

**Additional information required and to be noted – Earl Grey Lithium Project, Life of Mine Proposal (16 January 2026).**

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<p>Impacts on conservation significant flora</p>	<p><b>Comments</b></p> <p>The significant amendment will result in direct impacts to 25 known conservation significant flora species including threatened species <i>Banksia dolichostyla</i>, listed as Vulnerable under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act) and <i>Biodiversity Conservation Act 2016</i> (BC Act). Several new taxa have been discovered in a restricted part of Mount Holland, which is indicative that the flora in this district remains poorly known. As this proposal occurs in an area of very high species richness and endemism for flora, subpopulations should be considered as genetically distinct for assessment.</p> <p>The assessment should consider direct, indirect and cumulative impacts to all significant flora, not only Threatened and Priority 1 (P1) flora, in accordance with recommendations for survey reporting provided in Environmental Protection Authority (EPA) (2016) <i>Technical Guidance – Flora and Vegetation Surveys for Environmental Impact Assessment</i>.</p> <p>Based on the information provided to date, substantial impacts to several significant flora may be likely, possibly resulting in those species meeting criteria for IUCN listing as threatened species e.g. <i>Daviesia sarissa</i> subsp. <i>redacta</i> (P2). See Department of Biodiversity, Conservation and Attractions (DBCAs) comment regarding potential impacts to priority flora, which the proponent should consider. The DBCA (2023) <i>Guideline for assessing risks to the conservation of biodiversity associated with threatened species and threatened ecological communities</i> is a useful reference.</p> <p>The Environmental Review Document (ERD) (JBS&amp;G 2023) discusses quantification of indirect impacts using a risk-based approach i.e. based on site, species ecology and threat, though this does not appear to have been applied for each priority flora species. Methodology for estimating individual plants is not adequately described.</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>Provide a clear summary of the methodology and results of all on-ground surveys, including relevant spatial data, to provide</li> </ul>	<p>A report provided titled ‘Cumulative Impacts on Significant Flora’ by Western Botanical has been provided in Attachment 1. Additional information including survey limitations, survey methodology and information on species referenced in the DBCA comments have been incorporated into the revised report.</p> <p>A summary of spatial data and references has been summarised in the table below.</p> <table border="1" data-bbox="1178 550 2110 1361"> <thead> <tr> <th data-bbox="1178 550 1391 624">IBSA/ISA Number</th> <th data-bbox="1391 550 1807 624">Study Area</th> <th data-bbox="1807 550 2110 624">Consulting Group</th> </tr> </thead> <tbody> <tr> <td data-bbox="1178 624 1391 668">IBSA-2023-0393</td> <td data-bbox="1391 624 1807 668">Logistics Road Central</td> <td data-bbox="1807 624 2110 668">Western Botanical</td> </tr> <tr> <td data-bbox="1178 668 1391 713">IBSA-2023-0315</td> <td data-bbox="1391 668 1807 713">Logistics Road Northern</td> <td data-bbox="1807 668 2110 713">Western Botanical</td> </tr> <tr> <td data-bbox="1178 713 1391 758">IBSA-2023-0297</td> <td data-bbox="1391 713 1807 758">Logistics Road Southern</td> <td data-bbox="1807 713 2110 758">Western Botanical</td> </tr> <tr> <td data-bbox="1178 758 1391 831">IBSA-2023-0451</td> <td data-bbox="1391 758 1807 831">Life of Mine Expansion Area and Regional Survey</td> <td data-bbox="1807 758 2110 831">Mattiske Consulting</td> </tr> <tr> <td data-bbox="1178 831 1391 904">ISA-0001015</td> <td data-bbox="1391 831 1807 904">Booster Station 3 Development Envelope</td> <td data-bbox="1807 831 2110 904">Western Botanical</td> </tr> <tr> <td data-bbox="1178 904 1391 949">ISA-0001017</td> <td data-bbox="1391 904 1807 949"><i>Microcorys elatoides</i> Regional Surveys</td> <td data-bbox="1807 904 2110 949">Western Botanical</td> </tr> <tr> <td data-bbox="1178 949 1391 1090">ISA-0001018</td> <td data-bbox="1391 949 1807 1090">Regional Surveys for Threatened, Priority Flora and Species of Interest for the Earl Grey Lithium Project 2023-2024</td> <td data-bbox="1807 949 2110 1090">Western Botanical</td> </tr> <tr> <td data-bbox="1178 1090 1391 1361"></td> <td data-bbox="1391 1090 1807 1361">On-mine footprint surveys for the EGLP</td> <td data-bbox="1807 1090 2110 1361">360 Environmental Pty Ltd AECOM Australia Pty Ltd Culhig Surveying Emerge Associates GHD Pty Ltd Mattiske Consulting Pty Ltd Strategen-JBS&amp;G</td> </tr> </tbody> </table>	IBSA/ISA Number	Study Area	Consulting Group	IBSA-2023-0393	Logistics Road Central	Western Botanical	IBSA-2023-0315	Logistics Road Northern	Western Botanical	IBSA-2023-0297	Logistics Road Southern	Western Botanical	IBSA-2023-0451	Life of Mine Expansion Area and Regional Survey	Mattiske Consulting	ISA-0001015	Booster Station 3 Development Envelope	Western Botanical	ISA-0001017	<i>Microcorys elatoides</i> Regional Surveys	Western Botanical	ISA-0001018	Regional Surveys for Threatened, Priority Flora and Species of Interest for the Earl Grey Lithium Project 2023-2024	Western Botanical		On-mine footprint surveys for the EGLP	360 Environmental Pty Ltd AECOM Australia Pty Ltd Culhig Surveying Emerge Associates GHD Pty Ltd Mattiske Consulting Pty Ltd Strategen-JBS&G
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	<p>transparency and demonstrate limitations to accuracy consistent with EPA (2016) – refer to p.18 for e.g. differences in survey intensity, timing of survey, seasonal conditions and disturbance history.</p>	
<p>Conservation status of <i>Microcorys elatoides</i></p>	<p><b>Comments</b></p> <p>An assessment of <i>M. elatoides</i> (Western Botanical 2025) was provided to support the proponent's view that the residual impact on this species is no longer significant to the extent that the representation, diversity, viability, or ecological function of the taxa would be adversely affected. The proponent has subsequently requested DBCA consider a revision of the conservation listing from P1 to P2 for this species.</p> <p>Please refer to DBCA advice provided regarding delisting.</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>It is recommended that the proponent consults directly with DBCA to determine the correct process and requirements for delisting <i>M. elatoides</i>. Formal notification from DBCA to Department of Water and Environmental Regulation (DWER) is required to advise on the delisting process being acceptable, commencing with sufficient information provided to inform the assessment</li> </ul>	<p>As discussed at the meeting between EPA Services (DWER) and DBCA Environmental Management Branch and Species and Communities team members on 17/12/25, it was noted that the change in DBCA conservation status of <i>M. elatoides</i> is separate to, and can occur outside of, the EPA assessment process.</p> <p>DBCA consider this species will remain a conservation significant taxon, with the status in part determining DBCA's prioritisation for future conservation efforts for the taxa. For clarity, Covalent was seeking to reclassify the species (not to 'de-list' the species).</p> <p>Covalent understands that the outcome of the meeting (held 17/12/25) is that no further correspondence from DBCA would be required to close out this action.</p>
<p>Threatened fauna impacts</p>	<p><b>Comments</b></p> <p>The documentation provided lacks figures illustrating survey effort within the development envelope, making it difficult to evaluate the adequacy of survey and monitoring activities across the area.</p> <p>The decline in detection of chuditch individuals from the initial 2016/17 surveys to the 2019/21 surveys, with no supporting evidence or</p>	<p>Covalent responds to the actions as follows:</p> <ol style="list-style-type: none"> <li>Copies of the most recent chuditch, malleefowl and predator monitoring reports have been provided in Attachment 2.</li> <li>The detection methods used for chuditch included buried lure baits containing a universal bait mix comprising fish oils, peanut butter and sardines.</li> </ol>

