MOUNT ISA MINES

A GLENCORE COMPANY

April 2025

Mount Isa Community Update

- Over the past five years Glencore has invested **$1.8 billion** into our Queensland Metals business, including **$653 million** in zinc mining and processing and **$87 million** in exploration.
- **George Fisher Mine** is expected to operate until at least **2042** and we're upskilling our workforce, expanding production and advancing our fleet.
- We are focusing on transferring as many people as possible from the underground copper operations to Mine (GFM), with a goal to replace contractor fly-in, fly-out roles with local workers.
- **We've already successfully redeployed 89 impacted people within the business, with 71 additional transfers pending.**
- We're looking at future expansion opportunities, including the **re-opening of the Black Star Open Cut mine**. Pre-feasibility work underway is looking positive and pending an investment decision the project has the potential to provide work for 300–400 people from late 2027 to 2028 for 10 to 20 years.
- We are assessing the **future of the copper smelter in Mount Isa and copper refinery in Townsville** due to an unprecedented decline in the global smelting market.
- Glencore has approached both the Queensland and Federal Governments, seeking their support to continue operating these assets, as part of a regional solution to retaining critical minerals in the north-west.
- The **Mount Isa Copper Operations** (MICO) are on track to close in July 2025.
- We have worked extensively with the MICO workforce to **reduce job impacts**. We currently estimate that 500 people will be impacted by closure, compared to the 1,200 roles originally estimated and we're working to reduce this number further. Redundancies will continue to be a last resort.
- We've developed a **Social Transition Plan** bringing together extensive social impact, needs and capability assessments, supported by **12 months of consultation** with community leaders, service providers, residents, employees and local industry.

Investing in Mount Isa Mines

Mount Isa Mines is an important operation for Glencore, and we are committed to the successful and long-term future of this iconic operation.

Although the upcoming closure of the underground copper operations will reduce the size of our site, Mount Isa Mines has a positive future ahead. As a miner and processor of essential zinc, lead, silver and copper, Mount Isa Mines will continue to be a significant part of Australia's resource sector landscape.

Over the past five years alone, Glencore has invested **$1.8 billion** into our Queensland Metals business, including:

- **$653 million** on zinc mining and processing,
- **$513 million** on MICO,
- **$220 million** on copper processing (concentrator, smelter and refinery),
- **$87 million** on exploration.

GEORGE FISHER MINE

George Fisher Mine produces zinc, lead and silver, which is processed on-site and transported to the Port of Townsville for export to customers around the world. It's a large-scale, long-life mine, which will sustain the Mount Isa Mines operation to at least 2042. Glencore is investing in upskilling people, expanding mine development and advancing our fleet with diesel electric loaders and drill automation.

BLACK STAR OPEN CUT PROJECT

The Black Star Open Cut (BSOC) Project is an expansion opportunity once the underground copper operations close. Glencore is currently working on a pre-feasibility study for the re-opening and expansion of the existing BSOC pit for a large-scale zinc, lead and copper mining operation that would feed into Mount Isa Mines' existing processing facilities.

The pre-feasibility study is looking positive and is expected to be completed in mid-2025, moving on to an approximate 12-month feasibility study from mid-2025 to mid-2026.

BSOC Project Fast Facts

- Zinc, lead and copper open pit mine
- 10–20 year mine life
- 300–400 people operational workforce
- Potential start date 2027–2028 pending project approvals and investment decision

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Global smelting and refining challenges

Glencore operates one of only two copper smelters in Australia and the only copper smelter that processes products from other miners and third parties.

This is important for the north-west region as it supports small and medium-sized mining companies to have their copper concentrates processed locally rather than large volumes of raw commodities being transported to Townsville and shipped for processing overseas.

The Mount Isa copper smelter and Townsville copper refinery are strategically important assets that keep domestic processing capacity of critical minerals. A key priority for the state and federal governments.

The Mount Isa copper smelter processes Glencore's concentrates, as well as those from the local region, allowing a value-added 99.995% pure copper cathode to be exported from our copper refinery in Townsville to customers around the world.

Unfortunately, the global smelting and refining market has deteriorated dramatically, experiencing the largest drops in treatment and refining charges (what companies pay to have their products processed) in 25 years. This is driven by a large increase in smelting capacity, meaning the number of smelters around the world, particularly in countries like China and Indonesia whose governments heavily subsidise the industry.

