

FACTSHEET FAQ #2

Saint Elmo Project
December 2018

EPIC Environmental (Epic) are working with Multicom Resources Limited (Multicom) on the approvals process for the Saint Elmo Project, including the Environmental Impact Statement (EIS). The purpose of this Factsheet is to provide information on the Project, the EIS and to respond to questions raised by stakeholders.

1. ARE YOU USING PROVEN TECHNOLOGY?

The process from mining to the final product (vanadium pentoxide) is in three main parts.

- i) Strip or panel mining is similar to the method used in bauxite mining, which has been operating in other parts of Australia for more than 50 years and is well suited to progressive rehabilitation. Topsoil is removed and stockpiled nearby for use in rehabilitation.
- ii) The exposed ore is excavated and washed with water in a trommel, to separate the larger particles (about 85%) from the finer clays (about 15%). The larger particles and overburden are then returned to the previously mined area, ready for rehabilitation.
- iii) The finer clays are processed to extract vanadium. Multicom's engineering team is currently optimising the processing options as part of the Prefeasibility Study. Each of the processing circuits being considered are proven technologies, which are in use across numerous other successful resource operations globally. The combination of these technologies for use on the Saint Elmo Project is currently being tested and validated by Multicom, to verify historical test work previously successfully completed by others.

2. HOW WILL DUST BE MANAGED SO IT DOES NOT IMPACT SIGNIFICANTLY ON PEOPLE OR THE ENVIRONMENT?

Epic has been undertaking environmental studies since March 2017, including studies to understand the current background levels of dust during a range of weather conditions. This, combined with modelling of how this year's weather compares to other years, will enable calculation of a baseline (or background) level

of dust for the area.

Management plans will then be developed as part of the overall mine plan to minimise dust generation. Plans include progressive rehabilitation, to minimise open and unvegetated areas, and employ the use of water trucks and other dust suppressants if required.

During construction and operations, ongoing monitoring of dust generation will be carried out and compared to the baseline or background levels. This is to ensure the Project is not having an adverse impact on the community.

3. WHY IS A MINING COMPANY PUTTING SO MUCH FOCUS ON THE JULIA CREEK DUNNART?

The area surrounding the proposed Saint Elmo Project is known to present historical habitat for the Julia Creek Dunnart, a Vulnerable species under the Commonwealth, Environment Protection and Biodiversity Conservation Act. Multicom will be required to offset any impact it may have on viable habitat for the species.

However, Multicom recognises that there are other threats already facing the Julia Creek Dunnart, including the prevalence of Prickly Acacia and other pests in the region. Multicom intends on meeting the legal requirements to offset impacted habitat to create a net positive outcome in the control of Prickly Acacia. This will be done through a coordinated approach relying upon innovative research and local knowledge and networks. This will benefit not only the Julia Creek Dunnart, but also in returning the Mitchell Grass Downs to their natural condition.



4. HOW MUCH VANADIUM WILL THE PROJECT PRODUCE?

The initial production of vanadium pentoxide (V_2O_5) is initially targeted to be 10,000 tonnes per year.

While 10,000 tonnes per year might not sound like much, the total annual global production of vanadium pentoxide in 2017 was approximately 175,000 t, so the Saint Elmo Project would be a significant global producer.

Subject to market conditions, Multicom will consider expanding the output capacity of the Saint Elmo Project beyond the initial 10,000tpa.

5. WERE ANY NEW SPECIES IDENTIFIED ON THE PROJECT SITE IN THE NOVEMBER ECOLOGICAL SURVEY?

Additional ecological surveys were carried out in November 2018 to see if any additional species could be identified at a different time of year. As well as common species like the Australian Bustard, which have been found previously, the survey identified two new migratory species in the area - the Marsh Sandpiper and the Oriental Plover. However, these species do not breed in the area, and are therefore not likely to be impacted.



Figure 1. Australian Bustard, Saint Elmo Station, November 2018



Figure 2. Marsh Sandpiper, Saint Elmo Station, November 2018

6. WHERE WILL PEOPLE LIVE AND WHAT IMPACT WILL THAT HAVE ON JULIA CREEK'S INFRASTRUCTURE?

It is currently estimated that there will be a construction workforce of over 200 people, followed by an operational workforce of more than 150 people for the initial mine production of 10,000tpa.

Multicom are working with the McKinlay Shire Council and relevant Government Departments to understand the availability of existing and planned infrastructure in Julia Creek to supply the necessary housing, water, sewerage, hospital, educational and social services. This will enable a Workforce Strategy to be developed early in 2019.

7. WILL I BE ABLE TO INVEST IN THE COMPANY?

Multicom is currently a privately-owned Queensland company. For anyone interested in further details in how to invest in Multicom, please contact Multicom directly via <https://www.m cres.com.au/contact>.

8. HOW CERTAIN ARE YOU THAT THIS PROJECT WILL GO AHEAD?

There are currently three phases of work underway for the Project:

- The approvals process, including preparation of the EIS.
- The final process design and pre-feasibility, which will provide a cost estimate for the Project with a greater degree of certainty.
- Discussions with potential customers to finalise agreements for the purchase of the final product.

Completion of all three phases of work are required to enable Multicom to make a final investment decision. This decision is commonly called financial close.

Further information

If you would like further information on the Project, please:

- Email saintelmo@epicenvironmental.com.au ; or
- Freecall 1800 270 844; or
- Visit <https://www.m cres.com.au/saint-elmo-project>