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	<p>rationale, is significant and has implications for future management of the species.</p> <p>It is not clear what the malleefowl population trends are within the development envelope, nor whether malleefowl activity has declined over time.</p> <p>The January 2025 bushfire has significantly impacted available habitat for all fauna, particularly malleefowl due to shortage of leaf litter for nesting material, noting three of five malleefowl mounds burnt within the development envelope, and exposure to predators.</p> <p>The outcome-based provisions in the Terrestrial Fauna Environmental Management Plan (EMP) appear unrealistic. The EMP refers to the 2016/17 surveys for chuditch as 'baseline biological surveys', but they do not appear to be used as the basis for trigger and threshold criteria. However, if so, the criteria may already be exceeded. The response actions are appropriate but should already have been implemented given the significant decline between the 2016/17 and 2019/21 surveys. Minimal information is provided on predator monitoring results within the development envelope. It is unclear whether predator monitoring has informed adaptive management and whether these results have been used to interpret chuditch or malleefowl abundance within the proposal area.</p> <p>DBCA has provided advice regarding the disturbance of active malleefowl mounds, which should be considered by the proponent.</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Provide the most recent monitoring reports listed in the ERD (p. 144) for chuditch, malleefowl and predators.</li> <li>• Clarify the detection methods used for chuditch e.g. whether bait/lure strategy was used for camera traps.</li> <li>• State who conducted the bat call analysis. Survey reports should include detailed call analysis as an appendix, following Australasian Bat Society standards (refer to Appendix A of DEWHA 2010).</li> <li>• Provide maps showing the consolidated survey effort in relation to fauna habitats and the disturbance footprint (i.e. impact areas). In addition, maps should be included consolidating and clearly</li> </ul>	<ol style="list-style-type: none"> <li>3. The bat call analysis was conducted by Dr Kyle Armstrong of Specialised Zoological (consultancy specialising in bats, bioacoustics and genetic identification). A copy of the bat call analysis has been provided in Attachment 3.</li> <li>4. A map showing survey efforts completed as part of the LoM survey are provided in Attachment 4.</li> <li>5. Consolidated monitoring results are provided in Attachment 5.</li> <li>6. A summary of predator monitoring is also included with results in Attachment 5, 'Predator control monitoring'.</li> </ol>

