



Thunderbird Community Newsletter November 2022



Welcome!

On behalf of the team at Kimberley Mineral Sands and Thunderbird Operations Pty Ltd, I would like to welcome you to the first edition of our Community Newsletter.

Thunderbird is Go!

After many years of hard work, I am pleased to be able to finally confirm that Stage 1 of Thunderbird is go! This follows on from a Final Investment Decision (FID) being announced on 7 October 2022 which also confirmed the AUD \$484 million Thunderbird Mineral Sands project is fully funded. The funding to develop the Project is made up of AUD \$169 million in joint venture partner equity from Sheffield Resources and Yansteel, approximately AUD \$155 million (USD \$110 million) in debt finance from Orion and AUD \$160 million in debt finance from the Northern Australia Infrastructure Facility.

This is a significant milestone and a credit to many people over many years including our valued West Kimberley community stakeholders. The Thunderbird Mineral Sands project will further diversify the West Kimberley economy and is the first mineral sands mine in the North of WA.

Achieving the FID milestone for Thunderbird now **paves the way for an array of significant intergenerational benefits to flow to the broader Kimberley community and particularly the Jooimbarn Buru Native Title Holders and other Aboriginal people.**

The team at Kimberley Mineral Sands actively promote and live the corporate values of **Integrity, Accountability, Humility, Co-creation, and Inclusivity.** To ensure the ultimate success of Thunderbird during construction and as we transition to commissioning at the end of 2023 and operations in Q1 2024 – we welcome and encourage any feedback the community would like to provide.

Please feel free to contact us via community@kmsands.com.au.

Consistent with living our values we will endeavour to respond as appropriate.

KIMBERLEY MINERAL SANDS
THUNDERBIRD OPERATIONS PTY LTD

Final Investment Decision Secured

Fully funded: A\$160M loan facility for NAIF | A\$155M production linked facility with Orion | Additional equity from JV partners (A\$58 million)

Major contracts awarded to:

- Pacific Energy:** A 15-year binding power purchase agreement with Pacific Energy.
- Piacentini:** 9-year mining services contract with Piacentini. Piacentini will provide Mining Unit Plant (MUP)
- Woodside Energy / EDL:** A 5-year binding LNG supply agreement with Woodside/EDL Joint Venture (WEJV) for the supply of 650 terajoules per annum of LNG.
- Shire of Derby / West Kimberley:** SDWK Port lease agreement to mid-2040
- ISS:** ISS Village facilities services
- GR Engineering Services:** GRES Full notice to proceed as EPC

EPA MS1080 S45c Approval
Received advice on 8th November from EPA that our application to use Port Of Broome had been approved

Expenditure to end October 2022 – c. \$160M | **First draw down of \$72m was made in early Q4**

Ports Of Broome And Derby Approvals

Given Thunderbird is expected to have a mine life of greater than 36 years, KMS wishes to maintain optionality and flexibility over time to use the existing approved Derby trans-shipping solution and/or the Port of Broome. The most appropriate logistics solution could change over time particularly, as infrastructure is further developed at both ports.

KMS announced the signing of an access agreement for the Port of Derby with the Shire of Derby-West Kimberley on 23 August 2022 and is continuing discussions with the Shire of Derby-West Kimberley in this regard. The agreement secures KMS ability to use the Port of Derby for logistics until the end of 2026 and formalises KMS continuing to pay rent, rates and milestone payments to support the SDWK the maintenance of the port area infrastructure.



Representatives of the KMS, Yansteel, Sheffield and the SDWK signing the Port of Derby Access Agreement.

Effective 8 November 2022, KMS has also secured an amendment to the existing Ministerial Statement 1080 to enable the direct loading of all bulk product, onto ocean-going vessels at the Port of Broome.

