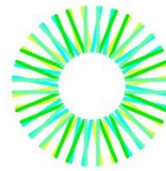


MINUTES

Sunrise Energy Metals Community Consultative Committee



sunrise
energy metals

	Community Consultative Committee	Meeting Date: Commenced:	9 March 2022 1:04pm
Independent Chairperson:	Lisa Andrews (LA)		
Member Attendees: (In person)	<ul style="list-style-type: none">• Cr Megan Mortimer – Lachlan Shire Council representative alternate (MM)• Cr Paul Phillips – Lachlan Shire Council representative (PP)• Cr Bill Jayet – Parkes Shire Council representative (BJ)• Cr Dennis Brady – Condobolin Chamber of Commerce representative (DB)• Laurie Hutchison – Wiradjuri Condobolin Corporation (LH)• Ally Coe – Wiradjuri Condobolin Corporation (AC)• Des Ward, Community Representative (DW)• Helen Quade, Community representative alternate (HQ)• Sam Riggall – Sunrise Energy Metals Chief Executive Officer (SR)• Bronwyn Flynn – Sunrise Environment, Approvals and Community Lead (BF)		
Member Attendees: (Online)	<ul style="list-style-type: none">• Mayor Ken Keith – Parkes Shire Council representative (KK)• Cr Steve Karaitiana – Forbes Shire Council representative (SK)• Narelle Sunderland – Community Representative (NS)• Mike Wood – Sunrise Regional Manager (MW)		
Absent:	Geoff Rice		
Observers	<ul style="list-style-type: none">• Cr Judith Bartholomew – Lachlan Shire Council• Cr Elaine Bendall – Lachlan Shire Council		
Venue:	Council Committee Room, Lachlan Shire Council Offices		
Minute takers:	Bronwyn Flynn, Mike Wood		
Close:	2:08pm		

1. Welcome & Introductions

Independent Chairperson, Lisa Andrews opened the meeting at 1.04pm and welcomed all members and guests to the Community Consultative Committee (CCC) meeting. The new Council delegates were invited to introduce themselves to the CCC.

2. Apologies

John Lagerlow.

3. Declarations

LA declared that she is an Independent Chairperson, appointed by the Secretary of the Department of Planning, Industry and Environment (DPIE) and engaged by Sunrise Energy Metals to chair this CCC meeting.

LA reminded all CCC members to ensure their declarations are kept up to date. LA will distribute governance forms to the new Council delegates for completion and return (Action).

4. Business Arising from previous minutes

LA confirmed that the minutes from the 1 December 2021 meeting were finalised and a copy emailed to members on 24/12/2021.

Action Items from that meeting:

1. Provide the PowerPoint presentation to Lisa for distribution to the CCC members. Complete – sent 24/12/21.
2. Provide the link to the video of the autoclave move for distribution to CCC members. Complete – sent 16/12/21.

5. Correspondence Report as emailed 24 February 2022

- 16/12/21 – Email to members with the draft minutes from the 1/12/21 meeting with the link to the autoclave move video.
- 24/12/21 - Email to CCC members with the finalised minutes and presentation.
- 18/1/22 – Email to CCC members advising of DPIE’s determination of MOD 7 via approval.
- 25/1/22 – Email to CCC with the ASX announcement that the project has received conditional finance support.
- 14/2/22 – Email from LSC advising of its new delegate (Cr Phillips) and alternate delegate (Cr Mortimer).
- 24/2/22- Email to members with the meeting notice, agenda and correspondence report.
- [4/3/22 – Email to members with a reminder for this meeting and the link for video-conferencing](#)

6. Sunrise Project Update - Presentation

Sunrise Regional Update – Mike Wood

MW provided the CCC with an update on the activities undertaken in the region since the December 2021 meeting:

