

Dubbo Project Community Consultative Committee Meeting

Minutes of Meeting

Title:	Community Consultative Committee	Meeting Date:	7 May 2024
		Time:	4.32 pm
Chairperson:	Michael Silver OAM		
Meeting Attendees:	Megan Brennan, Community Member Manny Portelli, Community Member Royce Munro, Community Member Cr Shibli Chowdhury, Dubbo Regional Council Paul Carr, Three Rivers Regional Assembly [video link] Michael Sutherland, General Manager NSW ASM Annaliese Eames, General Counsel & Company Secretary ASM [video link] Dale Josephson, Project Director ASM [video link]		
Apologies:	Ashleigh Knight; Janice Hosking.		
Observers	Esther Williamson, Property Manager, Alkane		
Venue:	ASM Site Office, Toongi Road, Toongi NSW 2830		

Agenda Item 1 Welcome

The meeting was declared open at 4.32pm. The Chair extended a warm to all present.

Agenda Item 2 Welcome to Country

Mr Paul Carr delivered the Welcome to Country, acknowledging the traditional owners of the land, the Wiradjuri people and their Elders past, present and emerging noting that the land always was and always will be Aboriginal land - welcome, welcome, welcome.

Agenda Item 3 Apologies

The Chair noted the apologies of Ashleigh Knight and Janice Hosking.

Agenda Item 4 Declaration of Pecuniary or other interests

Michael Silver declared that his expenses as Independent Chair are borne by the Proponent. Megan Brennan advised that her husband undertakes occasional minor contract work for a subsidiary of ASM. The Chair also noted that all other declarations from members were as lodged with him.

Agenda Item 5 Report of previous meetings

It was noted that the report of the meeting held on 26 October 2023 was endorsed on 21 November 2023.

Agenda Item 6 Business Arising from previous report

Nil

Agenda Item 7 Correspondence

Nil

Agenda Item 9 Proponent's Report

Annaliese Eames led the Proponent's presentation and was supported by Dale Josephson and Michael Sutherland.

General & Corporate

Annaliese Eames advised that the last six months had been an exciting time for ASM. She noted, in particular, interaction with United States of America (US) government agencies. Ms Eames noted that they had seen an increase in policy development out of the US demonstrating growing support for partnership with Australia in the critical minerals space and particularly the introduction of new legislation in the US in late 2023 which allows for Australian projects to seek American Department of Defense funding.

Pleasingly, as a result of this interaction and growing momentum in US interest, in March ASM received a Letter of Interest from US EXIM indicating debt funding support for the construction phase of the Dubbo Project of up to US\$600 million (~A\$923 million). This funding support is tied to US content and services to be used in the construction phase of the Dubbo Project.

Ms Eames advised that global engineering company Bechtel have been contracted to conduct Front-End Engineering Design (FEED) services for the Dubbo Project. These services will provide key inputs to enable the Company to prepare an updated cost estimate and project schedule. This is a major development and subject to receipt of funding and project duration, should allow the ASM Board to make a decision on financing in the first half of 2026.

ASM has also applied to US EXIM's Engineering Multiplier Program (EMP) to finance ~80% of the Bechtel FEED contract - with a letter of interest received to provide a debt funding package of AUS\$42 million. Ms Eames indicated that ASM is working with US EXIM and is targeting to finalise the EMP funding by the second half of 2024 and the Bechtel contract to commence after funding is confirmed.

Ms Eames commented that US EXIM's support both at the construction phase and for the FEED services was tied to US content into the project. She advised the EMP would fund the development of the project to the construction stage. Ms Eames noted that Bechtel would now do the final engineering design in lieu of Hyundai.

The recent developments, in particular the engagement of Bechtel, will progress key work and deliverables required for ASM to make final investment decision on the project.

Manny Portelli enquired whether this means all EPC/ECPM services will be delivered by Bechtel. Ms Eames advised that any decision to award the EPC/EPCM is still to be determined but noted that a US provider such as Bechtel would position ASM well to take advantage of the US EXIM funding support.

Ms Eames advised that ASM is still pursuing finance and equity investment for the project through Korea. She added that there are considerable packages that will be tendered as part of the construction phase of the Dubbo Project and ASM will work with Hyundai to identify opportunities for it to be involved.

