

# Business ANX NEWSLETTER

JUNE 06, 2023

## WHIM CREEK ENVIRONMENTAL PROTECTION NOTICE LIFTED

Anax Metals Limited is pleased to announce that it has been notified that the **Department of Water and Environmental Regulation (DWER) has revoked the Environmental Protection Notice (EPN)** issued in 2019 to Whim Creek's then owner, Venturex Resources Limited (Venturex) and operator, Blackrock Metals Pty Ltd (Blackrock).

**Anax's Managing Director, Geoff Laing commented:** *"The removal of the EPN is a fantastic outcome for the Company and all stakeholders. The works undertaken by the Anax team have produced measurable environmental improvements and it is very rewarding to have this recognised. Achieving this major milestone further de-risks the Project at a time when Anax is focussed on and engaged in financing discussions. Anax now looks forward to completing the final stage of permitting in preparation for the mine development."*

Since acquiring its interest in the Project in 2020, Anax has been focussed on addressing the requirements of the EPN through site upgrades and the development and implementation of various DWER approved management plans.

### Background

In March 2019, Tropical Cyclone Veronica passed near the Whim Creek Project delivering significant rainfall and resulting in extensive flooding at the site, causing the closed-circuit stormwater capture system to overflow into the environment.

As a consequent DWER issued an EPN to then owner, Venturex, and operator, Blackrock, in mid-2019. The EPN required production of copper cathode to be suspended and dictated several actions be taken to prevent further pollution of the site.

In July 2020, Anax entered into an earn-in/joint venture agreement to acquire up to an 80% interest in the Whim Creek Project from Venturex.

Numerous infrastructure upgrades were completed to address the requirements of the EPN as well as enable future use of the infrastructure in operations. These included:

- Construction of new stormwater bunds to divert clean runoff away from stormwater containment infrastructure
- Cleaning, repair and certification of W-drains and Process ponds (**Figure 1**)
- Construction of a new 60,000 m<sup>3</sup> HDPE-lined stormwater (Pond 6) within the footprint of the existing Environmental Pond to retain excess process water (**Figure 2**)
- Remediation of the compacted clay liner of the existing Environmental Pond
- Installation of new monitoring bores



**Figure 1:** Process ponds 1 to 5 and W-drains cleaned and certified



**Figure 2:** Pond 6 in relation to existing infrastructure

## Anax Metals has emerged as one of the companies best placed to grasp the coming decade's copper boom with both hands after its definitive feasibility study lay the groundwork to bring the Whim Creek mine back to production



At a capital cost of \$71 million, the restart of the Whim Creek project, last mined in 2009 by Straits Resources when the price of copper averaged just ~US\$2.40/lb, will be one of the lowest cost and fastest to market in the next wave of Australian copper developments.

At 10,000-12,000t of copper equivalent metal a year, is one of only a handful of near-term Australian copper producers poised to take advantage of the coming copper wave propelled by the transition to green energy.

It is a major achievement which comes just three years after Anax acquired an 80% stake in the project from its minority JV partner Develop Global, formerly Venturex Resources.

Anax will bring the mine to market at an attractive all-in sustaining cost of just US\$2.23/lb copper with a pre-tax NPV of \$224m and impressive IRR of 54%, leveraging investment in ore-sorting technology that will also reduce its carbon footprint and divert waste from tailings in the cyclone prone Pilbara. Ore sorting will result in a 22MWh reduction in energy consumption, 1.5Mt reduction in tailings, and considerable savings in reagents used in flotation.

Whim Creek is coming off a long period of care and maintenance. But Anax has already fixed up legacy issues and refurbished ponds on site. Approvals are expected in the second half of 2023 and the project has attracted the interest of one of the world's biggest miners and commodity traders, Anglo-American. The miner will now conduct due diligence on a debt financing deal that would see them forward US\$20m in debt and become the ASX-listed junior's offtake partner for its suite of base metals.

*(An extended version of this article was first published by Stockhead on 3 April 2023)*

## HOTEL REFURB PROGRESS

### Progress made since last newsletter in December 2022:

- Presentation by Anax Metals Limited Chairman to NAC Board (February 2023)
- **Refurb Agreement Approved by NAC Board** (March 2023)
- **Phase 1 Scope of Works confirmed and funded**; key suppliers identified
- **Internal governance processes set up and ready:**
  - Refurbishment Committee established; weekly meetings
  - Refurbishment Operations team established
  - Banking and financial reporting systems in place

## NEXT STEP

- Initial Electrical Certification
- Place orders for long lead items



Photo by: Wondrous World Images