

ANNUAL REVIEW - SSD 5157

Nyngan Scandium Project
EMC Metals Australia Pty Ltd

Annual Review Title Block

Name of operation	Nyngan Scandium Project
Name of operator	EMC Metals Australia Pty Ltd
Development consent / project approval #	State Significant Development #5157
Name of holder of development consent / project approval	EMC Metals Australia Pty Ltd
Mining lease #	Mining Lease No 1792 (1992)
Name of holder of mining lease	EMC Metals Australia Pty Ltd
Water licence #	N/A
Name of holder of water licence	N/A
MOP/RMP start date	N/A
MOP/RMP end date	N/A
Annual Review start date	1 January 2023
Annual Review end date	31 December 2023
<p>I, John Thompson, certify that this audit report is a true and accurate record of the compliance status of the Nyngan Scandium Mine for the period 1 January 2023 to 31 December 2023 and that I am authorised to make this statement on behalf of EMC Metals Australia Pty Ltd.</p> <p><i>Note:</i></p> <p>a) <i>The Annual Review is an 'environmental audit' for the purposes of section 1222B(2) of the Environmental Planning and Assessment Act 1979. Section 122E provides that a person must not include false or misleading information (or provide information for inclusion in) an audit report produced to the Minister in connection with an environmental audit if the person knows that the information is false or misleading in a material respect. The maximum penalty is, in the case of a corporation, \$1 million and for an individual, \$250,000.</i></p> <p>b) <i>The Crimes Act 1900 contains other offences relating to false and misleading information: section 192G (Intention to defraud by false or misleading statement – maximum penalty 5 years imprisonment); sections 307A, 307B and 307C (False or misleading applications / information / documents – maximum penalty 2 years imprisonment or \$22,000, or both).</i></p>	
Name of authorised reporting officer	John Thompson
Title of authorised reporting officer	Director of EMC Metals Australia Pty Ltd
Signature of authorised reporting officer	
Date	28 March 2024

CONTENTS

1. STATEMENT OF COMPLIANCE	4
2. INTRODUCTION	4
3. APPROVALS	7
4. OPERATIONS SUMMARY	7
5. ACTIONS REQUIRED	11
6. ENVIRONMENTAL PERFORMANCE	11
7. WATER MANAGEMENT	11
8. REHABILITATION	12
9. COMMUNITY	13
10. INDEPENDENT AUDIT	13
11. INCIDENTS AND NON-COMPLIANCES DURING THE REPORTING PERIOD.....	13
12. ACTIVITIES TO BE COMPLETED IN THE NEXT REPORTING PERIOD	13

FIGURES

Figure 1: Project Location	6
Figure 2: Photo showing bobcat stripping ground cover, looking southwest.....	9
Figure 3: Photo showing bobcat stripping topsoil, looking west.....	9
Figure 4: Wetting down of first layer of road base. Indicates surveyor's pegging.....	10
Figure 5: View to southwest of completed office pad.	10

TABLES

Table 1: Statement of Compliance	4
Table 2: Non-Compliances	4
Table 3: Approvals.....	7
Table 4: Production Summary.....	7
Table 5: Actions Required.....	11
Table 6: Environmental Performance	11
Table 7: Water Take	12
Table 8: Rehabilitation Status	12

1. STATEMENT OF COMPLIANCE

The compliance status of the Nyngan Scandium Mine with its relevant approval conditions at the end of the reporting period of 31 December 2023 is provided in Table 2. No non compliances have occurred in the reporting period.

Table 1: Statement of Compliance

Were all conditions of the relevant approval(s) complied with?

Development Consent SSD #5157	Yes
Mining Lease No 1792 (1992)	Yes
Mining Operations Plan 2023	Yes

Table 2: Non-Compliances

Relevant Approval	Condition #	Condition Description (Summary)	Compliance Status	Comment	Where Addressed
Nil					

2. INTRODUCTION

The 2023 Annual Review has been prepared by EMC Metals Australia Pty Ltd (“**EMCA**”) for the Nyngan Scandium Project in accordance with the requirements of Condition 3 of Schedule 4 of the development consent for State Significant Development 5157 (“**SSD 5157**”).

The Nyngan Scandium Project is owned and operated by EMCA, a wholly owned subsidiary of Scandium International Mining Corporation. It is located approximately 17 kilometres west southwest of the township of Nyngan and 3.5 kilometres south of the small hamlet of Miandetta in western New South Wales. Refer to Figure 1 below for a diagram showing the location of the project area.

The project affects land zoned as RU1 – Primary Production, part of which is owned by EMCA, with other parts owned privately.