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	<p>presenting the monitoring efforts for significant species, including chuditch and malleefowl.</p> <ul style="list-style-type: none"> <li>• Provide consolidated monitoring results for significant species, such as malleefowl.</li> <li>• Provide further information on predator monitoring undertaken to date.</li> </ul>	
Flora offset strategy	<p><b>Comments</b></p> <p>The approved proposal is currently authorised under Ministerial Statement (MS) 1199, which requires offsets to counterbalance the significant residual impacts on <i>B. dolichostyla</i> and <i>M. elatoides</i>. Several post-assessment versions of the flora offset strategy have been provided; however, have not been endorsed by DWER or DBCA (i.e. no offsets have been implemented to date).</p> <p>The proponent has prepared a revised <i>Earl Grey Lithium Life of Mine Proposal Flora Offset Strategy</i> (October 2025), which includes offsets for <i>B. dolichostyla</i> to establish at least 69 individuals at a designated restoration site within the development envelope. The offset strategy no longer includes <i>M. elatoides</i>, nor is there provision of a <i>M. elatoides</i> Conservation Plan, both of which were previously required under MS 1199.</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Given the offset requirements under MS 1199, the proponent must clearly demonstrate how the proposal impacts to <i>M. elatoides</i> are no longer considered significant in accordance with WA environmental offsets guidance and provide written confirmation from DBCA that the species can be delisted. If this is not the proponent's preferred approach, then the existing offset conditions would still apply to the proposal. The proponent may subsequently request an amendment to MS 1199 implementation conditions under section 46 of the <i>Environmental Protection Act 1986</i> (EP Act) for changes to offset requirements. Please refer to the recently updated (EPA 2025) <i>Environmental Impact Assessment Practice Guide</i> for further guidance.</li> </ul>	<p>At the meeting between EPA Services (DWER) and DBCA Environmental Management Branch and Species and Communities team members on 17/12/25, it was confirmed that the total cumulative impact to DBCA listed P1 species <i>Microcorys elatoides</i> (approx. 12.29% of all known individuals) is not significant to the known populations.</p> <p>Further to the assessment provide in the ERD, Table 17, an updated RISM table has been provided to reflect the consideration of the impacts to <i>M. elatoides</i>. (Attachment 6). This demonstrates there not be a significant residual impact and therefore no offset is required for the cumulative impact to this taxon from the approved project and the LOM.</p> <p>A report on the 'Assessment of <i>M. elatoides</i>' (Western Botanical 2025) has been amended to include information to support the DBCA assessment of future consideration of its conservation significance status (Attachment 7). A second report by Western Botanical 'Pilot Demography Study' is attached and includes an analysis of seedlings/juveniles and mature plants in different ages of vegetation post fire. (Attachment 8). Both of these reports have been provided to support the consideration and assessment of the DBCA conservation significance status for this taxon.</p> <p>Further recent and previous meetings with EPA services, Covalent Lithium understands that the approval conditions for the LOM will incorporate the approved project and the LOM project impacts and consolidate previous conditions as relevant.</p> <p>Accordingly Covalent will not be progressing an additional, and duplicative, s46 amendment, as the outcome can be achieved through LOM conditions.</p>
Threatened fauna offset strategy	<p><b>Comments</b></p> <p>The proponent proposes to counterbalance the significant residual impacts of clearing an additional 1,443 ha of native vegetation, which</p>	<p><b>Proportionality</b></p> <p>Covalent notes Green Energy's comments about the proposed offset not being proportionate to the impact of the Proposal. Covalent can confirm it has followed</p>