Mr Portelli sought clarification on the financing breakdown for the project. Ms Eames responded that at this stage, based on current market practices, it is likely a 60% debt/40% equity ratio will be required.

Ms Eames highlighted other positive developments in the last six months with a further letter of interest received from the Canadian export credit agency, Export Development Canada (EDC) indicating potential funding support via a debt funding package for the construction phase of the Dubbo Project of up to A\$400 million. Similar to the US EXIM letter of interest this will be tied to Canadian content being used in the Dubbo Project. These letters of interest are in addition to the already received letter of interest from Export Finance Australia of up to \$200 million in potential funding. She added that ASM is still looking at other debt providers and are talking to export credit agencies and commercial banks.

Ms Eames confirmed that the EMP funding package will support progressing the project to final engineering. She noted that the Company undertook an equity raise last month of \$15 million via a placement to institutional investors and are now currently undertaking a pro-rata entitlement offer of up to \$5.2 million.

Mr Portelli questioned whether this funding related to the Obley Road upgrade. Ms Eames noted that the road upgrade works is subject to separate funding and would be addressed in Dale Josephson's portion of the presentation.

Project Development

Mr Josephson reported that ASM is working with Bechtel on the Non-Process Infrastructure study including power, water, offsite roads, rail and site establishment design. He also advised that a Greenhouse Gas Emissions reduction study had identified the use of electricity in lieu of gas as an energy source. It is anticipated that natural gas requirements could be reduced by 90% with significant reductions in greenhouse gas emissions.

Mr Portelli questioned whether the gas pipeline proposed to be in the rail corridor would still be required. Mr Josephson said that it would not be required and would be eliminated from the project design if the electrification recommendations can be implemented. Mr Portelli then sought information on the need for a major electricity transformer. Mr Josephson confirmed that the current project design electricity demand would double if the electrification and environmental trade-offs were implemented. He indicated that ASM was examining opportunities to enter into renewable energy supply contracts.

Mr Josephson advised that geotechnical investigations on the project site commenced last week and will run over the next three months. He noted 210 test pits will be dug and core holes will be drilled to gather data to support the engineering design of the plant.

Preliminary planning for the Stage 1 upgrade works on Obley Road have commenced with discussions occurring with Dubbo Regional Council and Taronga Western Plains Zoo. He confirmed that Obley Road will be upgraded to B-Double standard. The proposed works will total \$20 million, being funded by grant funding of \$10 million from the NSW government and \$10 million from ASM.

Mr Josephson outlined the Stage 1 works:

- Five Work Sites:
 - Obley Road and Taronga Western Plains Zoo main entrance intersection upgrade
 - Obley Road & Camp Road Intersection
 - Obley Road Surface Upgrade between Dundullimal Road and the Newell Highway
 - Hyandra Creek Bridge and Road Re-Alignment
 - Twelve Mile Creek Crossing

Mike Sutherland explained the proposed road works in the vicinity of the Zoo. He advised that it had originally been proposed that a sound wall be installed along the frontage of the Zoo to Obley Road. Subsequently it has been agreed that an improvement in the road pavement and intersection treatments would better mitigate road noise issues at the Zoo.

Mr Portelli questioned whether the intersection with Zoofari Lodge would require upgrading. Mr Sutherland advised that was a matter for the Zoo.

Mr Josephson indicated that the Stage 1 road upgrade works are expected to commence early in 2025 with construction completed by the end of 2026. The Chair sought clarification on the timeline for the complete upgrade of Obley Road - Mr Josephson advised this would occur prior to the commencement of onsite construction of the plant, as the road will be required for haulage of construction materials and plant equipment.

Paul Carr requested clarification of the status of all environmental and archaeological assessments of Obley Road. Mr Sutherland advised that the assessments were completed in 2013. The cultural heritage assessment and offsets were approved with project consent granted in 2015. Mr Sutherland indicated that he would further liaise with Mr Carr on the assessments and whether other matters required consideration by the Registered Aboriginal Parties.

Agenda Item 10 Other Agenda Items

- **Committee Membership** - The Chair noted that with the ramping up of the project's development it may be necessary to expand the level of membership. Mr Silver advised he will liaise with Mr Sutherland prior to the next meeting regarding the makeup of the Committee membership.

