

Environmental Protection Act 1986

Section 43A

**NOTICE OF DECISION TO CONSENT TO CHANGE TO PROPOSAL DURING
ASSESSMENT**

PERSON TO WHOM THIS NOTICE IS GIVEN

Mr Mark Fones
Chief Executive Officer
Covalent Lithium Pty. Ltd (ACN: 623 090 139)
Level 18, 109 St Georges Terrace
PERTH WA 6000

PROPOSAL TO WHICH THIS NOTICE RELATES:

Earl Grey Lithium Project
Assessment No. 2123

Pursuant to section 43A of the *Environmental Protection Act 1986* (EP Act), the Environmental Protection Authority (EPA) consents to the proponent making the following changes to the proposal during assessment without a revised proposal being referred -

- Decreasing the area required for the Run of Mine (ROM) and relocating the ROM to areas of existing disturbance resulting in a reduced impact to *Microcorys sp* Mt Holland population and the associated MW7 vegetation community;
- Removal of the lower portion of the old airstrip from the disturbance footprint previously planned for topsoil storage and avoidance of the large southern population of *Banksia sphaerocarpa var. dolichostyla* and *Microcorys sp.* Mt Holland;
- Removal of the southern access road from the disturbance footprint that previously intersected *Banksia sphaerocarpa var. dolichostyla* and *Microcorys sp* Mt Holland populations resulting in reduced direct and indirect impacts;
- Reorientation of the Accommodation Village to avoid indirect impacts to *Banksia sphaerocarpa var. dolichostyla* and *Microcorys sp.* Mt Holland;
- Removal of a portion of the Integrated Waste Landform (IWL) to minimise impacts to *Microcorys sp.* Mt Holland and inclusion of:
 - an option for a conveyor from the Waste Rock Dump (WRD) to the processing area as well as an option to transport ore instead of heavy haulage vehicles along the haul road;
 - access road between the IWL and Processing area;

- additional areas surrounding the airstrip required for construction and operation (including fencing);
 - realignment of the haul road from the WRD to Processing area;
- Utilisation of the existing/historical site borrow pit area for minor road maintenance and the establishment of earthen pads as part of the Minor or Preliminary Works (MPW); and
- Addition of a new landfill in an area of existing disturbance for the disposal of putrescible and construction waste as part of the MPW.

See Figure 1 and Schedule 1 attached.

EFFECT OF THIS NOTICE:

1. The proponent may change the proposal as provided for in this notice.

RIGHTS OF APPEAL:

There are no rights of appeal under the EP Act in respect of this decision.