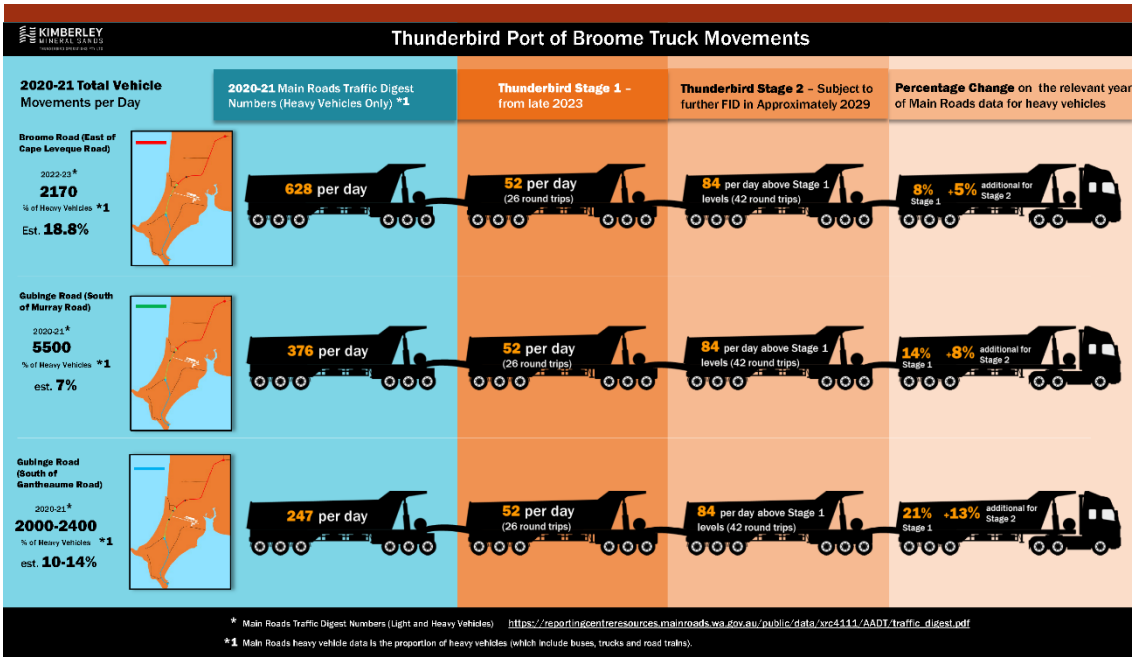
The amended Ministerial Statement 1080 for Thunderbird allows export of up to **1.6 million tonnes per annum of bulk mineral sands product from the Port of Broome and no more than 50 round trips per day from the mine site to the Port of Broome**. It is anticipated that there will be approximately **26 round trips per day in Stage 1 of the Project** and **approximately 42 round trips per day in Stage 2 of the Project** from the mine site to the Port of Broome.

Stage 1 of Thunderbird, it is estimated to produce up to 1.1 million tonnes per annum of bulk mineral sands product for export with an increase for Stage 2 estimated to be up to 1.6 million tonnes per annum. The development of a Stage 2 of Thunderbird will be subject to second FID and is expected to occur in the 5th year of operation, around 2029.

Further secondary approvals are still required to enable the commencement of exports from the Port of Broome. As part of these approvals, KMS will be undertaking a traffic impact assessment, community consultation and the development of an associated traffic management plan. This work is currently being scoped and will be further progressed in early 2023. The progression of this work is also linked to the appointment of the Thunderbird Logistics and Transport contractor which is currently scheduled for the beginning of 2023.

The infographics below summaries the expected road haulage and shipping logistics:

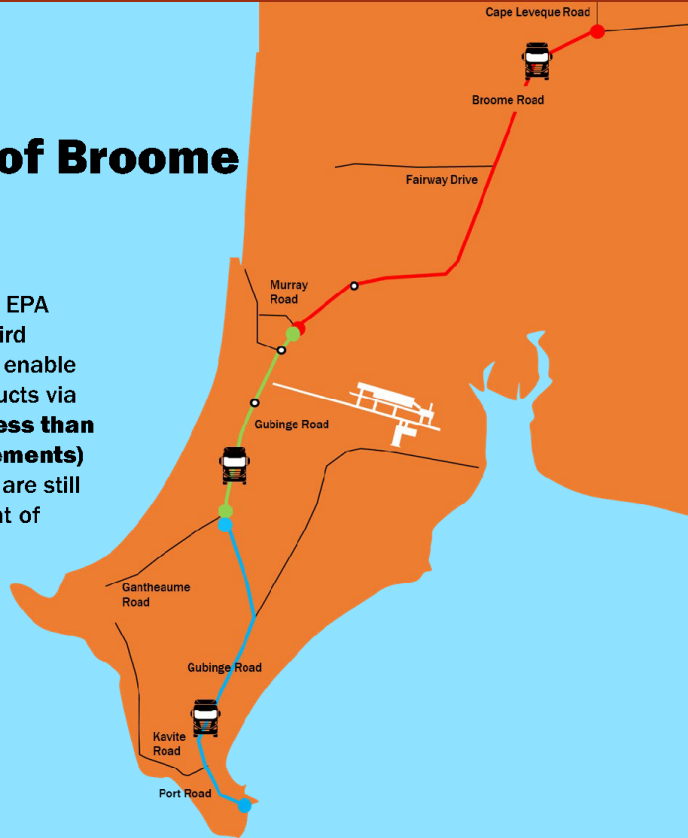
Thunderbird Port Of Broome Truck Movements




