ASX RELEASE

16 AUGUST 2023

PUBLIC CONSULTATION COMMENCED FOR RENTAILS TAILINGS RETREATMENT PROJECT

The Bluestone Mines Tasmania Joint Venture (**BMTJV**) is currently updating previous studies at the tailings retreatment project (**Rentails**) at the Renison tin operation in Tasmania, with the intention of finalising a definitive feasibility study (DFS) and environmental permitting within the next two to three years, to facilitate an investment decision by BMTJV. Metals X Limited owns a 50% equity interest in Renison though its 50% stake in the BMTJV.

To ensure the project is compliant with all necessary Tasmanian regulations and environmental standards, the BMTJV must submit an Environmental Impact Statement to the Tasmanian Environment Protection Agency, and an associated Development Application to the West Coast Council. In parallel, it will refer the project for Commonwealth Environment Protection and Biodiversity Conservation assessment. To inform the public consultation process associated with the above, the attached documents will be provided to stakeholders and authorities associated with the permitting of the project.

This announcement has been authorised by the board of directors of Metals X Limited.

ENQUIRIES

Mr Brett Smith
Executive Director
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August 2023

RENISON MINE
RENTAILS TAILINGS RETREATMENT PROJECT
INTRODUCTORY FACT SHEET

PROJECT OVERVIEW

The Renison mine is operated on behalf of the owners through the Bluestone Mines Tasmania Joint Venture (referred to as Bluestone within this document).

Existing tailings storage facilities contain 23.2 million tonnes of tailings (*see Metals X Ltd ASX release dated 28 August 2017 - Substantial Increase in Renison Bell Mineral Resource*). It is expected that permitting applications will be made for the construction of a new high-technology tailings reprocessing plant with a capacity of about 2.5 million tonnes per annum, a modern tailings storage facility, and supporting infrastructure including worker accommodation and enhancements to power and water supply.

The Company notes that processing plant capacity is not a production target. The Company has not undertaken sufficient feasibility level studies to determine the ultimate economic capacity or to define a production target.

Rentails is a waste to resource project

The project would minimise wastage and maximise re-use of existing valuable resources, by extracting value from the tailings left over from previous mining and processing. It would apply new technologies and modern methods to extract previously unrecoverable metals.

Tailings reprocessing would result in improved environmental outcomes through the application of modern design standards.

More permanent jobs

More royalties paid, to the benefit of all Tasmanians

More spending with local and Tasmanian businesses

BLUESTONE MINES TASMANIA JOINT VENTURE PTY LTD

ENVIRONMENTAL BENEFITS OF THE PROJECT

Bluestone recognises the environmental value of all areas within Australia, including the biodiverse habitats and natural waterways within the West Coast region.

New techniques and technologies allow the extraction of metals and minerals from lower grade resources that were formerly considered waste products of mining, minimising the need to develop new mines, while maximising the value of resources that have already been mined.

The project would generate a further environmental benefit by providing more secure long-term containment of tailings in a new facility designed and constructed in accordance with modern practices.

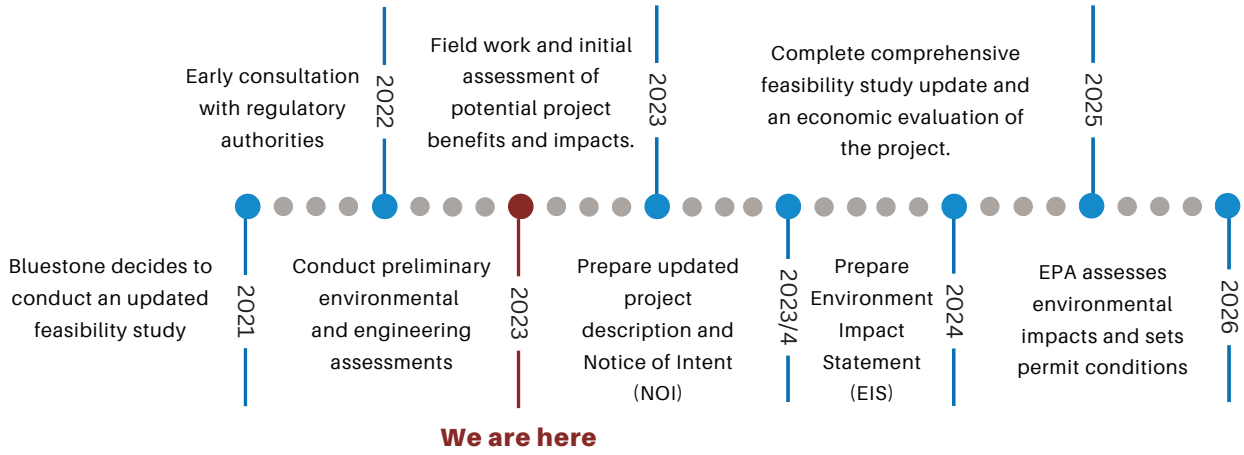
Tin is a vital material essential to modern life. Its main uses are in lead-free solder, tin plating, and chemicals which appear in many everyday products. As the world moves toward cleaner sources of energy and electrification, the demand for tin will increase because it is an important component in electronics, the production of solar cells, and other energy technologies.