The Nyngan Scandium Project is in pre-construction phase, with land subject to SSD 5157 mostly used for agricultural activities. Post approval requirements, including plans for construction and development of the mine, are yet to be lodged with the Department of Planning and Environment for assessment. EMCA remains in negotiations with private landholders as to access to the site for future development.

John Thompson, a Director of EMCA is the key person currently responsible for the environmental management of the operation at the date of this review. Mr Thompson may be contacted via telephone on 0418 799 856 or via email at johndth@bigpond.com.au.

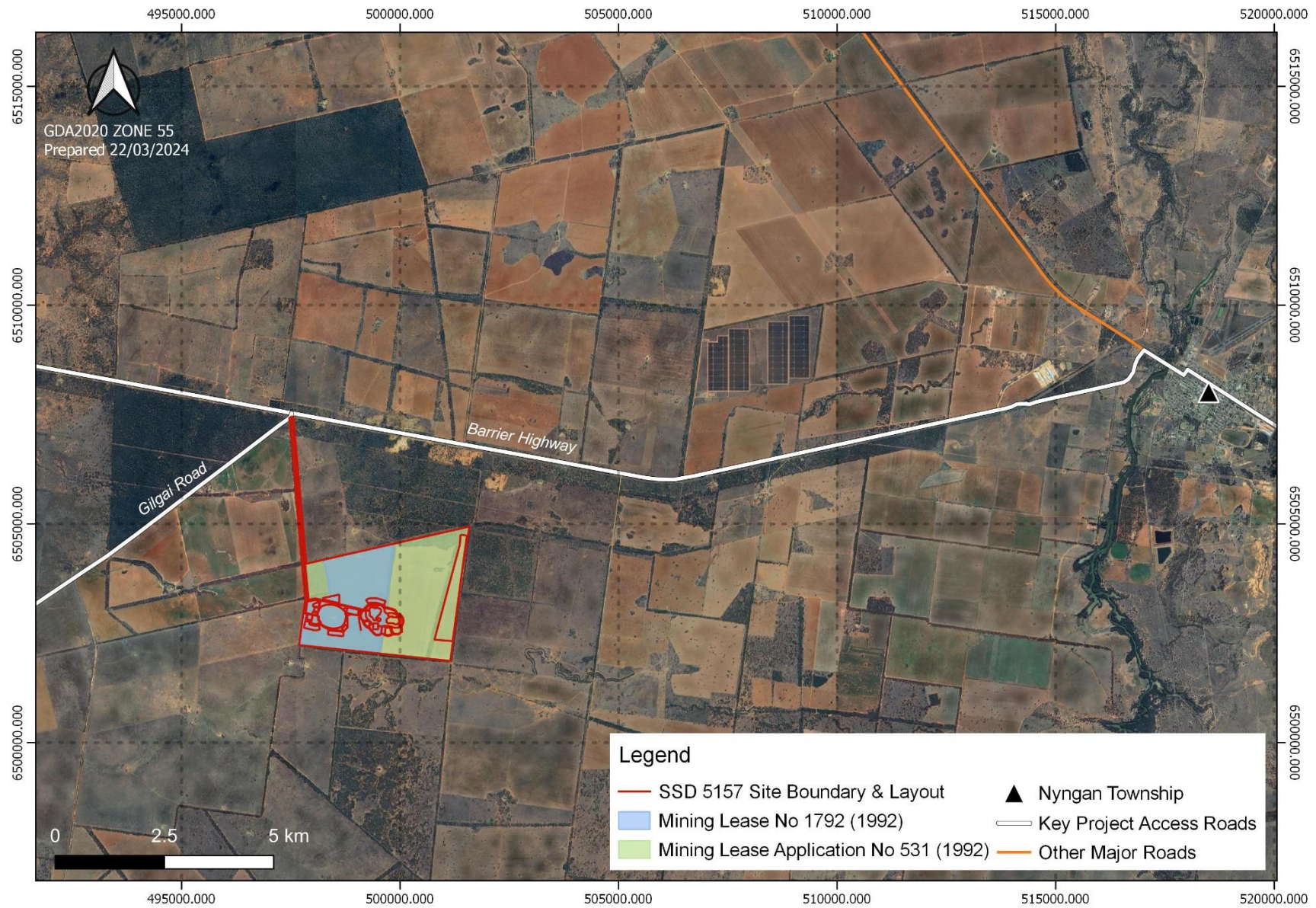


Figure 1: Project Location

3. APPROVALS

The key consents and leases under which the Nyngan Scandium Project operates are presented in the table to follow. For completeness, reference has been made to pending approvals sought in addition to those already granted.

