

27 January 2021

The Secretary
Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta, NSW 2124

Email: Stephen.ODonoghue@planning.nsw.gov.au

Attn: Stephen O'Donoghue

Dear Stephen,

Re: Australian Strategic Materials Ltd (ABN 51 091 489 511) – Dubbo Project

The Dubbo Zirconia Project (now known as the Dubbo Project) located at Toongi, south of Dubbo obtained State Significant Development Consent on 28 May 2015 (SSD5251). Australian Zirconia Limited is now known as Australian Strategic Materials Ltd (same ABN / business entity) and is listed on the Australian Stock Exchange (under the ticker - ASM).

For various reasons the progress towards project finance and construction has been delayed, but Australian Strategic Materials Ltd (ASM) is now making strong progress towards construction.

An application for Project Modification 1 will be submitted later in 2021 to reflect the improvements in design and feasibility that have been developed since May 2015.

The Dubbo Project has a large transport/logistics task attached and flowsheet improvements have made rail transport of reagents more attractive since the EIS was completed.

Condition 42 in Schedule 3. States "Three years after commencing development, the Applicant shall review the feasibility of transport options for the development. The feasibility review shall:

- (a) Be prepared in consultation with Transport for NSW, RMS and Council by a suitably qualified expert/s whose appointment has been approved by the Secretary.
- (b) Investigate the reasonable and feasible options to maximise the use of rail and minimise the use of public roads to transport chemical reagents and mineral concentrate to and from the site over the approved and project life of the project
- (c) Analyse the capital, construction and operating costs of the alternative transport options
- (g) assess the viability of the use of rail transport for the development.

ASM would like to engage CR Rail to undertake the feasibility study in refurbishing the Dubbo-Toongi section of the Dubbo-Molong Railway Line. It is proposed that Craig Holdsworth lead the feasibility

study in consultation with Phillip Imrie (Plateway Pty Ltd) and Bob Shepherd (Bob Shepherd Consulting).

I have commenced consultation with Dubbo Regional Council, Transport for NSW, ARTC and John Holland regarding our intention to prepare a feasibility study into the re-use of the Toongi-Dubbo section of the Dubbo-Molong branch line which was mothballed in 1987.

I look forward to your approval of the consultants that we feel confident can deliver the feasibility study.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Michael Sutherland', with a stylized flourish at the end.

Michael Sutherland
General Manager - NSW

Enclosures: CR Rail Capability Statement; CV – Craig Holdsworth; Certified Supplier Certificate; CV-Phillip Imrie (Plateway Pty Ltd); CV-Bob Shepherd (Logistics Consultant)