Dr Tom Hatton
Delegate of the Environmental Protection Authority
CHAIRMAN

7 August 2019

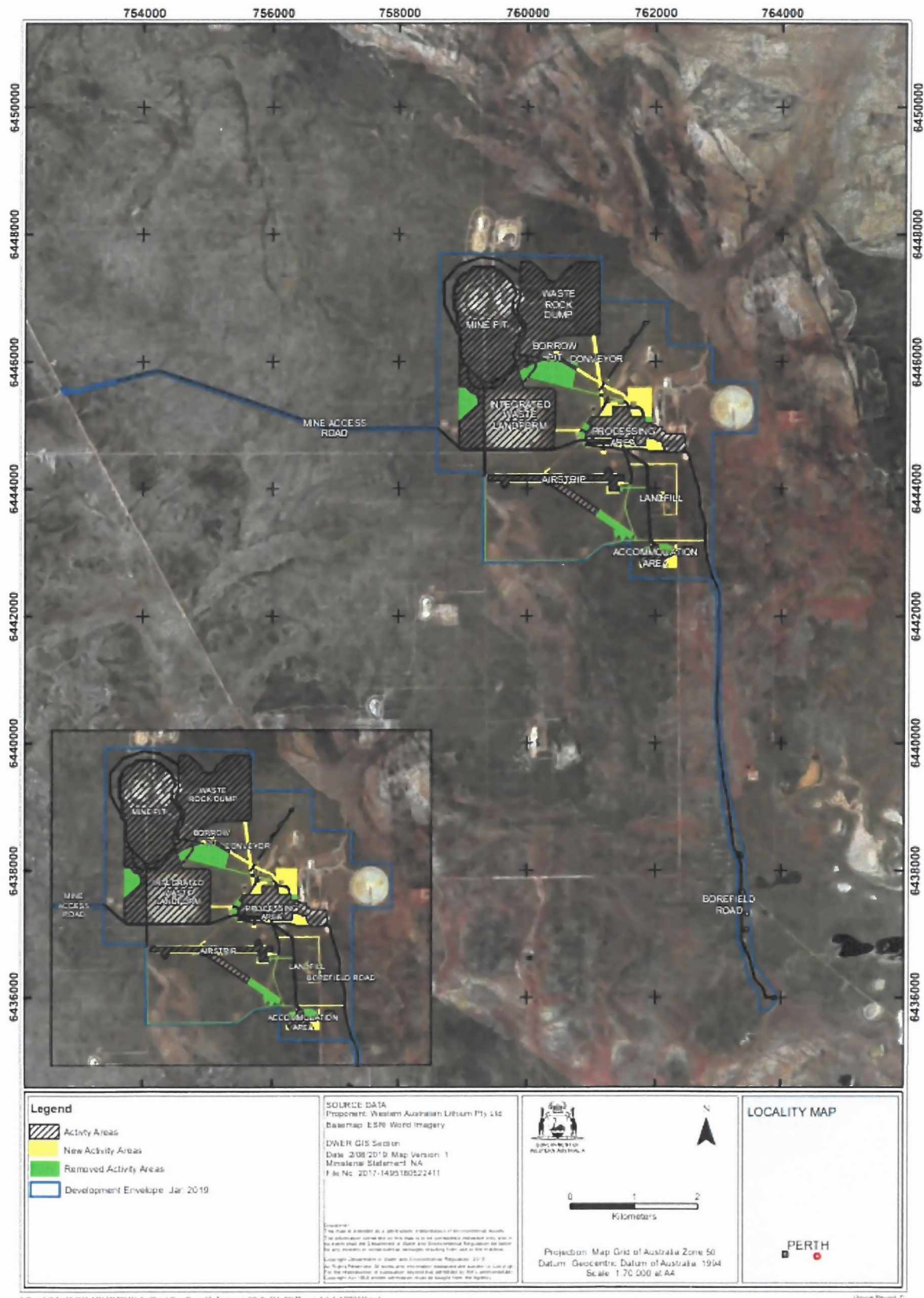


Figure 1. Revised Mine Layout

Schedule 1

Change to Proposal

Element	Current Proposal			Changed Proposal (s43a)		
	Existing disturbance (ha)	Clearing (ha)	Total (ha)	Existing disturbance (ha)	Clearing (ha)	Total (ha)
Mine and associated infrastructure*	268	392	660	281	386	667

*Including waste rock dumps, tailings storage facility, airstrip, processing plant, accommodation village, wastewater treatment plant, landfill, water storage, explosives magazine, coreyard, topsoil stockpiles, power generation plant, workshop, admin facilities, pipelines, power lines, roads, borrow pits, etc.

Environmental Protection Act 1986

Section 43A

STATEMENT OF REASONS

CONSENT TO CHANGE PROPOSAL DURING ASSESSMENT

Proposal: Earl Grey Lithium Project

Proponent: Covalent Lithium Pty Ltd

Decision

For the reasons outlined below, the Environmental Protection Authority has determined to consent to the Proponent changing the Proposal outlined in Schedule 1 attached to this Statement of Reasons.

Background

On 19 May 2017, Kidman Resources Limited referred the Proposal to the Environmental Protection Authority (EPA) under section 38 of the *Environmental Protection Act 1986* (EP Act). The Proposal included the development of a pegmatite-hosted lithium deposit at the abandoned Mt Holland Mine Site. The proposal area is located approximately 105 km south-southwest of Southern Cross, in the Shire of Yilgarn. The EPA determined to assess the Proposal at the level of Public Environmental Review (4 weeks) on 24 July 2017.

Since initial referral, Kidman Resources Limited entered into a joint-venture with Sociedad Quimica y Minera (SQM), managed under the name Western Australia Lithium Pty Ltd. The change of the Nominated Proponent was approved on 21 May 2018. Following this, Western Australia Lithium Pty Ltd changed its name on 30 July 2018 to Covalent Lithium Pty Ltd and this change of name was approved on 25 October 2018.

In advance of the EPA preparing a report on the outcome of its assessment of the Proposal, the Proponent has sought the EPA's consent to the proponent changing the Proposal.

Relevant Statutory and Administrative Provisions

Section 3.8 of the Environmental Impact Assessment (Part IV Divisions 1 and 2) Procedures Manual 2016 guides what information the EPA requires from a person wanting to change its proposal during assessment.

In considering the request for consent, the EPA considered the:

- details of the proposed change
- statement of the significance of the change and
- rationale for the change.