WHAT IS THE GEOGRAPHIC FOOTPRINT OF THE PROJECT AND WHERE IS IT?

Renison is located adjacent to the Murchison Highway just south of Lake Pieman, 136 km south of Burnie and 18 km north-east of the township of Zeehan. The Renison operation is located within a 4,662 hectare consolidated mining lease.

RENTAILS TAILINGS RETREATMENT PROJECT

PROJECT TIMELINE



The Renison mine has been supplying tin for more than 53 years.

It is the only major tin mine in Australia and one of the world's largest underground tin mines.

ENVIRONMENTAL IMPACT ASSESSMENT

The Tasmanian Environmental Protection Authority (EPA) has published guidelines specific to mining projects, including tailings storage facilities. These guidelines provide information on environmental impact assessment, tailings storage facility design, water management, and monitoring requirements.

The Rentails project is subject to an environmental impact assessment process, for which the project is currently in the preliminary phase. This involves evaluating potential environmental impacts, engaging with stakeholders, and ensuring compliance with environmental regulations before the project can proceed.

CULTURAL HERITAGE

An Aboriginal heritage assessment has been conducted by an accredited organisation that specialises in the assessment and management of Indigenous and historic cultural heritage. Engagement with traditional custodians will continue.

SAFETY

The project design will adopt international guidelines focused specifically on the safety of process plants and tailings storage facilities. These guidelines provide recommendations and requirements for the design, construction, operation, and monitoring of plant, equipment, and tailings storage facilities to ensure their stability and to mitigate potential risks.

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COMMUNITY

Bluestone acknowledges that effective engagement underpins fair and transparent environmental and social impact assessment.

Bluestone is committed to consulting stakeholders throughout the assessment period and welcomes enquires and suggestions.

For up-to-date information about the Rentails Project please contact us via email at: rentails@bluestonetin.com.au.

FEASIBILITY STUDY

A feasibility study is a comprehensive techno-economic assessment of a potential project. Its purpose is to consult with stakeholders, prepare preliminary designs, assess potential risks, consider project execution strategies, estimate capital and operating costs, and determine the social, environmental, and economic impacts, both positive and negative. Bluestone will consider proceeding with the project based on the outcomes of the feasibility study.

CONTACT US

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The information in this report that relates to Mineral Resources has been compiled by Bluestone's technical employees under the supervision of Mr Colin Carter B.Sc. (Hons), M.Sc. (Econ. Geol), AusIMM. Mr Carter is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Carter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Approved for release by Mark Recklies, Chief Operating Officer, Bluestone Mines Joint Venture Pty Ltd. on behalf of the joint venture partcipants.

Signature:

BLUESTONE MINES TASMANIA JOINT VENTURE PTY LTD

RENTAILS TAILINGS RETREATMENT PROJECT

Q&A

August 2023

What's inside

- Environmental considerations
- Safety & risk management
- Regulatory approval & assessment process
- Mechanisms for community feedback
- Economic benefits & workforce planning

Project overview

WHAT IS THE RENTAILS PROJECT?

First discovered in 1890, the Renison tin operation in Tasmania started production in 1968 and remains the biggest operating tin mine in Australia. Existing tailings storage facilities A, B & C contain a JORC 2012 compliant mineral resource of 23.2 million tonnes of tailings containing approximately 103,000 tonnes of tin and 52,700 tonnes of copper (*see Metals X Ltd ASX release dated 28 August 2017 - Substantial Increase in Renison Bell Mineral Resource*).

