



24 November 2021

Dear Shareholders

The Minister for Planning's assessment of the Fingerboards Mineral Sands Project ("Project") Environment Effects Statement ("EES") has been received by Kalbar Operations Pty Ltd, being the EES proponent, and to our disappointment the assessment concludes that the Project has been evaluated as posing an unacceptable environmental risk as presented in the EES.

I have attached both the media release from Kalbar Operations' Chief Executive Officer, Jozsef Patarica, pertaining to the Minister's decision, and the Minister's decision itself.

We are very disappointed with the outcome, as it is our strong view that this globally-significant Project would contribute to the future prosperity of East Gippsland, positioning the region as one of the leading world providers of both industrial and essential critical minerals to sustainable green energy, and, importantly, one that would operate in harmony with the local community, natural environment, farming, water resources and other industries.

A thorough review of the Minister's determination will be undertaken to determine the next steps for the Project. Shareholders will be advised in the near future of the outcome of the review. Kalbar Limited is committed to the development of the project in a way that is consistent with the best interests of the community and environment.

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Chairman
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MEDIA RELEASE

23 November 2021

Statement from Kalbar Operations' Chief Executive Officer, Jozsef Patarica

Kalbar Operations Pty Ltd (herein Kalbar) notes the Minister for Planning's assessment of the Fingerboards Mineral Sands Project (herein the Project) Environment Effects Statement.

We are very disappointed with the outcome as it is our strong view that the Project provides significant benefits to the East Gippsland region, and one that would operate in harmony with the local people, natural environment, farming, water resources, and other industries.

Our thoughts are with the Project's employees, families, and supporters, whose future has been placed at risk due to the decision of the Minister, and we acknowledge the uncertainty that this decision creates for them. It is unfortunate that when presented with the opportunity to protect and create jobs, the government has elected to hinder development of the mining industry in the state.

The fact remains, mineral sands mining has enjoyed a long and proud history in this state, and demand for the commodities produced is only increasing as the world recovers from COVID and pursues a sustainable Energy Transition.

The Project is a globally significant mineral sands resource that would contribute to the future prosperity of East Gippsland, positioning the region as one of the leading providers of industrial and critical minerals essential to technology, transport, communications, and renewable energy.

With the region seeking to rebuild following bushfires and droughts as well as the closure of key industries including forestry and fisheries, the Project would generate much needed regional development including short and long-term jobs for locals and providing significant opportunities for the area's businesses to support operations during the life of the project.

Kalbar is committed to the development of the project in a way which is consistent with the best interests of the community and will undertake a thorough review of the determination before confirming the next steps for this Project.

Further detail on the Fingerboards Project and the EES findings can be found at <https://www.kalbaroperations.com.au/>

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Media Release

The Hon Richard Wynne MP
Minister for Planning
Minister for Housing
Minister for Child Protection



Wednesday, 24 November 2021

DECISION PROTECTS EAST GIPPSLAND'S PRECIOUS ENVIRONMENT

The Fingerboards Mineral Sands Mine near Bairnsdale will not proceed with the Minister for Planning concluding the project would have unacceptable risks to the environment.

Minister for Planning Richard Wynne accepted the independent advisory committee recommendation that found the project would significantly impact local wildlife, vegetation, air quality, agriculture and horticulture.

The assessment also concluded the project would have posed significant risks to surface water downstream of the proposed mine.

The Minister required Kalbar Operations Pty Ltd to prepare an environment effects statement for the proposed mineral sand mine project – located 20 kilometres northwest of Bairnsdale. Kalbar had proposed extracting approximately 170 million tonnes of ore over a projected mine life of 20 years.

An independent inquiry and advisory committee reviewed the environment effects statement and held public hearings from May to July 2021.

The committee concluded the environmental effects of the project could not be managed to an acceptable level and the project should not proceed in its current form. The Minister for Planning's assessment supports this conclusion.

Quotes attributable to Minister for Planning Richard Wynne

"We owe it to the community and the environment to get this right and ensure only projects that adequately protect our environment go ahead."

"I have accepted the committee's recommendation not to proceed with planning permissions for this project. The committee's review of the environment effects statement found this project would pose a significant risk to the environment and valuable horticulture industry."

Quotes attributable to Member for Eastern Victoria Harriet Shing

"This decision is based on a thorough and considered EES assessment and Independent Advisory Committee process - it's an outcome that recognises the concerns raised by the community and primary producers, including on the environmental and economic impacts of the project, and the importance of East Gippsland's horticulture and tourism industries."

Quotes attributable to Member for Eastern Victoria Jane Garrett

"This is great news for the East Gippsland community who have actively participated in the EES process and had their voices heard. These processes are an important step in the planning process that ensure the benefits and risks are properly considered in the decision making process."