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	<p>represents 1,441 ha of habitat for malleefowl (<i>Leipoa ocellata</i>) and 1,430 ha of habitat for chuditch (<i>Dasyurus geoffroii</i>), with a 30-year predator control and monitoring program as outlined in the <i>Earl Grey Lithium Project – Life of Mine Threatened Fauna Offset Strategy and Management Plan</i> (JBS&amp;G 2025).</p> <p>Landscape-scale baiting is proposed targeting feral cats and foxes incorporating annual aerial baiting, primarily with Eradicat® and 1080 bait, based on DBCA’s Western Shield methodology. The monitoring program would incorporate predators, malleefowl and chuditch. The offset and control sites are proposed to be located within a portion of Jilbadji Nature Reserve.</p> <p>DWER considers that the offset currently proposed is not proportionate to the level of impact and significance of the environmental values being impacted. Please also refer to DBCA advice already provided for consideration.</p> <p>The proponent proposes to implement the program for a period of approximately 30 years or the life of mining operations. Further information is required regarding the long-term management of the offset i.e. how will the proposed offset deliver long-term strategic outcomes?; will the offset be enduring?; is there an agreement from DBCA that they will manage the offset in perpetuity?</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>Review the offset strategy for the significant amendment in consideration of the comments above and DBCA advice provided. Consult with DBCA on possible conservation offset measures aimed at mitigating significant residual impacts on conservation significant values, specifically matters relevant to the DBCA’s responsibilities under the BC Act and the CALM Act.</li> </ul>	<p>the WA offset framework methodology and utilised the DWER offset calculator to determine the quantum of land required to be (hypothetically) acquired to adequately counterbalance the proposed impact in the context of the significance of the environmental values being impacted. Further to, and consistent with, Green Energy advice (17 December 2025), Covalent re-calculated the quantum of offset without the application of rehabilitation credits, increasing the required area from 4,500 ha to 9,600 ha. This is approximately comparable with the outcome of the Commonwealth calculator of 10,100 ha (refer to Table 4-2 of the Offset Strategy). This calculation was used as the basis for determining the minimum scale of the proposed area to be considered for undertaking predator control and monitoring as detailed in the offset strategy.</p> <p>The location and size of the proposed offset area within Jilbadji Reserve was determined in consultation with a senior zoologist (Bruce Turner) and Western Shield staff (regarding baits/ha) to provide sufficient scale to achieve effective outcomes. This has resulted in two areas as indicated in Figure 6-3 within the Offset Strategy:</p> <ul style="list-style-type: none"> <li>- An area for improvement of habitat through threat reduction (predator baiting and monitoring), of approximately 36,000 ha (refer Table 4-3 of the offset strategy);</li> <li>- A control site of similar size further north within the Reserve (with adequate separation distance) of approximately 30,000 ha; and</li> <li>- Size – as large as practical, Western Shield-style baiting program is minimum of 10km<sup>2</sup>.</li> </ul> <p>Since developing the strategy, the Skeleton Rock bushfire in January 2025 has impacted a portion of Jilbadji Nature Reserve. This has provided a significant opportunity to add further value through the implementation of a post fire monitoring programme and predator control that will also assist with recovery of native fauna.</p> <p><b>Background to Alternate Offset option</b></p> <p>Covalent’s decision to pursue an alternative approach to offsetting LOM impacts (approved and revised proposals adopted the traditional land acquisition approach) was based on several factors and advice from a highly qualified Zoologist with significant experience in fauna monitoring in the GWW region (Bruce Turner, as noted above).</p> <p>The reasons to pursue an alternative strategy are provided in the Offset Strategy and are summarised below:</p>