Table 3: Approvals

Instrument	Authority	Date of Grant	Expiry Date	Last Issue Date	Changes in Period
SSD #5157	DPE	08/11/2016	TBA (21 years from development of the mine)	08/11/2016	Nil
Mining Lease No 1792 (1992)	DRNSW	22/07/2019	22/07/2040	22/07/2019	Nil
Mining Lease Application No 531 (1992)	DRNSW	-	-	-	N/A
Mining Operations Plan	DRNSW	02/02/2023	02/07/2023	02/02/2023	Nil

*DPE refers to the Department of Planning and Environment. DRNSW refers to the Department of Regional NSW.

4. OPERATIONS SUMMARY

4.1. Mining Operations

No mining operations were undertaken in the reporting period. The commencement of construction and development of the mine under the conditions of SSD 5157 is contingent upon first resolving access to the portion of the site which is privately held by persons other than EMCA, and the development and approval required plans under the development consent. Due to the quantity of items to be resolved prior to construction, mining operations are not anticipated for the next reporting period.

Table 4: Production Summary

Material	Approved Limit	Previous reporting period	This reporting period	Next reporting period
Waste rock/overburden	9.72 Mt	0	0	0
ROM Ore (t)	2.09 Mt	0	0	0
Coarse Reject	-	0	0	0
Fine reject (Tailings)	-	0	0	0
Saleable product	-	0	0	0

4.2. Other Operations

4.2.1. Physical Commencement Works

Extensive consultation was undertaken between EMCA and the Department of Planning and Environment in the reporting period considering SSD 5157 was due to lapse on 8 November 2023 due to non-commencement of activities under the consent. Following consultation, the following activities were undertaken at the Nyngan Scandium Project to satisfy the requirement for '*physical commencement*' and to prevent lapse of the consent:

- Surveying of the land to establish and peg the boundary for future proposed works.
- Minor earthworks to establish a site administrative area, including the placement of a hardstand/laydown area and surface water exclusion bund and soil stockpile.
- Placement of a temporary site office for future planning activities.

Refer to the example photographs to follow.

These works were commenced on 29 September 2023 with notification provided to the Department of Planning and Environment shortly thereafter.

The above works do not meet the definition of 'construction' or 'development of the mine' and thus no additional plans were required prior to these works commencing. EMCA is conscious of the plans required under SSD 5157 prior to proceeding with activities which meet the definition of construction or development of the mine under the development consent.

4.2.2. Exploration

Due to the status of operations at present, and the post approval requirements still requiring satisfaction prior to construction and mine development, EMCA's efforts were directed towards completion of a 11 hole air core/reverse circulation program in the current period. 373 metres were drilled over the Gilgai resource.

Drill sites were located on cleared, cultivated agricultural land, with no clearing of trees required for the program. Only small tree branches and bushes were lopped to facilitate safe access for the rig.

4.3. Next Reporting Period

The focus of the next reporting period will be the resolution of access difficulties required for the development of the Project. Pending the progress of negotiations, focus will also return to the development of plans required under the development consent to enable the commencement of construction, including but not limited to:

- A Chance Finds Protocol which satisfies the Office of Environment and Heritage; and
- An Environmental Management Plan which satisfies the Secretary of the Department of Planning and Environment; and
- A Traffic Management Plan developed in consultation with the Roads and Maritime Service and Bogan Shire Council; and
- A Voluntary Planning Agreement with the Bogan Shire Council consistent with that detailed in Appendix 3 of SSD 5157.



Figure 2: Photo showing bobcat stripping ground cover, looking southwest.



Figure 3: Photo showing bobcat stripping topsoil, looking west.



Figure 4: Wetting down of first layer of road base. Indicates surveyor's pegging.



Figure 5: View to southwest of completed office pad.

5. ACTIONS REQUIRED

No matters requiring action by EMCA have been identified.

Table 5: Actions Required

Action Required	Requested by	Action taken	Where Discussed
Nil			

6. ENVIRONMENTAL PERFORMANCE

Due to minor nature of activities undertaken, no major environmental outcomes were intended or achieved for the reporting period. Minor environmental outcomes proposed have been achieved, including reducing vegetation cleared to the minimum extent possible, undertaking activities during daylight hours to avoid noise generation.

Plans detailing environmental performance outcomes for future activities under SSD 5157 are yet to be developed. The first of these plans is intended for development pending resolution of matters relating to access.

No significant environmental monitoring data has been collected. A summary of data collected, an analysis of data against predictions, including trends and management implications has therefore not been provided.

