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**Sent:** Monday, 27 June 2022 5:17 PM

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**Subject:** RE: Modelling information - McPhillamy

Hi Steve

As promised here is the additional information that I stated I would provide to you. Please note I have cc'ed Vanessa O'Keefe and Kate Holder from EEM for their information

On top of the modelling report, I have the following additional information:

Impact calculation

The modelling report (Table 2) shows that the potential impact of the tailings dam (Case 3) will be an average of 252 ML/y or an 80 percentile of 440 ML/y. The report then includes a recommendation against the average impact. After further consideration DPE - Water can confirm that the more conservative impact of the 80 percentile of 440 ML/y should be adopted.

Impact offset – high security shares

Taking this approach results in the number of regulated river (high security) shares changing from the 311 in the report to 543 shares to cover the potential impact. This represents over half of the current 1,095 high security shares within the Belubula regulated system. To our knowledge trade of high security is historically extremely limited and unlikely to occur

Impact offset – general security shares

Given that it is highly unlikely that high security shares will be able to be purchased DPE – Water has undertaken further investigations into the activation of general security shares. The modelling report states that the activation rate for general security shares is 7.8%. After further investigation DPE-Water had determined the activation rate is 23%. This would result in the number of general security shares to cover the potential impact of approximately 1920 (440 ML (potential impact) / 0.23 (activation rate)). This represents approximately 8.4% of the number of general security shares in the Belubula regulated system.

This gives us an approximate conversion rate between high security shares and general security of approximately 3.5.

If you have any questions please get back to me.

Regards

**Peter Hyde**

**Director Inland Water Planning**

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