

MINUTES

Sunrise Energy Metals Community Consultative Committee



sunrise
energy metals

	Community Consultative Committee	Meeting Date: Commenced:	7 June 2023 12:06pm
Independent Chairperson:	Lisa Andrews (LA)		
Member Attendees: (In person)	<ul style="list-style-type: none">• Cr Steve Karaitiana – Forbes Shire Council representative (SK)• Helen Quade – Trundle CCC representative (HQ)• Des Ward – Community Representative (DW)• Ali Coe - Wiradjuri Condobolin Corporation (AC)• Vicki Swadling - Wiradjuri Condobolin Corporation (VS)• Nicole Smith - Wiradjuri Condobolin Corporation (NS)• Sam Riggall – Sunrise Energy Metals Chief Executive Officer (SR)• Mike Wood – Sunrise Regional Manager (MW)• Bronwyn Flynn – Sunrise Environment, Approvals and Community Lead (BF)		
Member Attendees: (Online)	<ul style="list-style-type: none">• Geoff Rice – Parkes Chamber of Commerce (GR)• Lisa Andrews (LA)		
Invited Guests:	Nil		
Observers	Nil		
Apologies	Mayor Ken Keith, Cr Denis Brady, Cr Bill Jayet, John Lagerlow		
Venue:	Council Chambers, Lachlan Shire Council Offices		
Minute takers:	Bronwyn Flynn		
Close:	1:00 pm		

1. Welcome & Introductions

Independent Chairperson, Lisa Andrews welcomed all members to the Community Consultative Committee (CCC) meeting. LA declared that she is an Independent Chairperson, appointed by the Secretary of the Department of Planning and Environment (DPE) 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 mentioned that John Lagerlow had resigned from his position as Trundle Community Representative and that Helen Quade, as the previous alternate delegate, would take his place in the committee. LA also introduced Nicole Smith, the Wiradjuri Condobolin Corporation's new Business Development Manager.

2. Apologies

- Mayor Ken Keith, Parkes Shire Council
- Cr Denis Brady, Condobolin Chamber of Commerce
- Cr Bill Jayet, Parkes Shire Council
- John Lagerlow, Trundle Community Representative (resigned)

3. Acknowledgement of Country

4. Business Arising from previous minutes

LA confirmed that the minutes from the 11 October 2022 meeting were finalised and a copy emailed to members 4/11/2022.

Action Items:

1. Provide the PowerPoint presentation to Lisa for distribution to the CCC members.

Complete - the CCC presentation was emailed to CCC members on 4/11/22.

5. Correspondence Report as emailed 29/5/23 with 1 additional item

- 28/10/22 – Email to members with the draft minutes for review.
- 4/11/22 - Email to CCC members with the finalised minutes and presentation.
- 15/2/23 – Email from BF advising of boundary fence replacement on Wilmatha Rd. Forwarded on to members for their information.
- 12/5/23 – Email from John Lagerlow (Trundle Community) resigning from CCC due to moving out of the area.
- 29/5/23 - Email to members with the meeting notice, agenda and correspondence report.
- 5/6/23 – Email to members with a reminder for this meeting.

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 October 2022 meeting:

- Water bore drilling and installation of production bores
 - Construction of the four remaining approved groundwater bores commenced in April 2023
 - Department of Planning & Environment (DPE) were notified SEM was staging the development
 - Other relevant stakeholders were also notified, including the CCC, Landholders and the Councils
 - Four pilot holes were drilled, with three production bores installed (one location did not intersect the aquifer)
- Mineral Exploration
 - Reverse circulation (RC) drilling programs completed at the Boona Gap (10 holes) and Ezy Lime (25 holes) tenements in H1 2023
 - Results were encouraging, with further drilling planned for both tenements in the future
 - Identification of a high quality limestone resource closer to the Sunrise Project presents a number of opportunities to diversify limestone supply and reduce trucking movements.
- Test Work & Technology Development
 - Process test work has been completed to optimize residence time in the U-column desorption process for nickel and cobalt, with the results used for the detailed design of the nickel and cobalt refinery
 - Battery recycling test work has shown the “black mass” from spent batteries can be recycled at the Sunrise plant with minor modifications to the existing flow sheet
 - Further engineering and environmental approvals would be required in order for battery recycling to take place at the Sunrise Project.

Q & A relating to Mike Wood's update

SK asked: What is the depth of the Lachlan Formation where your groundwater is sourced from?