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		<ul style="list-style-type: none"> <li>- An extensive survey of freehold land adjacent to conservation / nature reserves with suitable habitat for both Malleefowl and Chuditch <b>and potentially</b> available for purchase indicated insufficient area to offset impacts. A total of approximately 8,000ha across multiple land parcels was identified, which falls short of the circa 10,000 ha required.</li> <li>- These land parcels are small, fragmented, and scattered across a broad area making them difficult to manage and resulting in a lower conservation outcome than a larger area of continuous habitat.</li> <li>- Land acquisition alone has limited conservation gains.</li> <li>- Predator control is vital to protect existing populations</li> <li>- The GWW is well vegetated and the greatest threat to Malleefowl and Chuditch in the area is not land clearing but introduced predators and fire.</li> <li>- Jilbadji Nature Reserve provides fauna habitat adjacent to the existing habitat located within the Development Envelope. Conservation efforts in the Reserve will assist with maintaining viable populations of chuditch and malleefowl that may move in and out of the mine site including rehabilitation areas, both now and post mine closure.</li> <li>- This approach is consistent with species recovery and threat abatement plans including alignment with the National Recovery Plans for Chuditch and Malleefowl, the WA Offsets Framework, and the EPBC Environmental Offsets Policy and there is demonstrated success in both programs.</li> <li>- This approach consistent with 'direct' offset requirements of State and Commonwealth offset guidance for direct offsets.</li> <li>- DBCA and DCCEEW consultation has indicated that implementation of a baiting program as soon as possible post fire in arid environments such as this is ideal, to reduce the increased threat posed by predator activity (particularly invasive species such as foxes and cats) as they exploit the altered landscape for prey, especially those that rely on specific habitat structures for refuge.</li> <li>- Consistent with the EPA's Public Advice <i>Considering environmental offsets at a regional scale</i>.</li> <li>- It is consistent with recognition of the need for broadscale strategies, moving away from land acquisition (becoming exceedingly more difficult as per findings of other mining companies and their experience with offsets).</li> </ul>

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		<p>As part of considerations of alternate options Covalent held discussions with Western Shield staff, Perth and Wheatbelt NRM, Malleefowl Recovery Group and other volunteer groups to discuss potential alternate options.</p> <p><b>Consultation with DBCA</b></p> <p>Covalent were keen to meet with DBCA to discuss the alternate Fauna Offset Strategy and were able to provide an initial presentation to DBCA and DWER outlining the Alternate Offset Strategy on the 27<sup>th</sup> August 2025.</p> <p>As part of an RFI requiring further consultation with DBCA another meeting was held on 17 December 2025, with DWER and DBCA Environmental Management and Species and Communities Branches to better understand any additional or supplementary actions required for EPA to approve the proposed Offset Strategy. At that time DBCA advised that it did not have the ‘right people’ in the room to discuss the adequacy of the fauna offset and a follow up meeting was arranged. DBCA advised “they did not support the offset strategy and there were other opportunities to better spend Covalent’s money”.</p> <p>A subsequent meeting was held on 8 January 2026 where Covalent met with DBCA, including staff responsible for Western Shield and Wheatbelt regional management to explore other fauna offset strategy opportunities. At this meeting DBCA indicated that they <b>did</b> support the proposed predator control and baiting programme but not necessarily the location. The proposed new baiting program in Jilbadji Nature Reserve was not considered a priority for this type of conservation action and DBCA would prefer expansion of an existing program rather than the establishment of a new program for efficiency purposes.</p> <p>DBCA suggested Covalent contact Wheatbelt NRM to explore opportunities to contribute to existing predator control programs in the Wheatbelt including Dragon Rock and Lake Magenta (southwest of the Proposal), in particular measures to prevent predators accessing these reserves from surrounding private land.</p> <p>Covalent was advised that Eradicat baits will be unavailable for the initial commencement of the proposed strategy. DBCA advised that its facility is at capacity, and future production will supply DBCA prioritised work. Any future users (including Covalent) would need necessary approval to access / use the baits. The Offset Strategy has been amended to include alternate predator control options in the interim period until the baits become available.</p> <p>DBCA advised offsets in conservation reserves are generally for Government projects only (e.g. road upgrades that may require an offset) and it would be</p>