- Major Project Status
 - Major Project Status was awarded to the Sunrise Project by the Federal Government in December 2021 allowing for fast tracked Commonwealth Government approvals processes. Major Project Status is the Australian Government’s recognition of the national significance of the Sunrise Project to the economic growth and employment for regional Australia.
- Debt Finance
 - In January 2022, Export Finance Australia announced a debt finance facility of \$400 million for the Sunrise Project subject to undertaking due diligence.
 - This announcement provides overseas investors with confidence that the Australian Government is also supportive of the Sunrise Project.
- Battery recycling and precursor production test work
 - Early stage laboratory scale test work is currently being undertaken to determine the potential to include lithium battery recycling and precursor production at the Sunrise Project. If successful, further work would be needed to include these steps into the Sunrise Project’s process flowsheet. An approvals process would also be required with the NSW Government.
 - Precursor is used for battery cathode production and is a downstream product following sulphate production. Precursor production would add value to the planned production of nickel and cobalt sulphates from the Sunrise Project.
- Exploration
 - Exploration activity on EL4573 (Sunrise East) is continuing, with a 53 hole RC program commencing on the weekend to test the extent of cobalt bearing oxide mineralisation.
 - Exploration activities at the Hylea tenements will commence in Q2 2022, with exploration on other tenements to commence following landholder consultation and land access agreements.
 - A strong focus has been placed on sourcing a locally based exploration team.

Q & A relating to Mike Wood's update

KK asked: Is there the likelihood of further downstream processing, like battery manufacture, to occur at Sunrise?

SR replied: Battery manufacture generally takes place close to the electric vehicle manufacturing facilities. At this stage it is unlikely battery manufacture would take place in Australia as there is not an electric vehicle manufacturing industry.

DW asked: The \$400 million from Export Finance Australia is subject to due diligence – has this been completed?

SR replied: That's correct, the \$400 million is conditional. Other funding is subject to due diligence as well and will need to be completed once an equity finance partner is secured.

DW asked: The recycling of batteries – is that going to happen onsite?

SR replied: Recycling of batteries is a two step process – the first step is mechanical and it would probably be best for that step to be undertaken somewhere like a Special Activation Precinct (SAP). The second step is the actual recycling of the "Black Mass". Wet chemistry is applied to recycle it, and that step would be best undertaken at the Sunrise Process Plant.

Note: Black Mass is what is generated once a battery has been processed for recycling. Once a battery reaches the end of its service life, it is collected, dismantled and shredded. It is this shredded material that is processed to produce Black Mass – which contains high levels of lithium, manganese, cobalt and nickel. These critical minerals can then be extracted and re-used in new battery production.

DW commented: That recycling was raised at the Independent Planning Commission (IPC, during the determination of Mod 4), and you said that wasn't going to happen.

SR replied: I don't recall saying that. At this stage we are only undertaking test work to determine if battery recycling is a viable proposition. If viable, there would be a number of further steps required including engineering and approvals prior to it being included in the Sunrise Project.

DB asked: Approximately how long after you commence the Project could you be recycling batteries?

SR replied: Tesla guarantees their battery life for 10 years. Generally speaking, if a battery's capacity falls to 80%, it is still okay, however, once it falls below 70%, it would need to be replaced. Currently 4% of vehicles in the world are electric. This number may be low, however the metal content of those batteries is quite significant. Recycling will become more important as the number of electric vehicles in the world grows.

Community Update – Bronwyn Flynn

BF provided the CCC with an update on community relations activities since the December 2021 meeting:

- Sunrise Energy Metals will be supporting the Trundle Back in Time event on 26th March.
- Sunrise Energy Metals continues to support the Condobolin Public School's breakfast club.
- The Sunrise Project newsletter was published in December 2021. This newsletter is also available on the website.
- The Parkes and Condobolin shopfronts have reopened – members of the community can visit on the first and third Tuesday (Condobolin) and Thursday (Parkes) of the month.
- No community complaints have been received so far this year.

