

## Annual Audit Compliance Report Form

*Environmental Protection Act 1986, Part V Division 3*

Once completed, please submit this form either via email to [info@dwer.wa.gov.au](mailto:info@dwer.wa.gov.au), or to the below postal address:

Department of Water and Environmental Regulation  
 Locked Bag 10  
 Joondalup DC WA 6919

Section A – Licence details			
Licence number:	L4247/1991/13	Licence file number:	2012/0071641
Licence holder name:	Talison Lithium Australia Pty Ltd		
Trading as:			
ACN:	139 401 308		
Registered business address:	Level 15, 216 St Georges Terrace, PERTH WA 6000. Locked Bag 40, Cloister Square, PERTH WA 6850		
Reporting period:	01/07/2022 to 30/06/2023		

Section B – Statement of compliance with licence conditions	
Did you comply with all of your licence conditions during the reporting period? (please tick the appropriate box)	
<input type="checkbox"/> Yes – please complete: <ul style="list-style-type: none"> <li>• section C;</li> <li>• section D (if required); and</li> <li>• sign the declaration in Section F.</li> </ul>	
<input checked="" type="checkbox"/> No – please complete: <ul style="list-style-type: none"> <li>• section C;</li> <li>• section D (if required);</li> <li>• section E; and</li> <li>• sign the declaration in Section F.</li> </ul>	

Section C – Statement of actual production	
Provide the actual production quantity for this reporting period. Supporting documentation is to be attached.	
Prescribed premises category	Actual production quantity
5	6,087,723 tonnes beneficiated

Section D – Statement of actual Part 2 waste discharge quantity			
Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached.			
Prescribed premises category	Actual Part 2 waste discharge quantity		
5	4,596,460 tonnes of tailings deposited		
Section E – Details of non-compliance with licence condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	1.3.1	Date(s) of non-compliance:	Periodically between 12/12/2022 to 30/06/2023
Details of non-compliance:			
Freeboard infrastructure requirements not met in Clear Water Dam ( <b>CWD</b> ) and Southampton Dam ( <b>SD</b> ). This condition requirement was introduced into the Licence when amended 12/12/2022.			
What was the actual (or suspected) environmental impact of the non-compliance? <b>NOTE</b> – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.			
The actual environmental impact of the non-compliance has been assessed as negligible, noting that there have been no overflow events from CWD or SD for the reporting period.			
Cause (or suspected cause) of non-compliance:			
Maintaining freeboard requirements in all dams at all times is not practical and does not allow for the complexity and operational flexibility required to distribute water throughout the mine water circuit ( <b>MWC</b> ). To manage water quality and availability, at times water levels of an individual dam exceeds freeboard. At these times, Talison endeavors to ensure sufficient capacity is available elsewhere in the MWC to prevent overtopping.			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
Corrective actions taken to avoid overflow from SD were to transfer water to the MWC to reduce water levels to below the freeboard. The normal operating water level in the CWD is higher than the calculated freeboard level, and water levels in CWD were maintained above the calculated freeboard level for the duration of the period. CWD water levels are maintained at the normal operating level to improve the quality and reliability of feed water into the processing plants and Water Treatment Plant ( <b>WTP</b> ). CWD is designed to safely overflow into Austins Dam ( <b>AD</b> ). No overflow occurred from CWD to AD during the period. Talison will propose to change this condition in a future amendment to the Licence.			
Was this non-compliance previously reported to DWER?			
<input checked="" type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally	Date: / /		
<input checked="" type="checkbox"/> Reported to DWER in writing	Date: September 2023 in the AER and AACR		

