



Our ref: DWERA-000302; DWERA-047264
Enquiries: Nyomi Bowers, Ph 6364 6416
Email: nyomi.bowers@dwer.wa.gov.au

Mr Mark Fones
Chief Executive Officer
Covalent Lithium Pty Ltd
Level 18, 109 St Georges Terrace
PERTH WA 6000

Dear Mr Fones

**NOTICE OF DECISION TO CONSENT TO MINOR AND PRELIMINARY WORKS –
EARL GREY LITHIUM PROJECT**

Pursuant to Section 41A(3) of the *Environmental Protection Act 1986*, please find attached a Notice of Decision to Consent to Minor and Preliminary Works for the Earl Grey Lithium Project from the Environmental Protection Authority.

Please note that no response to this correspondence is required.

Yours sincerely

Anthony Sutton
Executive Director
EPA Services

13 March 2019

Encl. Notice of Decision to Consent to Minor and Preliminary Works

Environmental Protection Act 1986

Section 41A(3)

NOTICE OF DECISION TO CONSENT TO MINOR OR PRELIMINARY WORKS

PERSON TO WHOM THIS NOTICE IS GIVEN:

- (a) Proponent:
Covalent Lithium Pty Ltd (ACN: 623 090 139)
- (b) Relevant Decision-Making Authorities, see Attachment 1

PROPOSAL TO WHICH THIS NOTICE RELATES:

Earl Grey Lithium Project
Assessment No. 2123

Pursuant to section 41A(3) of the *Environmental Protection Act 1986* (EP Act), the Environmental Protection Authority consents to the proponent undertaking the minor or preliminary works detailed in Schedule 1.

EFFECT OF THIS NOTICE:

1. The prohibition provided by sections 41(2), 41(3) and 41A(1) of the EP Act do not apply to implementing the minor or preliminary works consented to in this Notice.
2. It is an offence under s41A(1) of the EP Act, with a maximum penalty of \$125,000 for a body corporate and \$62,500 for an individual, to do anything to implement the proposal other than the minor or preliminary works consented to in this Notice.
3. Relevant decision-making authorities may make decisions that would cause or allow the doing of the minor or preliminary works listed in Schedule 1 of this Notice.

RIGHTS OF APPEAL:

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



Dr Tom Hatton
Delegate of the Environmental Protection Authority
CHAIRMAN

14 March 2019

Schedule 1

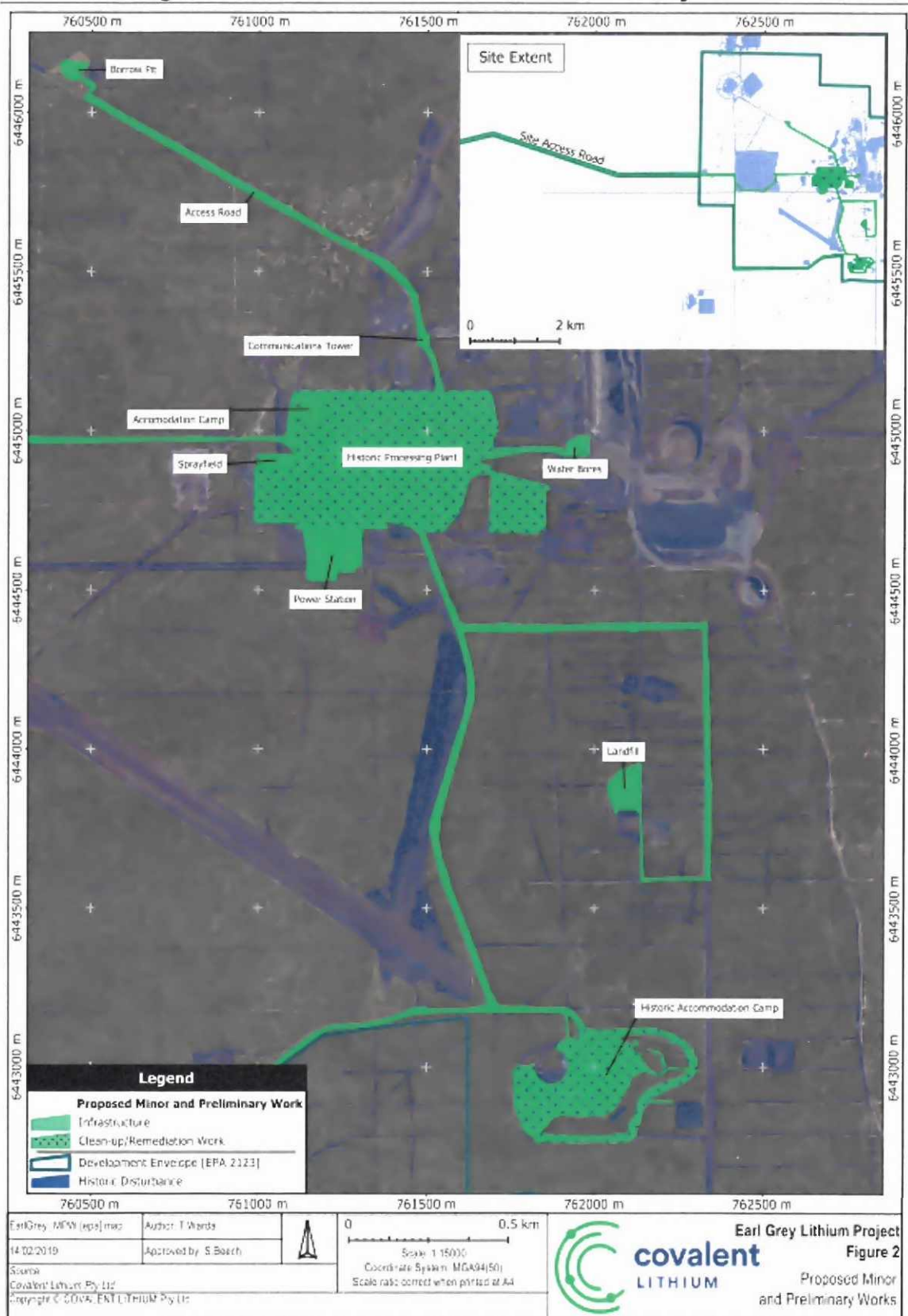
Authorised Minor or Preliminary Implementation Work(s)

Authorised Work(s)	Location	Authorised extent
<p>The following works are authorised in their entirety:</p> <ol style="list-style-type: none"> 1. Deconstruction and removal of historic Mt Holland structures, plant, equipment, debris and waste materials (historical infrastructure), to remove environmental and safety hazards and ensure a safe site for future employees and contractors. 2. Construction of new groundwater bores for construction purposes and dust suppression. 3. Construction of new infrastructure and upgrade of existing infrastructure required to carry out the preliminary works including: <ul style="list-style-type: none"> o construction of a 60-person accommodation camp (including waste water treatment plant (WWTP and sprayfield), landfill, temporary concrete batching plant and water supply infrastructure). o construction of site offices, storage and laydown areas. o upgrade of the existing power supply and communication infrastructure. o maintenance of existing roads. 4. Storage of long lead infrastructure components required for the Proposal. <p>up until such time as the later of one of the following occurs:</p> <ol style="list-style-type: none"> a. notice issued under s 45(8) of the EP Act; or b. statement issued under s45(5) of the EP Act is final (that is, after period in which to lodge an 	Figure 1	Disturbance of up to 71.6 ha of land, in areas of existing disturbance within the Development Envelope, during daylight hours.

<p>appeal under s 100(3) has expired, or appeal decision under s109(3), in respect of an appeal lodged under s 100(3), is published).</p> <p>and,</p> <p>5. rehabilitation of the area/s identified in Figure 1 in accordance with current EPA rehabilitation guidance, or if an implementation statement is issued for the Proposal, in accordance with any implementation conditions relating to rehabilitation.</p>		
--	--	--

Figure 1

Location of the Preliminary Works



Attachment 1

Relevant Decision Making Authorities

1. Minister for Environment
2. Minister for Mines and Petroleum
3. Minister for Water
4. Chief Executive Officer, Department of Water and Environmental Regulation
5. Executive Director, Resource and Environmental Compliance, Department of Mines, Industry Regulation and Safety
6. Chief Dangerous Goods Officer, Department of Mines, Industry Regulation and Safety
7. State Mine Engineer, Department of Mines, Industry Regulation and Safety
8. Chief Executive Officer, Shire of Yilgarn

Environmental Protection Act 1986

Section 41A(3)

STATEMENT OF REASONS

CONSENT TO UNDERTAKE MINOR or PRELIMINARY WORKS

Proposal: Earl Grey Lithium Project

Proponent: Covalent Lithium Pty Ltd

Decision

For the reasons outlined below, I, as a delegate of the EPA, have determined to consent to the minor or preliminary works outlined in Schedule 1 attached to this Statement of Reasons.