It is expected that permitting applications will be made for the construction of a new high-technology tailings reprocessing plant with a capacity of about 2.5 million tonnes per annum, a modern tailings storage facility, and supporting infrastructure including worker accommodation and enhancements to power and water supply.

The Company notes that processing plant capacity is not a production target. The Company has not undertaken sufficient feasibility level studies to determine the ultimate economic capacity or to define a production target.

HAS A DECISION TO DEVELOP THE PROJECT BEEN MADE?

The project is dependent on Bluestone completing a thorough feasibility study and environmental impact assessment as part of its development application to the Tasmanian Environmental Protection Authority (EPA) and other regulatory authorities. Bluestone is currently undertaking detailed environmental and engineering assessments of the project, completing further analysis of tailings management strategies, and has commenced discussions with the government regarding key infrastructure requirements.

WHAT IS THE GEOGRAPHIC FOOTPRINT OF THE PROJECT AND WHERE IS IT?

Renison is located adjacent to the Murchison Highway, just South of Lake Pieman, 136 km south of Burnie and 18 km north-east of the township of Zeehan. The Renison operation is located within a 4,662-hectare consolidated mining lease.

HOW LONG WOULD IT TAKE TO BUILD?

The feasibility study is due for completion in early 2026. Subject to project approval and permitting, a 2-year construction period is anticipated.

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Environmental considerations

WHAT REGULATIONS OR GUIDELINES ARE IN PLACE TO GOVERN MINING OPERATIONS?

In Tasmania there is an extensive regulatory framework around mining, minerals processing, and waste management. The Tasmanian Environmental Protection Authority (EPA) has published guidelines specific to mining operations, including tailings storage facilities. These guidelines provide information on environmental impact assessment, process plant and tailings storage facility design, safety, water management, and environmental monitoring.

These guidelines provide recommendations and requirements for the design, construction, operation, and monitoring of processing and tailings storage facilities, to ensure their safety and to mitigate potential risks. Mining in Tasmania is typically subject to an environmental impact assessment process, for which the Rentails project is currently in the preliminary phase. This involves evaluating potential environmental impacts, developing environmental management plans, engaging with stakeholders, and ensuring compliance with environmental regulations before the project can proceed.

WHAT MEASURES ARE GOING TO BE TAKEN TO MINIMISE ENVIRONMENTAL RISKS?

A number of comprehensive environmental studies will be undertaken as part of the Rentails project feasibility study, which will cover key environmental considerations, including:

- Air quality, noise, and visual amenity.
- Biodiversity and the conservation of natural values.
- Surface and ground water quality.
- Tailings storage facility management.
- The potential for acid and metalliferous drainage (AMD).
- Site decommissioning, closure, and rehabilitation.

The aim of these studies is to identify any issues which need to be mitigated through design and management to ensure protection of environmental values during the construction, operation, and closure phases of the project.

Ongoing monitoring and reporting throughout the life of the project would ensure the effectiveness of the environmental protection measures employed.

How are tailings reprocessed?

Reprocessing of the tailings would include:

- Reclaiming the tailings from the existing tailings storage facilities using high pressure water cannons.
- Progressive deconstruction of the existing storage facilities.
- Processing of the tailings through a new concentrator and thermal upgrade plant.
- Deposition of the wastes in a new modern tailings storage facility.
- Rehabilitation of the old tailings storage facilities.

WHAT ARE THE RISKS ASSOCIATED WITH THE PROJECT?

Processing plants including chemicals and high temperature processes have many inherent risks as does storing and managing tailings, and these can pose risks particularly if proper precautions and management practices are not in place. Bluestone will mitigate these risks through proper design, independent reviews, supervision of construction, monitoring, and operational and maintenance practices. Regular inspections, adherence to regulations and industry best practices, and the implementation of effective management plans are essential for minimising the potential risks. Bluestone adheres to the highest standards for the management and reporting of the risks associated with its operations.

WHAT ARE THE POTENTIAL HEALTH HAZARDS FOR NEARBY COMMUNITIES?

Bluestone will implement effective pollution control measures, adhere to environmental regulations, and engage in proactive monitoring and reporting of air, water, and soil quality in accordance with Tasmanian regulations and the conditions of environmental approvals. To address community concerns, Bluestone will provide information about any low-level residual risks to community members, outline what strategies will be implemented to minimise these risks, and the results of regular monitoring.