Agenda Item 11 General Business

- **Carbon Estimation Area Registration** - Mr Sutherland detailed the registration of the Carbon Estimation Area (CEA) with the Commonwealth on the title of the farm - the registration will last for 25 years. Mr Sutherland advised that CEAs are areas where specific agricultural actions will be undertaken to increase carbon in the soil. CEAs are the area where carbon will be sequestered, and for which Australian Carbon Credit Units (ACCU) are issued. He indicated that it is anticipated that this will increase production levels. Consultancy advice is being provided by Australian Soil Management Pty Ltd - <https://www.asmcarbon.com.au/>
- **Woody Biomass Crop Trial** - Mr Sutherland also provided an overview of involvement in a Woody Biomass Crop trial being undertaken by DPI at the Trangie Agricultural Research Centre. The species chosen include mallees, other eucalypts and acacias which have been selected according to their likely suitability to the various climates in NSW, with ability to cope with harsh climatic conditions such as drought and frost. The main purpose of the crop trials is to investigate biomass production for bioenergy under short rotation cycles (3-4 years) which would target marginal unproductive areas, for example on farming or mining land. One option is to pyrolyse coppiced biomass to create bio char which is put back in soils to improve soil quality (and sequester carbon).
- **Environmental Field Survey** - Mr Sutherland reported on a recent field survey focussed on native vegetation and the Pink-tail Worm-lizard. He advised that no PTWLs were sighted but other species were observed.
- **Dubbo Show** - Mr Sutherland reported that ASM would have a stand at the upcoming Dubbo Show - 10, 11 & 12 May 2024.
- **Cheongju-city, South Korea Sister City Visit** - Cr Shilbi Chowdhury reported on his recent visit to South Korea with a Dubbo City Council Sister City delegation led by the Mayor of

Dubbo. He detailed the visit to the Korean Metals Plant and noted the impressive status of the facility and its production capability. Cr Chowdhury also noted the strong interest from those in Korea in receiving product from the Dubbo site. Mr Portelli reported he will also be visiting Korea shortly and indicated an interest in visiting the plant.

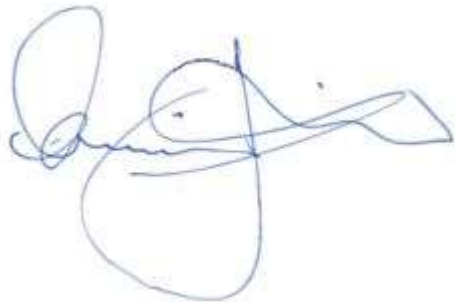
- **Balance of Obley Road Upgrade** - Mr Portelli enquired when will balance of Obley Road be upgraded. Mr Sutherland responded - when final the investment decision is made by the ASM Board, funding is available and prior to construction works on the project site.
- **Management Plans** - Mr Sutherland advised that various management plans were being revised to account for the project changes (MOD 1) and would be subject of review by government agencies to ensure adequacy. He expected this review to be completed by the next meeting.

Agenda Item 12 Next Meeting

Next meeting is tentatively proposed for August 2024 at a date to be confirmed.

The meeting closed at 5.25 pm.

Approved:



Michael J Silver OAM
Independent Chair

6 June 2024



Dubbo Project

Community Consultative Committee Meeting Action List

Action Sheet - Meeting 07/05/2024

Ref #	Meeting Date	Agenda Item	Action	Responsibility	Completion date
1	16/11/20		For discussion - Dubbo Project process modification, due to the refined process	M Sutherland	COMPLETED March 2022
2	17/05/21	4	Declarations of pecuniary interest to be re-issued due to demerger of ASM	M Silver OAM	COMPLETED 11/6/21
3	17/05/21	4	Discussion with Wiradjuri Elders group about positions on CCC	M. Sutherland	COMPLETED 18/5/21
4	06/12/21	9	Telecommunications in Toongi area - Chair to approach Member for Parkes	M Silver OAM	COMPLETED 04/04/22
5	26/10/23	9	That a detailed report on the proposed Obley Road upgrade be presented to the next meeting.	M. Sutherland	COMPLETED 07/05/2024
6	07/05/24	10	The Chair to liaise with M. Sutherland regarding Committee membership.	M Silver OAM	
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