Background

On 19 May 2017, Kidman Resources Limited referred the Earl Grey Lithium Project proposal to the Environmental Protection Authority (EPA) under section 38 of the *Environmental Protection Act 1986* (EP Act). Subsequent to referral of the proposal, Kidman Resources Limited entered into a joint venture with Sociedad Quimica y Minera in 2018. The newly formed joint venture company was approved as the Nominated Proponent on 21 May 2018, and the company name changed to Covalent Lithium Pty Ltd (Covalent) on 25 October 2018.

The mining proposal is to develop a pegmatite-hosted lithium deposit at the abandoned Mt Holland mine site, located approximately 105 kilometres south-southeast of Southern Cross in the Shire of Yilgarn. The proposal includes development of an open pit, waste rock dump, integrated waste landform, processing plant, accommodation camp, airstrip, roads and other associated mine infrastructure. The proposal would utilise existing disturbed areas, and includes new vegetation clearing.

The EPA determined to assess the proposal at the level of Public Environmental Review with a 4-week review period on 14 July 2017, and released the final Environmental Review Document for public review from 11 February 2019 – 11 March 2019.

In advance of a decision or agreement in relation to whether or not the proposal may be implementation under section 45 of the EP Act, the Proponent has sought the EPA's consent to undertake minor or preliminary works related to the proposal.

Relevant Statutory and Administrative Provisions

The EPA decides to assess a proposal, and before a decision or agreement is made under s45 of the EP Act, all persons are prohibited from implementing a proposal, and relevant decision making authorities are prohibiting from making a decision which would allow the proposal to be implemented, except in relation to minor or preliminary works which the EPA has consented may be implemented – see sections 41(4) and 41A(3) of the EP Act.

The EPA has consented to the minor or preliminary works being done, however the person proposing to undertake those works may still need to obtain other authorisations from other decision making authorities.

Section 3.5 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 undertake minor or preliminary works.

In consenting, I have considered whether the:

- work is associated with the implementation of the proposal
- potential environmental impacts of the work are significant
- work would constitute the irreversible and substantial implementation of the proposal, and
- work is justified.

Materials considered in making this decision

In determining to consent to the minor or preliminary works I have considered the following:

1. information provided during discussion about changes to the proposed works at the meeting held 7 February 2019
2. final application with updated proposal information provided 14 February 2019

Consideration

1. Assessment details – proposed work associated with proposal

The proposed works are associated with the proposal, and would be carried out as part of the proposal following approval, in the event that the application for Minor and Preliminary works is not approved. All of the proposed works would be undertaken within the proposal Development Envelope.

The proposed preliminary works do not require additional native vegetation clearing, however, in accordance with the vegetation mapping undertaken for the proposal, areas classified as “cleared” include isolated patches of degraded vegetation.

The majority of the proposed preliminary works would be undertaken in existing disturbed areas, however disturbance to some sparsely vegetated areas within the proposal footprint e.g. accommodation village, and new areas in the proposal footprint e.g. landfill and borrow pit, are likely.

2. Details of the proposed work

- (a) Deconstruction and removal of historic Mt Holland structures, plant, equipment, debris and waste materials (historical infrastructure), to remove environmental and safety hazards and ensure a safe site for future employees and contractors.
- (b) Construction of new groundwater bores for construction purposes and dust suppression.
- (c) Construction of new infrastructure and upgrade of existing infrastructure required to carry out the preliminary works including:
 - o construction of a 60-person accommodation camp (including waste water treatment plant (WWTP and sprayfield), landfill, temporary concrete batching plant and water supply infrastructure).
 - o construction of site offices, storage and laydown areas.
 - o upgrade of the existing power supply and communication infrastructure.
 - o maintenance of existing roads.
- (d) Storage of long lead infrastructure components required for the mining proposal within existing disturbed areas.

3. Potential Environmental Impacts

- (a) Deconstruction and removal of historic structures, debris and waste materials

This activity is not considered to be significant. The site is littered with historical infrastructure and debris. The proponent has advised that the site clean-up would identify and remove several health and safety hazards, including exposure to contamination sources and dilapidated infrastructure, and fire risk. No disturbance to significant flora or fauna habitat is required for the site clean-up.