Materials considered in making this decision

In determining whether to consent to the proponent changing the proposal the EPA has considered the following:

1. Covalent Lithium Earl Grey Lithium Project Section 43A Request (18 July 2019)
2. Covalent Lithium Earl Grey Lithium Project Environmental Review Document (18 January 2019)
3. Notice of decision to consent to minor and preliminary works (23 May 2019)

Consideration

1. Nature of the proposed change

Several changes were proposed including decreasing the area required for the Run of Mine (ROM) and relocating the ROM to areas of existing disturbance, removal of the lower portion of the old airstrip from the disturbance footprint, removal of the southern access road from the disturbance footprint and removal of a portion of the Integrated Waste Landform (IWL).

Overall there is an increase in the disturbance footprint, however, there is an increase in use of already disturbed areas resulting in a reduction of total clearing by 6 hectares (ha) (Table 1). The utilisation of existing disturbed areas also results in a reduction of clearing and impacts to Threatened and Priority flora, *Banksia sphaerocarpa* var. *dolichostyla* and *Microcorys* sp. Mt Holland (Table 2).

Table 1 – Comparison of proposed changes

	Current proposal (ha)	Proposed change (ha)	Difference (ha)
Existing disturbance within development footprint	268	281	13
Clearing	392	386	-6
Total footprint	660	667	7

Table 2 – Comparison of impacts to *Banksia sphaerocarpa* var. *dolichostyla* and *Microcorys* sp. Mt Holland

	Current impact (individuals)	Proposed change (individuals)	Difference (individuals)
<i>Banksia sphaerocarpa</i> var. <i>dolichostyla</i> (estimated individuals)			
Direct impacts	92	2	-90
Indirect impacts	2,826	67	-2,759
Total	2,918	69	-2,849
<i>Microcorys</i> sp. Mt Holland (estimated individuals)			
Estimated direct impacts	7,498	6,246	-1,252
Estimated indirect impacts	1,525	711	-814
Total	9,023	6,957	-2,066

<i>Microcorys</i> sp. Mt Holland (recorded individuals)			
Direct impacts	1,799	733	-1,066
Indirect impacts	1,525	711	-814
Total	3,324	1,444	-1,880

Furthermore, it is noted that the option for a conveyor from the Waste Rock Dump (WRD) to the processing area will reduce the reliance on heavy haulage vehicles along the haul road. This may lead to a reduction in dust emissions and the requirement for dust suppression along the haul road.

2. Stage of the assessment process

The ERD was published on the 11 February 2019 and underwent public review from 11 February 2019 to 11 March 2019. A draft response to submissions document has been submitted by the proponent (Rev. 1, 30 July 2019).

3. Currency, relevance and reliability of the information, including submissions

The change in site layout has been proposed based on submissions received including recommending that the mitigation hierarchy be implemented to minimise impacts to Threatened and Priority flora species as much as possible. Additional individuals recorded for the Threatened and Priority flora species have been included in the updated population estimates.

4. Community engagement

The initial referral was open for a 7-day public comment period from the 26 May 2017 to 2 June 2017. Following this, the assessment process included a 4-week public review period, from 11 February 2019 to 11 March 2019.

5. Level of public concern

Submissions received during the public review period indicated that the potential direct and indirect impacts to Threatened and Priority flora species should be re-assessed. In response to these submissions, the proponent has revised the Proposed Layout to minimise impacts to Threatened and Priority flora species to address these comments.

Consideration of Whether the Change is Unlikely to Significantly Increase Any Impact that the Proposal May Have on the Environment

The following were considered:

a) Values, sensitivity and the quality of the environment which is likely to be impacted

The change to the proposal will not include any additional factors or different impacts to the environment. The proponent has revised the Proposed Layout to minimise impacts to Threatened and Priority flora species and reduce overall clearing. Furthermore, it is noted that the option for a conveyor from

the WRD may lead to a reduction in dust emissions. Therefore, it is expected that this change to proposal will result in a reduction in potential environmental impacts.

b) Extent (intensity, duration, magnitude and geographic footprint) of the likely impacts

The duration of the operation and life of mine is not expected to change through this change of proposal. Although the change to the proposal increases the disturbance footprint by 13 ha, it will be utilising existing disturbed areas and total clearing for the proposal will decrease by 6 ha. Therefore, it is expected to result in a reduction in potential environmental impacts.

c) Consequence of the likely impacts (or change)

The change to proposal does not alter the types of impacts associated with the proposal, however, it is expected the change will decrease the likely impacts on Threatened and Priority flora.

d) Resilience of the environment to cope with the impacts or change

The resilience of the environment to cope remains relatively unchanged from that of the original proposal. The change would result in a reduction in potential environmental impacts.

e) Cumulative impacts with other projects

There would be no additional cumulative impacts with other projects. The change would result in a reduction in potential environmental impacts.

f) Connections and interactions between parts of the environment to inform holistic view of impacts of the whole environment

There is no change to the potential connections and interactions of the environment due to the change from the original proposal.

g) Level of confidence in the prediction of impacts and the success of proposed mitigation

The change to clearing would result in a reduction in potential environmental impacts, in particular the impacts to Threatened and Priority flora. This reduction in clearing increases the level of confidence in the predicted impacts and the success of proposed mitigation.

h) Public interest about the likely effect of the proposal, if implemented, on the environment, and public information that informs the EPA's assessment

Submissions received during the public review period indicated that the potential direct and indirect impacts to Threatened and Priority flora species

should be re-assessed. In response to these submissions, the proponent has revised the Proposed Layout to minimise impacts to Threatened and Priority flora species to address these comments. The proposed change is likely to decrease the level of public concern.