A summary of anticipated Thunderbird truck movements through the Port Of Broome

Thunderbird Port of Broome Truck Movements*


Effective 8 November 2022, the WA EPA approved an amendment to Thunderbird Project Ministerial Statement 1080 to enable the export of bulk mineral sands products via the Port of Broome. **This allows for less than 50 return journeys (100 truck movements) per day.** Further secondary approvals are still required to enable the commencement of exports from the Port of Broome.




Heavy Vehicle Movements per Day
Broome Road (East Of Cape Leveque Rd)

<p>2022-23 Main Roads Traffic Digest Numbers (Heavy Vehicles Only) *1</p>  <p>628 per day</p>	<p>Thunderbird Stage 1 – from late 2023</p> <p>52 per day (26 round trips)</p> <p>Thunderbird Stage 2 – Subject to further FID in Approximately 2029</p> <p>84 per day (42 round trips)</p>
<p>Percentage Change on Baseline/Current Numbers linked to Thunderbird Stages 1 and 2</p>	<p>8% for Stage 1, late 2023</p> <p>13% for Stage 2 from approx. 2029</p>

Heavy Vehicle Movements per Day
Gubinge Road (South of Murray Road)
2020-21 Total Vehicle Movements per Day- 5500
% of Heavy Vehicles – c.7% (376 vehicles)

<p>2020-21 Main Roads Traffic Digest Numbers (Heavy Vehicles Only) *1</p>  <p>376 per day</p>	<p>Thunderbird Stage 1 – from late 2023</p> <p>52 per day (26 round trips)</p> <p>Thunderbird Stage 2 – Subject to further FID in Approximately 2029</p> <p>84 per day (42 round trips)</p>
<p>Percentage Change on Baseline/Current Numbers linked to Thunderbird Stages 1 and 2</p>	<p>14% for Stage 1 from late 2023</p> <p>22% for Stage 2 from 2029</p>

Heavy Vehicle Movements per Day
Gubinge Road (South of Gantheaume Road)
2020-21 Total Vehicle Movements per Day- 2000-2400
% of Heavy Vehicles – c.10-14% (247 vehicles)

<p>2020-21 Main Roads Traffic Digest Numbers (Heavy Vehicles Only) *1</p>  <p>247 per day</p>	<p>Thunderbird Stage 1 – from late 2023</p> <p>52 per day (26 round trips)</p> <p>Thunderbird Stage 2 – Subject to further FID in Approximately 2029</p> <p>84 per day (42 round trips)</p>
<p>Percentage Change on Baseline/Current Numbers linked to Thunderbird Stages 1 and 2</p>	<p>21% for Stage 1 from late 2023</p> <p>34% for Stage 2 from approx. 2029</p>

* **Latest Main Roads Traffic Digest**
https://reportingcentreresources.mainroads.wa.gov.au/public/data/xrc4111/AADT/traffic_digest.pdf

*1 Main Roads heavy vehicle data is the proportion of heavy vehicles (which include buses, trucks and road trains).

Quad-type Truck



A summary of anticipated Thunderbird shipping movements through the Port Of Broome



Thunderbird Port of Broome Shipping Movements*

2021-22 Port Of Broome Shipping Number of Vessels

1,094

(* Source: Kimberley Ports Authority Annual Report)