The proponent has advised that it is necessary to undertake the site clean-up to ensure that the site is safe for the future workforce, and to enable re-use of the existing disturbed areas in the Development Envelope.

- (b) Construction of new groundwater bores

This activity is not considered to be significant. The proponent has advised that two new water bores are proposed to be constructed within the historical flooded underground. Hypersaline raw water would be required during the proposed preliminary works for dust suppression, and construction works within existing disturbed areas. The raw water would be transported via pipelines to a lined storage pond/tank close to the abstraction bores. Pipelines would not be laid within 50 metres of native vegetation.

Potable water would be required for the accommodation camp, which would be trucked in and stored in temporary holding tanks located at the accommodation village, or other required locations. It is also proposed to use potable water for dust suppression in areas adjacent to the Threatened flora species *Banksia sphaerocarpa*

var. *dolichostyla* and Priority 1 flora species *Microcorys* sp. Mt Holland (D. Angus DA 2397).

(c) Construction of new infrastructure and upgrade of existing infrastructure

These activities are not considered to be significant. The layout for the accommodation village would avoid Threatened, Priority, range extension and new flora species, and Malleefowl mounds. Other required infrastructure would be located in existing disturbed areas, and existing roads would be used to access new areas in the proposal footprint e.g. landfill and borrow pit.

Vehicle speed limits would be implemented at the site, and construction activities would only be undertaken during daylight hours to minimise the likelihood of vehicle strikes to Chuditch, and other nocturnal species.

Any waste materials collected during the site clean-up, or produced onsite, would either be recycled or disposed to an offsite facility until a Works Approval for the landfill is granted.

(d) Storage of long lead infrastructure components

This activity is not considered to be significant. The proponent has advised that any long lead infrastructure components, such as additional accommodation village units and plant equipment/components, would be located within existing disturbed areas.

4. Proposed rectification actions

The preliminary works proposal has been designed so that it could be rehabilitated to reverse any environmental impacts that may occur.

The preliminary works have been designed so that no additional clearing of native vegetation is required, and measures would be implemented to minimise impacts to native fauna species.

It is noted that the proposed works would be short-term and located in areas of existing disturbance. Any temporary infrastructure associated with the preliminary works would be decommissioned and removed from site upon completion. The decommissioning and rehabilitation of the preliminary works would also be addressed in the Mining Proposal and associated Mine Closure and Rehabilitation Plan.

The proponent has previously advised the EPA of potential safety hazards onsite that require removal to ensure a safe workplace for the future workforce, and to enable re-use of the existing disturbed areas.

Additionally, should the project not proceed, the removal of the historical infrastructure and debris from the site would enable those areas to be more readily rehabilitated.