Against this global background, the copper smelter and refinery operate in a very high-cost environment. Energy costs for the Queensland Metals business are double or more than those in India, China, Canada and the USA. Other costs like labour and consumables are also increasing.

As it stands today, the Mount Isa copper smelter and Townsville refinery are uneconomic.

REVIEW OF MOUNT ISA MINES' SMELTER AND REFINERY

As a result of these conditions and the already very high production costs in Australia, Glencore is currently assessing the future of the Mount Isa smelter and Townsville refinery to see whether it can operate beyond 2026. In terms of what we can control:

- We are looking at our business to see how we can be more efficient and reduce costs.
- We're talking to customers to ensure we have enough local feed of copper concentrate going through the smelter to keep it economic.
- We're also working with Incitec Pivot about any further synergies in the operation of the acid plant, which is codependent to the operation of Mount Isa's smelter.

Glencore has approached both the Queensland and Federal Governments, seeking their support to continue operating these assets, as part of a regional solution to retaining critical minerals in the north-west.

Mount Isa Copper Operations (MICO) closure

It's been 17 months since Glencore announced the closure of Mount Isa Mines' underground copper operations planned for July 2025. During this time, we have worked extensively with employees and key stakeholders to minimise the impacts of this closure on our people and the broader community.

This work included:

- Communicating regularly and openly with our people
- Providing on-site support in the form of counselling, resume writing and financial planning
- Hosting two regional job fairs to match local people with local industry opportunities
- Seeking Expressions of Interest from people about their future preferences, undertaking internal job matching, upskilling and facilitating internal transfers
- Retaining all existing graduates and apprentices within the business and continuing these excellent programs into the future

Our progress in numbers

As at 1 April 2025, there have been:

613 expressions of interest received

302 people not interested in redeployment

170 successful or pending redeployments

It was originally estimated around 1,200 roles would be impacted by the closure. Through the work undertaken we now expect this to be about 500 people and we're actively working to redeploy as many people as possible over the coming months. Redundancies remain the last resort.

Workforce reduction strategy

This process will be run each time there is a change in labour requirements.

INTERNAL ADJUSTMENTS
- **Remove vacancies** within impacted areas
- **Move people** within our own departments

So far we have managed most workforce reductions using this first step.

REDEPLOYMENT
- **Voluntary deployments** to other areas of the business

REDUNDANCY
- Call for **voluntary redundancies** from the impacted roles
- If required, we will assess the need for **involuntary redundancies**

INDIVIDUAL CONSULTATION
- We will commence **individual discussions** about changes with impacted employees

Celebrating MICOs successes

As we work towards closure it's important we acknowledge and celebrate the milestones and successes of these long-standing operations and the amazing people that have contributed to the mines' success.

2024 milestone highlights:

- Last tonnes produced at X41 underground mine
- Relocation of some maintenance personnel to surface workshops
- Extensive rehabilitation work on the T62 decline
- An underground marriage proposal!
- Replacement of the slag hopper (for feeding smelter slag into the copper concentrator), custom built by our Site Assets Services Workshop
- Achieving metals recovery improvements at our processing operations across zinc and copper assets

Social transition planning

Glencore has developed a Social Transition Plan to support people impacted by the closure of the Mount Isa Copper Operations, including the workforce and community, whilst strengthening the foundations of a sustainable region long into the future.

The plan brings together extensive social impact, needs and capability assessments and is supported by 12 months of consultation with community leaders, service providers, residents, employees and local industry. It identifies activities and initiatives across four pillars, including:

1. Social investment
2. Local workforce
3. Local procurement
4. Regional economic development

Our workforce initiatives such as job fairs, the Workforce Support Hub and workforce strategy have helped reduce the number of people impacted by closure from 1,200 roles initially estimated to about 500 people. Other committed initiatives include supporting Indigenous business development and student bursaries, to releasing land for The Australian Critical Minerals Precinct.

We are starting detailed investigations on more potential initiatives in consultation with key stakeholders and will be evaluating several opportunities relating to Indigenous health outcomes and attraction and retention of health, social care and childcare workers to Mount Isa to support local services.

Collaboration with other industry partners, community, and local and state government, will be critical to overcoming challenges and maximising opportunities for the region. We will be facilitating collaboration networks on social investment, supplier opportunities, human resources and regional economic development. Glencore will undertake a range of roles in the execution of these initiatives, including funding, partnership, facilitation and advocacy.

Progress updates on the execution of our Social Transition Plan will continue at our Community Information Sessions and via our social media channels and website.

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