FACTSHEET Newsletter #3

Saint Elmo Vanadium Project
February 2019

Epic Environmental Pty Ltd (Epic) are working with Multicom Resources Limited (Multicom) on the approvals process for the Saint Elmo Project (the Project), including the Environmental Impact Statement (EIS).

PROJECT TIMING UPDATE

Epic and Multicom have been working over the summer period to finalise the technical studies which are needed to complete the draft EIS, including a Social Impact Assessment (SIA).

The planned timetable for consultation on the EIS is:

- February 2019 – Epic submits draft EIS to the Government who will assess it against the Terms of Reference and approve its release to the public.
- March 2019 – EIS released for 6-week consultation period.
- March 2019 – May 2019 – likely EIS consultation period.

Based on this planned timing, both Epic and Multicom will also be available to meet with members of the community and with all stakeholders to answer any questions you may have from late March onwards.

The information available as part of this consultation will include:

- An executive summary;
- Summary chapters;
- Technical reports and appendices; and
- Factsheets, which will summarise the key issues.

As these timings are finalised we will let you know. However, if you have any questions in the meantime please contact us by phone or email.

WATER STRATEGY UPDATE

The November 2018 Newsletter confirmed that all water requirements for the Project needed to be sourced in a sustainable and integrated manner and that the Great Artesian Basin (GAB) alone could not achieve this.

A Water Supply Strategy has been undertaken to understand alternate sources of water including current or proposed water sources in the region. This strategy also considered options which may have broader potential benefits to Julia Creek and surrounding communities, including other potential users in the North West Minerals Province. Details will be confirmed following additional studies.

At the same time, Multicom's engineering team have assessed the processing options to improve the efficiencies of water use where possible.

Currently, both pressure leaching and heap leaching processes are being considered, with both options addressed in the EIS.

Water access is a key issue for the Project and Multicom are continuing to work with McKinlay Shire Council and the State Government on options to ensure this vital resource is available to the Project, but in a sustainable way which does not impact other users in the region.

CHANGE IN TRANSPORT PLANS

A detailed study has been carried out to assess the transport options for the Project, including:

- Impact on road traffic and road maintenance from all road uses;
- Options for transport of materials, final product and the workforce to and from the site;
- Consideration of impacts on available airports and Port of Townsville facilities;
- Construction specific impacts; and
- Potential to use rail for transport of consumables and the finished product to and from the site and the Port of Townsville.

During both the construction and operations phases, staff will be encouraged to use a bus service to and from the site to minimise traffic on the highway and driver fatigue after the day's work.

Prior to undertaking this study, it was planned to use the road network for all material movements. However, while the product volume is small, the volume of other materials required (such as chemical reagents) meant that the option to use rail was re-visited. It is now planned that the rail network be used for the transport of all chemical reagents and fuel to the site and the finished product between the site and the Port of Townsville.

This demonstrates the value of completing these studies as part of the EIS process, in that detailed alternatives can be reviewed and the best possible outcome for all stakeholders can be established.

Figure 1: Existing Railway Crossing Flinders Highway (east facing)

Multicom have been working with Queensland Rail and the Department of Transport and Main Roads to review options for the placement of a new rail siding, with the proposed location resulting in a zero-vehicle impact on the public road network as all loading and unloading of process chemical reagents and finished product will occur within the site.

However, construction of this new rail line from the Northern Rail Line to the Project site will require an additional rail level crossing (Figure 2). This level crossing is located on the eastern boundary of the site. All vehicles travelling from the east along Flinders Highway to site will cross this rail level crossing.

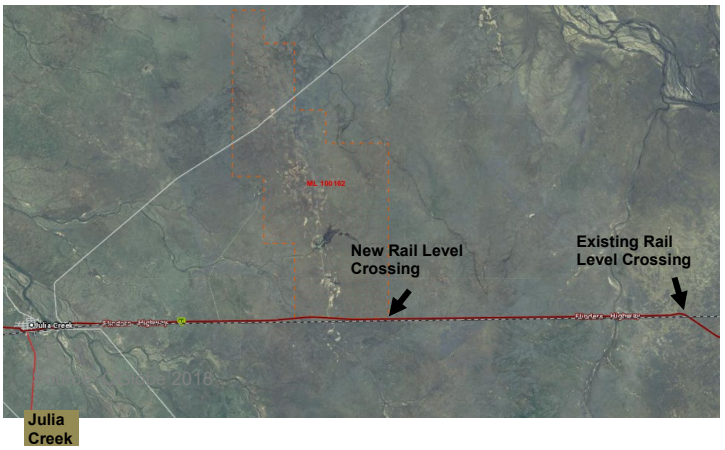

Figure 2: Proposed Railway Level Crossing at Site

There will still be some vehicles bringing materials to site, such as plant parts and tyres, but this is now up to a few truck movements per day. With the incorporation of rail, the movement of heavy vehicles along the Flinders Highway to and from the site has been further reduced. To facilitate site access, a new intersection will be constructed on the Flinders Highway, allowing direct site access.

A Transport and Traffic Management Plan will be established to ensure the safe travel of all personnel to and from site and the effective and efficient use of heavy vehicles.

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.mcres.com.au/saint-elmo-project