the Project.

Water pump station

The EES evaluates two options for pumping water from the Mitchell River:

1. One option was to pump water from the existing pump station operated by East Gippsland Water several kilometres north of the proposed mine site, and install a supply pipeline predominantly within road reserves.

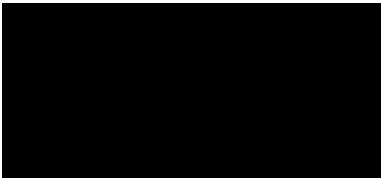
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2. The second and preferred option was to build and operate a purpose-built pump station located much closer to the mine on the southern side of the Mitchell River.

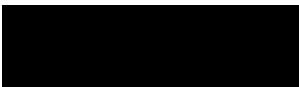
These two options are described in EES Volume 1 Section 3.7.1, and depicted on Map Book Figure 4.

We are instructed by Kalbar that it now only proposes to proceed with the second pump station option.

Yours sincerely,



Tim Power
Partner



Enc: Technical Note - Implementation of Centrifuges for Water Recovery and Tailings Management
 Copy of email and road deviation drawings sent to Department of Transport on 14 January 2021 (10 drawings in all)
 Southern haul road/infrastructure drawings (4 drawings) and Fernbank rail siding (1 drawing)