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		<p>very unusual for a private company to have access to DBCA managed land for offset purposes.</p> <p>Following a reference to fire management in the Jilbadji Conservation Reserve, Covalent explored potential opportunities to provide financial support for fire management. DBCA advised that, while there is an existing fund which Covalent could contribute to, DBCA doesn't have the on-ground personnel to expand their fire management program and therefore there is no opportunity at this time to implement fire management at Jilbadji Nature Reserve. No opportunities to support fire management were identified at this meeting.</p> <p><b>In response to the outcome of this meeting Covalent has:</b></p> <ul style="list-style-type: none"> <li>- Covalent met with the Wheatbelt NRM on 14 Jan 2026 to explore opportunities. The Wheatbelt NRM Healthy Lives programme focuses on the <b>Eucalyptus Woodlands (TEC)</b> in the Wheatbelt <b>outside</b> the GWW. Covalent's proposal does not impact this TEC community and is located outside of the GWW. Their conservation programs with landholders are up to 15 years in duration and require only 3 years of predator control. The freehold private land covers fragmented parcels of vegetation, which Covalent considers is suboptimal regional spatial area. In addition, landholders can drop out making the continuity of programs uncertain and, whilst the program does consider Chuditch, it does not currently target Malleefowl conservation. Based on all of the above, Covalent does not see this as a viable or applicable offset opportunity.</li> <li>- Covalent has amended the Offset strategy to include the use of alternate predator control until the Eradicat baits become available. Covalent is seeking further advice on opportunities to explore offsets in conservation reserves given the significant opportunity it presents.</li> </ul> <p>Following the meeting, DBCA may have assumed that Covalent is expecting DBCA to implement the additional program for predator control (baiting) in Jilbadji and hence its primary concerns relate to resourcing, which is key reason for their focus on expanding existing predator control at other locations (such as Dragon Rock and Lake Magenta). For clarity, Covalent is proposing to implement the program independently (on the advice of DBCA Western Shield team regarding appropriate methodology) and will organise and contract the required work program with necessary permissions to work on DBCA-managed lands.</p>

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		<p>More recent discussions held with DBCA Regional personnel on 15 January 2026 have subsequently identified an opportunity to contribute to fire mitigation within Jilbadji Conservation Reserve and captured within the Southern Range Fire Mitigation Plan. This plan is based on 'Tolerable Fuel Age' of vegetation within the reserve as per routine DBCA and DFES fire planning. Satellite aerial imagery would identify high vegetation fuel loads and allow the areas needing treatment to be prioritised. A prescribed burn plan comprising several discrete cells to be burnt at different times would then be developed for the Jilbadji Nature Reserve. It would be implemented using a helitak for fire ignition in favourable weather conditions at the right time of the year. A MOU will be developed with DBCA to detail these arrangements and confirm areas of contribution / support by Covalent. This outcome now addresses the management of an additional risk to native fauna, further securing fauna habitat and increasing confidence in offset outcomes.</p> <p>In regard to duration, the proposed program will be implemented for the extent of mining operations, which is approximately 30 years. As mining operations progress towards the end of life of mine, consideration of the offset strategy will be included in the provisions of the Mine Closure Plan required under the <i>Mining Act 1978</i>. Whilst DBCA has not been asked nor have indicated it will manage the offset in perpetuity, Covalent maintains that the benefits of the offset will be enduring as it will assist in post-fire re-establishment of Chuditch and Malleefowl populations in the areas recently burnt. Opportunities exist for future mining projects to expand the program in both spatial extent and duration and for this reason it has been designed to be scalable.</p> <p>In summary, Covalent considers the proposed LoM Fauna Offset Strategy strategically and adequately addresses conservation values of the GWW and environmental impacts associated of the LOM Proposal currently under assessment. This is based on the following:</p> <ul style="list-style-type: none"> <li>• The knowledge that the most significant threat to Malleefowl and Chuditch in the GWW is predators and fire;</li> <li>• There are no predator control programs in the GWW, despite being the largest remaining area of intact Mediterranean climate woodland on Earth. Covalent believes that strategic offsets are required to address this;</li> <li>• Aims to reduce threats and improve habitat for Chuditch and Malleefowl within the Jilbadji NR, to ensure the persistence of the species</li> </ul>