BF replied: The grey sand in the photos is around 95m, and extends to approximately 120-125m below surface.

DW asked: So you have five bores now?

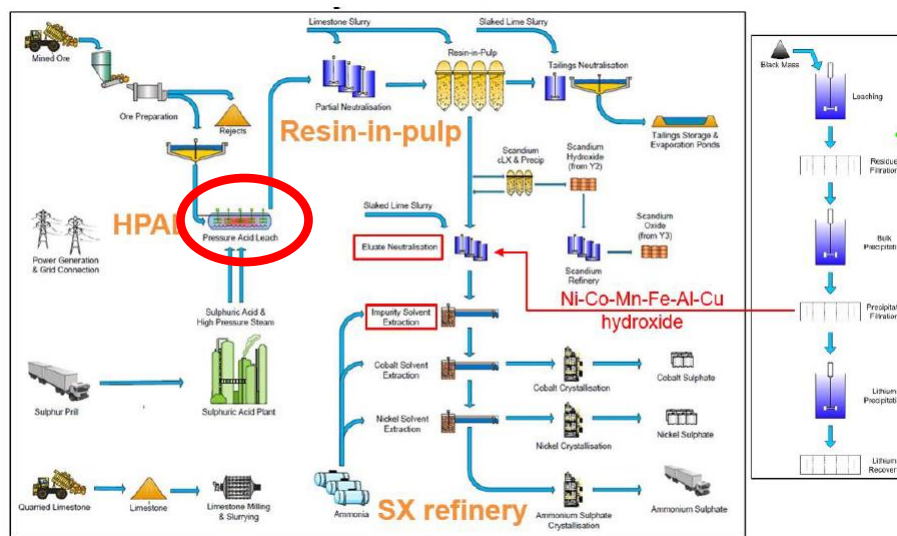
MW replied: That's correct, we had two existing production bores constructed in 2006, and we've just added a further three.

DW asked: What is the "black mass" and what are the waste products from battery recycling and where does that waste go?

SR replied: The whole spent battery is processed, with the contents undergoing a number of different separation processes to separate the components. The "black mass" is mostly nickel, with cobalt, manganese, copper and aluminium. Lithium is in there too, but it's quite difficult to separate. The plastics are also separated, and they either need to be recycled or sent to landfill.

SK asked: The two autoclaves that you have in Port Pirie – where are they in the flowsheet diagram?

MW replied: Pointed out the high pressure acid leach area on the flow sheet (see circled in red in image below).



DW asked: Does the "black mass" go into the autoclaves?

SR replied: No, it goes in as feedstock for the refinery.

DW asked: Aren't the current batteries mostly lithium?

SR replied: No, they're actually majority nickel. Around 50% nickel and only about 6% lithium.

Community Update – Bronwyn Flynn

BF provided the CCC with an update on community relations activities since the October 2022 meeting:

- Sunrise Energy Metals supported the Trundle Back in Time event on 26th March 2023
- Preparing to support the 2023 local agricultural shows including Tullamore, Trundle, Bedgerabong, Parkes, Condobolin and Forbes.
- Sunrise Energy Metals attended the NSW Minerals Council careers night in Orange on 31st May with approximately 50 x Year 10-12 high school students and their parents/teachers in attendance.
- The Parkes and Condobolin shopfronts are open – 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 (only one sampling event since our October meeting, and that was in November)
 - Groundwater monitoring (six monthly onsite and borefield monitoring) – completed in December 2022/January 2023 and again in May 2023, next round scheduled for October 2023
 - Meteorological monitoring.