Schedule 1

Change to Proposal

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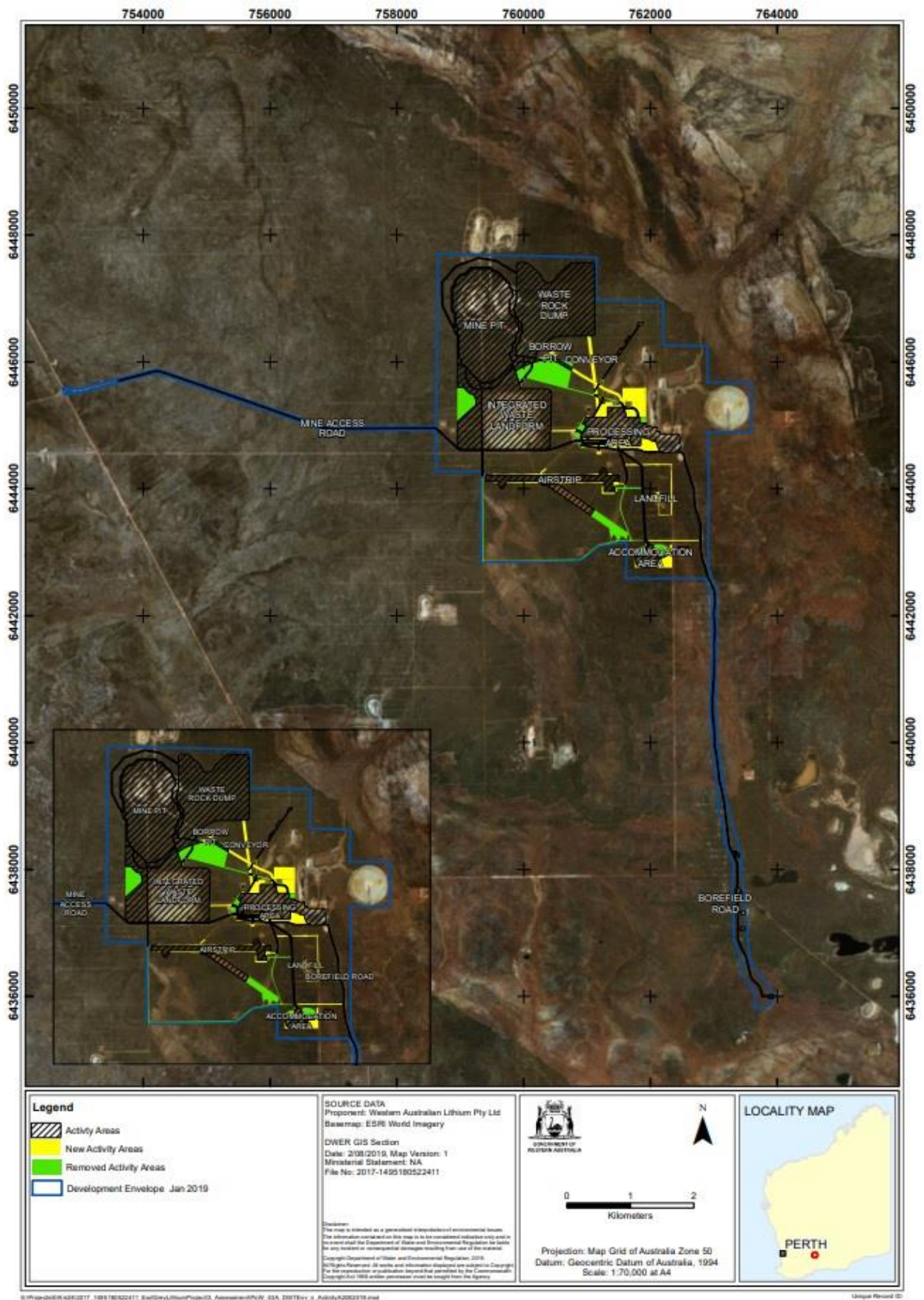


Figure 1. Revised Mine Layout