Table 6: Environmental Performance

Aspect	Approval Criteria/ EIS Prediction	Performance	Trends/Key Implications	Management Actions
Noise	-	-	-	-
Blasting	-	-	-	-
Air quality	-	-	-	-
Biodiversity	-	-	-	-
Heritage	-	-	-	-

7. WATER MANAGEMENT

No water was taken from the operation in the previous water year. Water approvals required for the project are yet to be secured for the project.

There are no water monitoring results, discharges, salinity trading scheme credit uses and other matters to report.

Table 7: Water Take

Water Licence #	Water Sharing Plan, Source and Management Zone	Entitlement	Passive take / inflows	Active Pumping	Total
Nil					

8. REHABILITATION

8.1. Rehabilitation Performance During the Reporting Period

Rehabilitation of activities authorised under SSD 5157 have not been undertaken. Accordingly, no data as to the status of mining and rehabilitation of mining activities has been provided.

Rehabilitation of the 11 drillholes authorised under the 2023 Mining Operations Plan have commenced and is yet to be completed. This is less than the 14 holes proposed under the Mining Operations Plan. Due to being lesser disturbance than originally anticipated, no variation to the Mining Operations Plan was sought.

The objective of rehabilitation of exploration activities is to reinstate the sites to as near to their original condition as possible and to leave in as state where revegetation can occur after the completion of activities. Rehabilitation of drill sites is to be undertaken in accordance with the *Exploration Code of Practice – Rehabilitation*. The elected final land use following drilling is agriculture (cropping).

To date, drillholes have been backfilled with excess samples (drill cuttings and fines). Land had been left to naturally regenerate. If monitoring shows natural regeneration to be ineffective, then seeding with local pasture species and/or weed control measures are to be undertaken. Rehabilitation remains in progress with the program yet to achieve formal confirmation of the completion of rehabilitation by the Department of Regional NSW. The meeting of land use objectives and completion criteria will be assessed as rehabilitation progress continues.

At the date of this review, there are no issues which have been identified which may prohibit successful rehabilitation.

Table 8: Rehabilitation Status

Mine Area Type	Previous Reporting Period	This Reporting Period	Next Reporting Period (Forecast)
A. Total mine footprint	0	0	0
B. Total active disturbance	0	0.04	0
C. Land being prepared for rehabilitation	0	0	0
D. Land under active rehabilitation	0	0.0014	0
E. Completed rehabilitation	0	0	0.0014

8.2. Actions for the next reporting period

Rehabilitation efforts in the next reporting period will involve the monitoring and completion of rehabilitation of the 2023 drilling program. Seeding and weed control will be undertaken if required. Sites are intended to progress to a state where they an application for confirmation of completion of rehabilitation may be lodged with the Department of Regional NSW.

EMCA will turn its attention to the access road approved under SSD 5157. As this meets the criteria for 'construction' under the development consent, relevant plans, including an Environmental Management Plan as required under the consent conditions, may be generated to enable future construction of the road to occur.

9. COMMUNITY

EMCA is the owner of land subject to the 2023 drilling program and minor earthworks under SSD 5157.

Community engagement activities for the Nyngan Scandium Project, including activities authorised under SSD 5157 at present have been limited to the landholder directly impacted by the proposed operations. Consultation has occurred throughout the period with the landholder, his family and legal representatives. To date, consultation has focused upon negotiating access to complete a survey required for the grant of Mining Lease Application No 531 (1992) which affects approximately half of the area over which SSD 5157 has been granted.

No community contributions have been made, nor complaints received. No actions have therefore been undertaken to address complaints received.

10. INDEPENDENT AUDIT

No Independent Audit was conducted during the reporting period.

In accordance with Condition 8 of Schedule 4 of SSD 5157, the first Independent Audit will be conducted within one year of the start of the development of the mine, and every three years thereafter, unless otherwise directed by the Secretary. The development of the mine is not currently scheduled.

11. INCIDENTS AND NON-COMPLIANCES DURING THE REPORTING PERIOD

No non compliances have occurred in the reporting period. Refer to Table 1 above.

There have been no reportable incidents or exceedances.

No official cautions, warning letters, penalty notices or prosecution proceedings initiated by any regulatory agency.

12. ACTIVITIES TO BE COMPLETED IN THE NEXT REPORTING PERIOD

Activities proposed for the next reporting period include:

- Continued consultation with the landholder to ensure the completion of the survey for the remaining boundary of mining tenure remaining unsurveyed.
- Development of plans required under the conditions of SSD 5157 to enable the commence of construction and development of the mine.
- Continued rehabilitation monitoring of the 2023 drilling program.