Environmental Management Update – Bronwyn Flynn

- Environmental monitoring at the Sunrise Project is continuing in line with the Project Development Consent and Environmental Protection Licence, including:
 - Dust (depositional and particulate matter monitoring [PM₁₀ and PM_{2.5}])
 - Surface water (sampling events occurred in December 2021 and January 2022)

- Groundwater monitoring (six monthly onsite and borefield monitoring) – next round scheduled for March/April 2022
- Meteorological monitoring
- Annual reporting is currently underway with compliance reporting:
 - Annual Return to the NSW EPA
 - Annual Review to the NSW DPIE
- Annual tenement reporting is also underway for the mining leases and a number of exploration leases.

Environmental Approvals Update – Bronwyn Flynn

- The Project Execution Plan Modification was approved on 18th January 2022 with the modified Development Consent available on the Sunrise Energy Metals website.
 - Next steps will include updating the Environmental Management Plans (EMPs), submit to the consultation agencies for feedback, and submission to the DPIE for approval. A number of the draft updated EMPs will be distributed to the CCC for consultation.
- The company has been progressing the connection agreement with the Network Service Providers for the 132kV ETL, with discussions with affected landholders also continuing.
- On the raw water pipeline, the lease agreement with the Lachlan and Forbes Shire Councils has been finalised, with the lease agreement now with the NSW DPIE for its consent to the granting of a lease over a public road reserve. The easement application for the raw water pipeline over Crown Land was submitted in December 2021, and the company is progressing discussions with the Department of Crown Lands regarding this application.

Q & A relating to Bronwyn Flynn's update

DW asked: Dust monitors – you've been farming near those monitors. That would affect your background data wouldn't it?

BF replied: That's correct, there has been some farming activities nearby a couple of the dust monitors on ML1770. We do record the activities that are being undertaken near to these monitors for future reference, so these sorts of activities will be considered when interpreting the data.

PP asked: Regarding the groundwater onsite, what is the water quality like and how deep are the bores? I'm asking as we have a town water supply issue in Fifield and if we could access groundwater, it may alleviate this.

BF replied: The water quality varies considerably from one side of the Mining Lease to the other. The bores vary in depth, but the yield is very low. There is not much water in our bores, and some take a while to recover after they have been sampled. We haven't identified a significant groundwater supply on the Mining Lease.

PP asked: You mentioned the ETL, why not look into solar power for your Project?

SR replied: We have investigated solar options, however we need to keep in mind that if we look at behind the meter, we will need a storage solution as the plant must run 24/7.

KK asked: Regarding the ETL, I believe Transgrid are looking at a new ETL from Bathurst and/or Wellington to improve supply to the Parkes region. Has Sunrise's position been considered by Transgrid and does this pose a risk for the Project?

MW responded: Yes, the Sunrise electrical load has been considered by Transgrid in their network upgrade plans. Transgrid's network upgrade plans involve two stages. Stage 1 includes voltage correction devices such as batteries being installed on the network and Stage 2 involves a new 132 kV line from Wellington to Parkes. We are working with both Transgrid and Essential Energy to mitigate any supply risks for the Sunrise Project. Transgrid are requesting submissions on their upgrade plans for the region. We encourage local Councils to review Transgrid's report and make a submission as this is relevant to future development within the region as well as the Sunrise Project.

A link to Transgrid's RIT-T report is here: https://www.transgrid.com.au/media/n4zlwcks/transgrid-padr_maintaining-reliable-supply-to-bathurst-orange-and-parkes-areas.pdf

SR added: The Sunrise Project requires 50-60MW, with about 60% of power generated onsite through a steam turbine using waste heat from the process.

SR commented: Extended his thanks to both the Forbes and Lachlan Shire Councils for their work to finalise the raw water pipeline lease agreement which is now being considered by the NSW DPIE.