HOW WILL THE RENTAILS PROJECT AFFECT LOCAL ECOSYSTEMS AND WATER BODIES?

Mining operations can have significant impacts on local ecosystems and water bodies if not properly managed. To mitigate these impacts, Bluestone will implement responsible management practices, including proper containment of wastes, water management, and onsite monitoring. Implementing effective environmental management plans, conducting regular air and water quality monitoring, and adopting appropriate reclamation and rehabilitation strategies will help minimise the effects on local ecosystems and water bodies.

Bluestone must meet a number of regulatory environmental reporting requirements to demonstrate effective management of its operations and implementation of its approved environmental management plans, including regular reporting on operations, reporting of incidents to the appropriate authorities, and incident investigation.

WHAT ARE THE ENVIRONMENTAL BENEFITS OF THIS PROJECT?

There are multiple environmental outcomes that are expected to be realised by this project including:

Improved site and environmental management

The project would generate an environmental benefit by providing more secure long-term containment of tailings in a new facility. Reprocessing the tailings from the existing facilities presents the opportunity to better protect the environment from waste products through the extraction of residual metals and has the added benefit of ensuring the tailings from the retreatment process are managed in a storage facility designed and constructed in accordance with modern practice.

Reuse of waste (previous mining byproduct)

The three existing tailings storage facilities at Renison represent one of the largest single resources of tin in Australia. New techniques and technologies allow the economic extraction of tin and copper from these lower grade sources that were formerly considered waste products of mining. This would minimise the need to develop new mines, while maximising the value of the resources that have already been extracted.

The role of tin in modern life

Tin is a vital material essential to modern life, including but not limited to its use in high technology applications. As the world expands electrification, alternative sources of energy, and sustainable consumption, the demand for tin will increase because it is an important component of lead-free solders, corrosion resistant coatings, and chemicals used in many everyday products. Additionally, the growth in use of personal electronic devices has increased the demand for tin in the production of various components, including circuit boards, batteries, and connectors. Tin's unique properties, such as its conductivity, corrosion resistance, and low toxicity, make it an ideal material for many applications. As a result, the demand for tin is expected to remain strong and even increase.

Safety & risk management

ARE THERE ANY NOTABLE INCIDENTS OR ACCIDENTS RELATED TO SIMILAR FACILITIES?

Dust exposure, chemical hazards, slips and falls, equipment safety, manual handling, electrical safety, and hazardous energy control are all work safety concerns that can be associated with many workplaces, including tailings retreatment facilities. Bluestone has comprehensive health and safety protocols in place, conducts regular training and awareness sessions with employees, and provides workers with appropriate personal protective equipment. Ongoing monitoring, risk assessments, and collaboration with workers in identifying and addressing safety hazards are also crucial for maintaining a safe workplace.

WHAT ARE THE EMERGENCY PROCEDURES IN CASE OF AN INCIDENT OR ACCIDENT AT THE SITE?

Employees and contractors at Bluestone participate in routine safety training in preparation for the unlikely event of an emergency. Members of the emergency response team are trained and tested in a range of rescue drills such as confined space, rope, road, and underground rescue, as well as firefighting. The training program is part of a Certificate III in Mine Emergency Response and Rescue.

Bluestone runs regular safety courses to ensure crews are readily available to respond to any incidents. Bluestone also stands ready to assist others in the region with emergency response and search and rescue operations.

Regulatory approval and assessment process

HOW DOES THE DEVELOPMENT APPLICATION PROCESS WORK?

The first step in the formal approvals process is for Bluestone to submit a Notice of Intent (NOI) to the Tasmanian EPA. This is expected to occur in early 2024. The NOI provides an overview of the company, the project proposal, location, and potential impacts that may be caused by all activities associated with the project.

The NOI enables the Board of the EPA to determine the class of assessment and to develop guidelines so that Bluestone can prepare a case for assessment under the *Environmental Management and Pollution Control Act* (EMPCA). Under the *Environment Protection and Biodiversity Conservation Act* (EPBC), the project will also be referred to the Commonwealth Department for Climate Change, Energy, the Environment and Water, for EPBC determination related to matters of national environmental significance, if any.

It is anticipated that the EPA will issue Bluestone with Project Specific Guidelines (PSG) for preparing its Enviromental Impact Statement (EIS). It is likely that the PSG will be made available for public comment at the draft stage.