2021-22 Port of Broome Berth Capacity

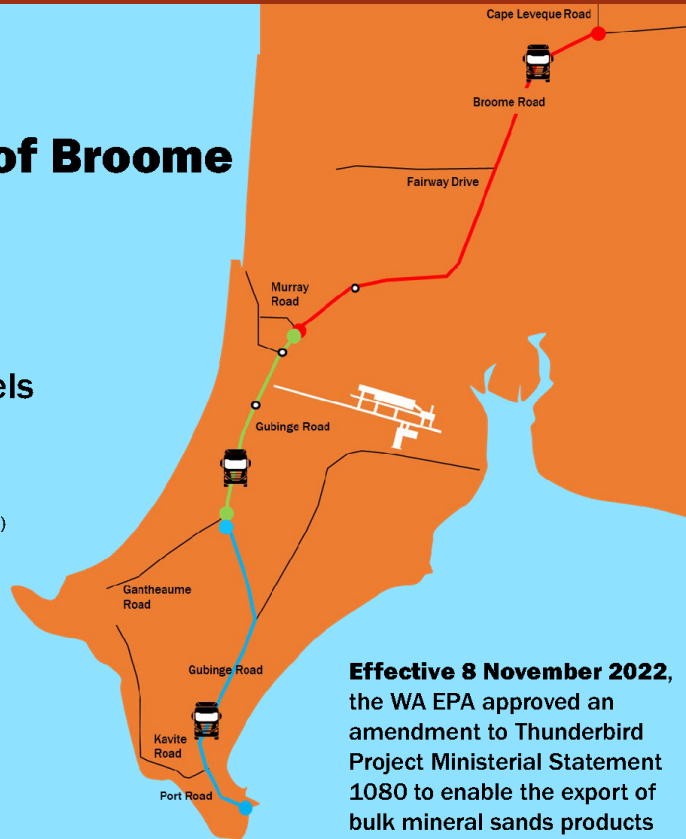
50-70% 

Availability in the **Wet Season**

30-50% 

Availability in the **Dry Season**

(* Source: Kimberley Ports Authority Annual Report)



Effective 8 November 2022, the WA EPA approved an amendment to Thunderbird Project Ministerial Statement 1080 to enable the export of bulk mineral sands products via the Port of Broome. **This allows the export of up to 1.6 million tonnes per annum of bulk mineral sands products from the Port of Broome.** Further secondary approvals are still required to enable the commencement of exports from the Port of Broome.



Thunderbird Shipping Numbers Stage 1

~34

Thunderbird Shipping Numbers Stage 2

~53

Port Of Broome Shipping % Change on numbers linked to Thunderbird Stages 1 & 2

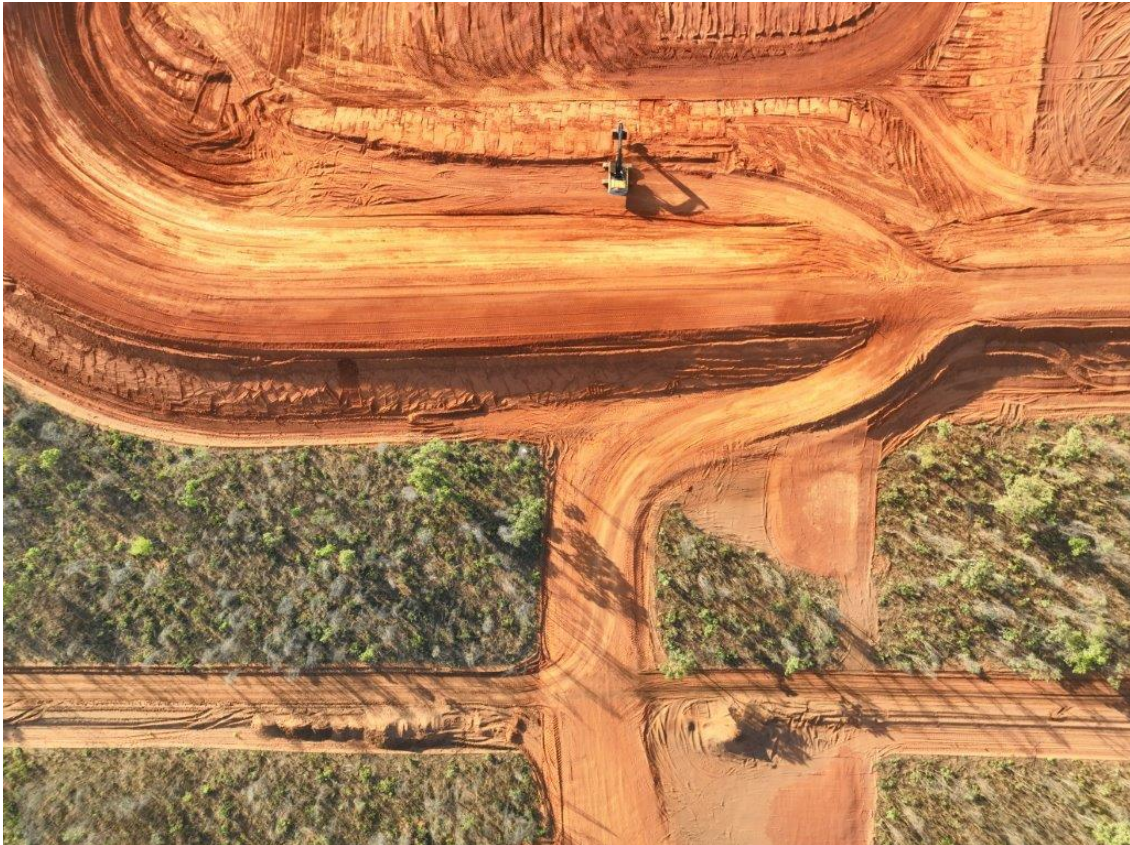
3%
from 2024 for Stage 1
Additional **5%**
for Stage 2