Funding Update – Sam Riggall

SR provided an update on funding for the Sunrise Project:

- Metal markets have been volatile recently with nickel jumping from \$20k/t to \$100k/t yesterday. These movements are based partially on the war in Ukraine, but also from limited metal stocks in LME warehouses.
- Companies are engaged in due diligence on projects like Sunrise –this includes battery suppliers and electric vehicle manufacturers.
- The market is definitely moving in our favour right now for financing. We've always stressed that the auto supply chain will need to vertically integrate into raw materials.
- The focus remains on securing an equity partner for the project.

Q & A relating to Sam Riggall's update

DW asked: You said the capital cost is now \$3 billion, however last year you said it was \$2.4 billion? What has changed?

SR replied: The total construction capex is US\$1.826 billion. When converted to AUD it is approx. A\$2.6 billion. Apart from the construction there will also be financing for working capital and cost over-run facilities, hence a rough estimate of A\$3 billion in total to bring the project into operation.

BJ asked: Politically, the current government is not supportive of electric vehicles. Who would you prefer to be in power after the next election?

SR replied: The current government isn't against electric vehicles – for example, they are working on building out charging infrastructure across the country. So far, Labor's policies on electric vehicle subsidization and adoption are not too dissimilar. It's true however that Australia lags North America, Asia and Europe on policies to promote EV adoption.

7. Community questions

Nil community questions were received.

8. General Business

HQ asked: Can you provide more information on the location of the offsite exploration, what you're looking for and what you'll do if you find anything?

MW responded: Sunrise holds a number of tenements across the region, with the main minerals we're looking for being limestone, nickel and cobalt to enhance the existing Sunrise resource.

MW also clarified the locations shown on the map on slide 6 of the presentation.

SR added: At Hylea in particular, we're looking to see if we can add to the existing resource defined at Sunrise.

DW asked: What percentage of cobalt is in a battery?

SR replied: It's actually getting less and less. It's down to 6% now, as the battery manufacturers are replacing the cobalt with nickel.

DW asked: How do they reduce the weight in a lithium battery?

SR replied: Lithium batteries are much lighter than conventional battery technologies. Manufacturers are always striving to make batteries lighter and improve their energy density.

There was further discussion regarding deep cycle vs lithium batteries.

DW asked: At the last meeting you said you were drilling for platinum. How did that go?

SR replied: We had a high grade hit from the first Platinum drilling program of 129g/t platinum however this was not able to be replicated in the second phase of the drilling program.

BJ asked a question of KK: The list we went through yesterday to put forward to the Federal Government – is there anything we could add (or other Councils could add) in order to support this Project?

KK replied: Power supply to the region was included in Parkes Shire Council's submission of priorities to the Federal Government, as was the need for training in the region to upskill the local workforce for roles with Sunrise. Recently a \$260 million plastics recycling initiative was announced for the Parkes SAP, we are looking at the skills needed here to train locals for this facility.

SR replied: One of the issues I see is adequate power into the region for Projects like ours as well as the SAP. This is definitely something the Councils could support.

MW added: We have made contact with the Country Universities Centre in Parkes and will continue to engage with them regarding training requirements for the Sunrise Project.

KK mentioned: On the energy side, we are lobbying the State Government to expand the renewable energy zone.

MW replied: The expansion of the renewable energy zone would be supported by Sunrise. As a large future customer, having access to renewables in the region is a plus and improves the reliability of supply and is aligned with our commitment to 100% renewable energy for the Sunrise Project. Transgrid's network upgrades may need to be completed for some of the renewable projects to get their generation back to the major load centres in Sydney. I encourage the Councils to look at Transgrid's proposal, and provide a submission. Submissions are due by the 7th April 2022.

9. Next meeting

The next meeting is scheduled for Wednesday 28th September 2022

Time and location to be confirmed closer to the time.

Meeting was closed at 2.08pm with LA thanking all for their attendance.

ACTION ITEMS

ITEM	ISSUE	RESPONSIBILITY
1	Provide the PowerPoint presentation to LA for distribution to the CCC members.	BF
2	Send governance forms to new Council delegates on the CCC	LA