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		<ul style="list-style-type: none"> <li>• Zoological specialist advice with extensive knowledge of the GWW confirms that this program will deliver substantially better conservation outcomes than land acquisition and rehabilitation;</li> <li>• Covalent have not been able to identify alternate location(s) that meets required offset criteria for these species, either on freehold, conservation estate or Unallocated Crown Land;</li> <li>• Additional value will be added by way of post-fire predator control and assisting native fauna recolonise burnt areas;</li> <li>• There is a unique opportunity to undertake monitoring and share knowledge on post-fire ecology which will benefit all wildlife; and</li> <li>• Fire mitigation within Jilbadji Conservation Reserve and captured within the Southern Range Fire Mitigation Plan.</li> </ul> <p>Covalent considers its proposal provides the best approach and outcomes to offsetting the LOM impacts to Chuditch and Malleefowl both in regional and local context, with the latter supporting the maintenance of populations into the Mt Holland site now and post mine closure.</p> <p>Covalent therefore considers the scale of the proposed offset site (based on the revised offset calculation), the added value of post-fire ecology monitoring, and additional fire mitigation measures is proportionate to the level of impacts proposed and associated environmental values.</p>

Key issues	Green Energy advice	Proponent response
Offset calculator inputs	<p><b>Comments</b></p> <p>Rehabilitation credits have been claimed in the calculations for both fauna offset strategies based on the following:</p> <ul style="list-style-type: none"> <li>• Site 10 (land acquisition for approved proposal) – 386 ha</li> <li>• Warralakin Site (land acquisition for approved proposal) – 56 ha</li> <li>• Significant amendment – 1,443 ha</li> </ul> <p>While elements of what is being proposed fit within the requirements for rehabilitation credits (i.e. rehabilitation is of sufficient quality to return biodiversity values), it is not considered appropriate or consistent with the WA offset guidance and framework since the impact is neither temporary nor will biodiversity values return within a reasonable timeframe. For this proposal, rehabilitation is a mine closure requirement under the <i>Mining Act 1978</i> (not additional), and the proposed rehabilitation will be over a 30-to-40-year timeframe (not temporary), therefore is not suitable for rehabilitation credits.</p> <p>Rehabilitation credit is about <u>return</u> of the values, not the starting point of working to return it. From the perspective of what is being proposed, the impact is clearing + operational life + time to establish the environmental value and therefore it's unlikely to see an environmental benefit for a significant time, and it isn't doing anything to counterbalance the significant residual impacts. Time lag is a key aspect for offset considerations.</p> <p>The EPA requires confidence that an offset can be delivered to sufficiently counterbalance the significant residual impact. It is noted that the offset strategies required under the original (approved) proposal are yet to be endorsed or implemented.</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Revise the inputs used in the offset calculations for both offset strategies and provide updated offset strategy documents reflecting these changes. The document <a href="#">Draft Procedure for environmental offsets metric inputs</a> has further information and may provide more clarity on use of rehabilitation credits.</li> </ul>	<p>Covalent Lithium notes the feedback provided regarding the request for removal of rehabilitation credits. Accordingly, these have been removed from both the approved project offset strategy (for Site 10 and Warralakin) and the pending draft strategy for the LOM additional extent of habitat disturbance for malleefowl and chuditch.</p> <p>Please find attached the revised Threatened Fauna Offset Strategy for the Approved Project (Attachment 9), provided further to MS1199 for approval by the CEO on advice of DBCA, noting this document is intended to meet the requirements of the Threatened Fauna Land Acquisition Strategy required by Condition 4-2.</p> <p>As noted above, the revised LOM offset strategy for threatened fauna is now pending further discussion with DBCA regional officers regarding appropriate conservation actions that Covalent could fund and/or implement to provide a suitable offset.</p>

**ATTACHMENTS:**

1. Cumulative Impacts to Significant Flora
2. Fauna Monitoring Reports
3. Bat Call Analysis
4. Fauna Survey locations
5. Summary of monitoring results
6. Updated RISM table for flora and vegetation
7. Review of *Microcorys elatoides*
8. *Microcorys elatoides* Pilot Demography study
9. Threatened Fauna Offset Strategy R5