Schedule 1

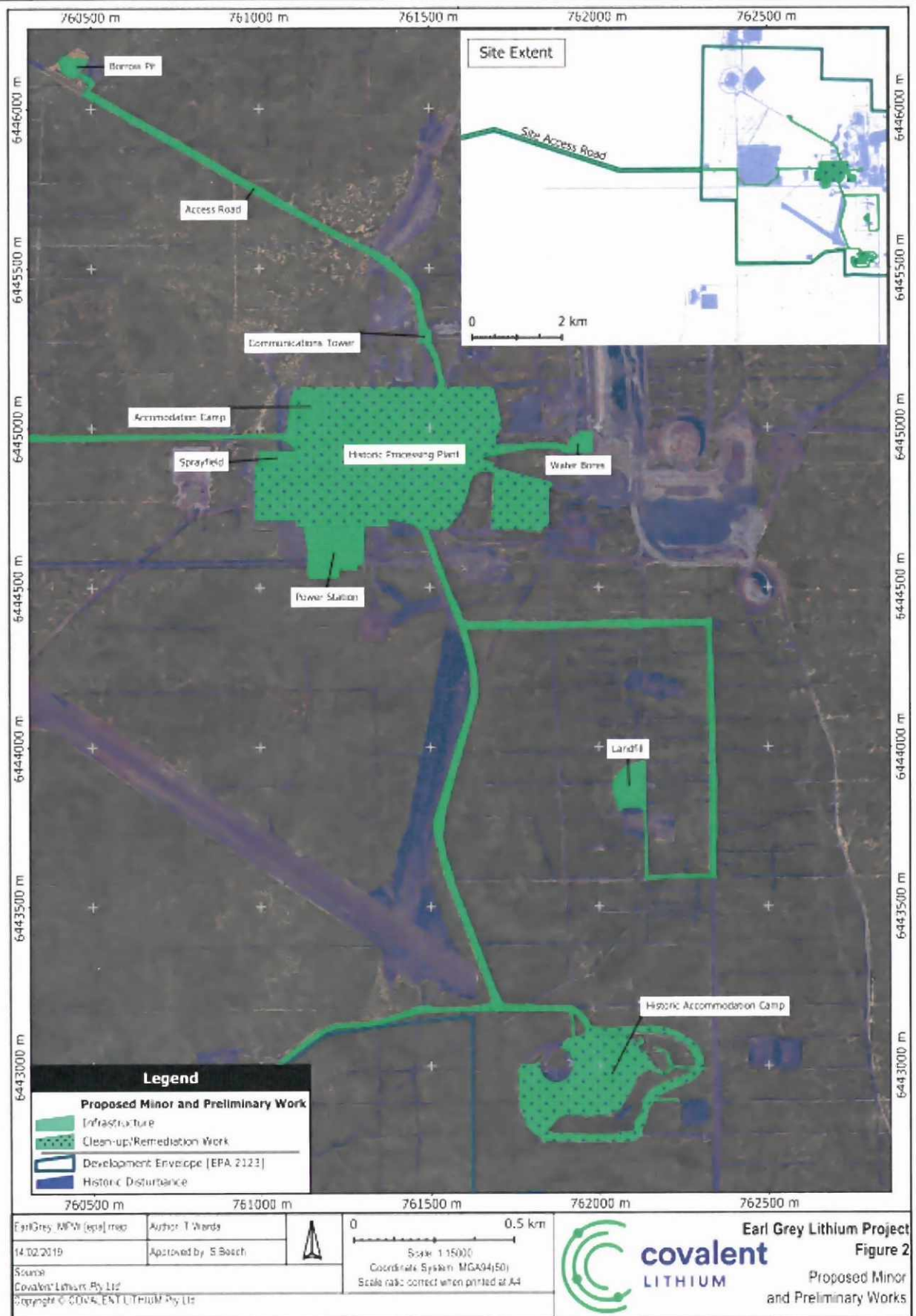
Minor or Preliminary Works

Authorised Work(s)	Location	Authorised extent
<p>The following works are authorised in their entirety:</p> <ol style="list-style-type: none"> 1. Deconstruction and removal of historic Mt Holland structures, plant, equipment, debris and waste materials (historical infrastructure), to remove environmental and safety hazards and ensure a safe site for future employees and contractors. 2. Construction of new groundwater bores for construction purposes and dust suppression. 3. Construction of new infrastructure and upgrade of existing infrastructure required to carry out the preliminary works including: <ul style="list-style-type: none"> o Construction of a 60-person accommodation camp (including waste water treatment plant (WWTP and sprayfield), landfill, temporary concrete batching plant and water supply infrastructure). o Construction of site offices, storage and laydown areas. o Upgrade of the existing power supply and communication infrastructure. o Maintenance of existing roads. 4. Storage of long lead infrastructure components required for the Proposal. <p>up until such time as the later of one of the following occurs:</p> <ol style="list-style-type: none"> a. notice issued under s 45(8) of the EP Act; or b. statement issued under s45(5) of the EP Act is final (that is, after period in which to lodge an appeal under s 100(3) has expired, or appeal decision under s109(3), in respect of an 	Figure 1	Disturbance of up to 71.6 ha of land, in areas of existing disturbance within the Development Envelope, during daylight hours.

<p>appeal lodged under s 100(3), is published).</p> <p>and,</p> <p>5. rehabilitation of the area/s identified in Figure 1 in accordance with current EPA rehabilitation guidance, or if an implementation statement is issued for the Proposal, in accordance with any implementation conditions relating to rehabilitation.</p>		
--	--	--

Figure 1

Location of the Preliminary Works



W:\Covalent Lithium\Earl Grey Project\Approvals\Minor or Preliminary Works\EPA referral - Section 474\Drawings\Earl Grey NPW (eps) map 14/02/2019 Earl Grey Minor&Prelim Works Layout Map Lst