Environmental Approvals Update – Bronwyn Flynn & Mike Wood

- SEM has completed annual project reporting to the government, including the Annual Return to the NSW EPA and the 2022 Annual Review to the DPE. The Annual Review is now up on the website.
- The Project Execution Plan Modification was approved on 18th January 2022
 - The last three Environmental Management Plans (EMPs) have now been updated/approved and can be found on the website.
 - The Road Upgrade and Maintenance Strategy was approved in November 2022
 - The Traffic Management Plan was approved in April 2023.
 - The Rehabilitation Strategy was approved in April 2023.
 - An exemption was granted by DPE for the Social Impact Management Plan (SIMP) given the work being undertaken at the borefield was short in duration and only minimal staff. A SIMP will be required to be developed prior to any further development of the Project.
- Non-Urban water metering requirements came into effect on 1 June 2023, with one of the groundwater bores being made inactive with DPE Water (so the pump is no longer capable of taking water). All the new groundwater bores will also be made inactive once installation is completed.
- 132kV Electrical Transmission Line (ETL):
 - Conditional \$10 Million grant funding from the NSW Critical Minerals and High-Tech Metals Activation Fund
 - The company has been progressing the connection agreement with the Network Service Providers for the 132kV ETL, including completion of initial line design with Essential Energy.
 - The first 40km of the ETL will become a dual circuit line (both 132kV and 66kV wires), replacing the existing 66kV supply line to Trundle, providing additional network capacity and growth opportunities in the region.
 - A licence application for Crown Land access along the corridor has been submitted to DPE-Crown Lands.
 - Landholder discussions are continuing.
- Borefield Approvals:
 - A short term Crown Land Licence was issued for the drilling of a pilot hole on Crown Land.
 - A further licence was issued for the installation of the production bore on Crown Land.
- Oversize Transport Route:
 - Grant funding of \$500,000 was successful through the NSW Critical Minerals and High-Tech Activation Fund to undertake design and approvals activities to de-risk aspects of the Oversize Transport Route.
 - GHD engaged to undertake design work for route modifications.

Q & A relating to Bronwyn & Mike's Approvals update

SK asked: Is there time constraints on the \$10 Million grant funding?

MW replied: The grant funds need to be expended by the end of 2026. Accessing the \$10M grant funding is conditional on SEM funding the remaining cost of the powerline with a total cost of approximately \$34M.

HQ asked: Has the powerline route changed since the last CCC meeting?

MW replied: Yes, there has been some minor changes to the overall alignment.

HQ asked: Is there Crown Land between Parkes and Trundle along the powerline route?

MW replied: Yes, there's one parcel of Crown Land along Middle Trundle Road and another north of Trundle near the rail siding.

SK asked: Regarding the Oversize Transport Route, I vaguely remember the need to lift powerlines – will they stay at that higher height?

MW responded: The relocation of overhead powerlines will be a combination of temporary and permanent relocation of overhead services. We are working closely with Essential Energy on this process.

SK commented: There would probably be sections along that route that might be quite difficult [to bring oversize loads through].

MW responded: There are a few challenges. The most difficult so far is the bridge at Wilcannia.

7. Community questions

LA: No member questions were received, so does anyone have any additional questions for the company?

DW asked: What's happening with funding for the Project?

SR replied: Over the past six months we've visited Japan, Europe and North America to engage with industry and Government about the Sunrise Project. We believe there is substantial debt funding available, but we need an equity partner or investor to see the project fully-funded. Developments with the US Inflation Reduction Act and the EU Critical Raw Materials Act demonstrates that geopolitics, particularly competition with China, is a growing concern for some governments. The major competitor for Australian projects is China, which is undertaking a large build-out of new nickel and cobalt capacity in Indonesia. However, many of these projects are designed with poor environmental standards (deforestation, carbon emissions, waste management, community relations).

HQ commented: The sad fact is, the world isn't prepared to pay for good environmental performance yet.

SR continued: Correct. At some point though, the car industry will need to make some difficult decisions about whether it needs to protect its reputation. Also, there is currently no transparency regarding where the batteries come from or how they are dealt with at end of life. The EU is working on a 'battery passport' as a solution to this problem, which is intended provide assurance on sourcing practices. The recent announcement by the Australian and US Governments about extending US Defense Production Act eligibility to Australian critical minerals projects is a positive development. Once Australia is deemed to be part of the US supply chain it opens eligibility for other funding programs.

HQ commented: The cost of the plant over the past two-three years must have increased. What is the latest capex?

SR replied: In 2020, the capex was \$1.8 billion US dollars. We've seen inflation increase the cost of projects globally, but there isn't any point revisiting the capital estimate until we are closer to funding.

Any estimate is made at a point in time and there are also other factors that need to be considered (e.g. movements in FX rates).

HQ asked: When you say 60% funded, that's based on your 2020 estimate?

SR replied: Yes, that's correct.

8. General Business

No general business was raised.

9. Next meeting

The next meeting is scheduled for **24th June 2024**.

Time and location to be confirmed closer to the date.

Meeting was closed at 1:00pm.

ACTION ITEMS

ITEM	ISSUE	RESPONSIBILITY
1	Provide the PowerPoint presentation to LA for distribution to the CCC members.	BF