Additionally, the project proposal will enter the '*Public Comment Invited*' stage once the EIS is received and accepted by the EPA. Federal approvals under the EPBC Act will occur in parallel under the bilateral agreements between the Australian and Tasmanian governments.

Further information about the regulatory approval and assessment processes can be found at: epa.tas.gov.au/business-industry/assessment and dcceew.gov.au/environment/epbc.

Mechanisms for community feedback

HOW CAN THE PUBLIC OR LOCAL COMMUNITIES PARTICIPATE?

You will be able to have your say on the EIS and the project's potential environmental, economic, and social impacts.

An EIS is a framework that project proponents and the government use to assess:

- The current environment and natural values of the area of the project.
- Potential environmental, economic, and social impacts, and the benefits of the project.
- Proponent proposals to avoid, minimise, mitigate, and/or offset those potential impacts.
- Alternative ways to execute the project in order to limit any negative impacts and deliver positive legacies.

HOW DO I FIND OUT MORE ABOUT THE RENTAILS PROJECT?

Bluestone acknowledges that all stakeholders, including local communities, will likely have a long-term interest in the project and is committed to keeping the community informed about the work and regulatory approvals associated with the project. This includes being transparent and providing information throughout the assessment period, following any decision, and where relevant, throughout the construction and operational phases of the project. Bluestone's community commitments will also be informed by feedback provided to EPA, and in the course of consulting regulatory authorities and the West Coast Council

This will be achieved by:

- Using communication and consultation techniques that effectively and meaningfully engage the community and stakeholders.
- Ensuring that all stakeholders have easy access to the process and information about the project.
- Demonstrating that concerns and aspirations raised by the community and stakeholders are considered in project development.
- Establishing a grievance management process.
- Ensuring that all information is timely and written in plain English.

Economic benefits & Workforce planning

WHAT ECONOMIC BENEFIT WOULD THE PROJECT BRING TO THE COMMUNITY?

It is expected that construction and operation of the project would generate direct employment within the region. During construction, the project would require a wide range of consumables, goods and services for employees, resulting in additional direct and indirect procurement opportunities for local and regional businesses that contribute to the Tasmanian economy. The procurement of these goods and services from regional businesses would indirectly generate employment opportunities for residents of the West Coast Local Government Area, including the West and North-West Regions. These aspects are being examined in the socio-economic impact assessment, which will include community consultation.

WILL THERE BE ANY TRAINING OR DEVELOPMENT PROGRAMS AVAILABLE FOR INDIVIDUALS WHO WANT TO WORK ON THE PROJECT BUT MAY LACK SPECIFIC SKILLS OR EXPERIENCE?

Bluestone is considering skills development processes, in partnership with training providers, to provide opportunities for people to undertake training and obtain qualifications for diverse trades while gaining on-the-job experience.

WHAT ARE THE NEGATIVE OPERATIONAL AND CONSTRUCTION IMPACTS THAT MAY ARISE FROM THE PROJECT?

The low availability of skilled workers in the West and North-West regions means the project has the potential to draw workers from existing jobs, potentially creating competition within the local labour market for particular skills. Bluestone is collaborating on these matters and others through the Tasmanian Minerals, Manufacturing, and Energy Council (TMEC).

During construction, the presence of construction machinery and traffic (excavators, large trucks, light vehicles etc.), and employees travelling to and from site would result in an increase in road hazards and noise levels. However, it is anticipated that this would be limited to haulage routes, as the project is located a considerable distance from the closest community. An assessment of all potential impacts will be included within the project feasibility study.

WHAT ACCOMMODATION OPTIONS ARE GOING TO BE AVAILABLE FOR WORKERS?

The construction of the new process plant, supporting infrastructure, and tailings storage facility would require a relatively large temporary worker population for an estimated two-year period. Bluestone is investigating options for the temporary accommodation of this workforce as part of its infrastructure and social impact assessment for the project, and will liaise with all community members, regulatory authorities, and the West Coast Council, to ensure any additional accommodation meets Australian standards and local planning guidelines.

CONTACT US

Bluestone acknowledges that effective engagement underpins a fair and transparent environmental, and social impact assessment.

Bluestone remains committed to providing information to stakeholders throughout the assessment period and welcome your enquiry.

If you would like to receive up to date information about the Rentails Project, please contact us via email at rentails@bluestonetin.com.au.

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