Additional Vessel Capacity Available at Port of Broome ~2024 from Kimberley Marine Offloading Facility

Capacity for
~2,500
additional vessels per year

If you or the organisation you work for would like further information on this work and would like to provide direct input to this work - **please send an email to community@kmsands.com.au**.

Thunderbird Construction Update



Construction activities at the Thunderbird Mineral Sands Project are progressing well with the Project passing 50% completion milestone at the end of October 2022. Civil and concrete works have been completed during the 2022 dry season and steel and building installations are underway. Following the issue of Full Notices to Proceed to GR Engineering Services Limited and power generation provider Pacific Energy Pty Ltd, the process plant Engineering Procurement Construction (EPC) activities continue in full swing with long lead items being delivered to site. The Tailings Storage Facility

Kimberley contractors.



Construction activities at the Thunderbird Mineral Sands Project



The Thunderbird Accommodation Village was completed and handed over the KMS.

Local contractors KMPL completed design, construction and install for bus shelter and other components.

Community and Traditional Owner Engagement

KMS engaged with the local community and Traditional Owners through recent community updates in Derby and Broome. During August and September KMS facilitated visits from Joombarn Buru Elders and Directors, this provided KMS the opportunity to showcase progress onsite.



KMS CEO Stuart Pether makes a presentation to Joombarn Buru Elder at the annual Thunderbird Elders Visit.

In October, KMS ran a **jobs fair for construction in Derby and Broome**, this was supported by all KMS's construction contractors. Over 150 people

registered the events over both locations. KMS is working hard with construction contractors to enable further opportunities in 2023.



A collection of photos from the Derby and Broome Job Fair

Recruitment Update - Current Vacancies

Position	Approx. Closing Date
<u>Manager Community Relations</u>	27 December 2022
OD & Employee Experience Specialist	27 December 2022
Superintendent Safety & Training	27 December 2022
<u>Superintendent Engineering</u>	14 December 2022
<u>Senior Mine Planner</u>	2 December 2022
<u>Mining Manager</u>	2 December 2022
<u>Superintendent Metallurgy</u>	2 December 2022
<u>Senior Maintenance Planner</u>	2 December 2022

You can view our active recruitment at any time on our website in the Working for us section under the *Our People* tab.

Local Spend

KMS continue to engage with local businesses and provide opportunities for Aboriginal business participation, local Kimberley spend project to date (July 2021 to October 2022) being **\$31.9 million and Aboriginal business spend accounting for \$3.4 million within the same period.**

KMS has recently transitioned its IT support to **Kimberley based company Best IT service**. This change is in line with the Company philosophy of centralising business functions within the Kimberley.

Environmental Compliance

Throughout the construction phase, environmental compliance monitoring work is ongoing on site and a critical part of daily activities. **This covers Aboriginal Cultural Heritage Management, vegetation clearing, fauna management (including Greater Bilby and Dampier Peninsula Goanna pre-clearance surveys) and groundwater monitoring.**

In undertaking this work, KMS works with a team of **Traditional Owner Rangers** on site.



Greater Bilby Environmental Offset Fund

KMS is kicking off work to set up the governance and approval processes for a Greater Bilby environmental offset fund. A fund is required as part of the State and Commonwealth Government environmental conditions for the Project and is designed to offset for the loss of Greater Bilby habitat due to land clearing required for the Project. The government conditions require KMS to place money into the a fund, based on the area of land cleared.

Once this work is complete, KMS will formally open an application process for the community and external organisations to request monies for delivering Greater Bilby research and land management activities. It is not expected that the process for establishing governance and approval processes will be complete until at the end of 2023.

If you or the organisation you work for would like further information on this work or would like to provide direct input - please send an email to community@kmsands.com.au.

2022 Closing Message

We look forward to providing further updates on our Project and our ongoing community engagement via our Community Newsletter in early 2023 and beyond.

Lastly – as the year comes to an end, we wish you all a safe and happy festive season and look forward to a very busy 2023!

Stuart Pether

CEO – Kimberley Mineral Sands