Section E – Details of non-compliance with licence condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	1.3.8(a)	Date(s) of non-compliance:	Since 12/12/2022 amendment
Details of non-compliance:			
<p>Visual inspections of freeboard at CWD, AD, SD and Cowan Brook Dam (<b>CBD</b>) conducted at a weekly frequency, instead of the daily frequency required by Table 1.3.7.</p> <p>This condition requirement was introduced into the Licence when amended 12/12/2022.</p>			
<p>What was the actual (or suspected) environmental impact of the non-compliance?</p> <p><b>NOTE</b> – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.</p>			
<p>The actual environmental impact of the non-compliance has been assessed as negligible, noting that there have been no overflow events from CWD, AD, SD and CBD for the reporting period. Routine inspections have otherwise been conducted in accordance with Condition 1.3.8(b) and Condition 1.3.8(c) at a weekly frequency.</p>			
Cause (or suspected cause) of non-compliance:			
<p>Formal daily visual inspections of water level staff gauges are not practical, due to the number of water dams and the travel time between each dam staff gauge. Daily inspections are also considered to be unnecessary as water levels within the dams are not so dynamic as to warrant daily inspections except during low frequency high rainfall events when water levels are at or approaching freeboard.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>No adverse effects were observed, the dams did not overtop.</p> <p>Weekly visual inspections of the CWD, AD, SD and CBD were conducted for the duration of the period otherwise in accordance with Condition 1.3.8.</p> <p>Talison will propose to change this condition in a future amendment to the Licence.</p>			
Was this non-compliance previously reported to DWER?			
<input checked="" type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input checked="" type="checkbox"/> Reported to DWER in writing		Date: September 2023 in the AER and AACR	

Section E – Details of non-compliance with licence condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	1.3.10(7)	Date(s) of non-compliance:	Since 12/12/2022 amendment
Details of non-compliance:			
The Water Treatment Facility ( <b>WTF</b> ) does not meet operational requirement (an alarm system is not operated to notify the operator of high levels within the WTF).			
What was the actual (or suspected) environmental impact of the non-compliance? <b>NOTE</b> – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.			
The actual environmental impact of the non-compliance has been assessed as negligible, noting that there have been no reported overflow events from the WTF since it commenced operation, and any overflow will be directed into CWD.			
Cause (or suspected cause) of non-compliance:			
The Licence condition was imposed after the facility had been designed and internal communication of the condition requirement took some time. Operators in charge were not aware of the condition requirements until the audit was performed to support the submission of the AACR.			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>The WTF operates as four (4) settlement tanks working independently in parallel, with the effluent from each settlement tank directed through two (2) filter bags (duty and spare) that, once full of filtered waste, are subsequently disposed of off-Site to an appropriately licence waste facility. Corrective actions proposed to address the non-compliance is to install a float level meter (or equivalent) to allow for manual monitoring of high tank levels.</p> <p>In the Licence amendment dated 19 December 2022 relevant to the reporting period, Condition 1.3.9 requires the WTF to have the following operational requirement “<i>constructed so as to allow manual monitoring high tank levels</i>” and Condition 1.3.10 requires the WTF to have the following operational requirement “<i>an alarm system must be operated to notify the operator of high tank levels within the WTF.</i>”</p> <p>Since the conclusion of the reporting period, the Licence was amended (amendment dated 28 August 2023) and the equivalent conditions and the discrepancy in the operational requirements remain (Condition 9 Table 6 and Condition 12 Table 7). Talison will propose to change the relevant conditions (Condition 9 Table 6 and Condition 12 Table 7) in a future amendment to the Licence to consistently reflect the requirement for “manual monitoring high tank levels.”</p>			
Was this non-compliance previously reported to DWER?			
<input checked="" type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input checked="" type="checkbox"/> Reported to DWER in writing		Date: September 2023 in the AER and AACR	

Section E – Details of non-compliance with licence condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	3.1.1(a), 3.2.1, 3.4.1, 3.4.3	Date(s) of non-compliance:	Throughout the reporting period
Details of non-compliance:			
<p>The following minor administrative errors occurred in monitoring programs during the reporting period:</p> <ol style="list-style-type: none"> <li>1. The collection of blanks and replicates are described in AS/NZS 5667.1 Section 5 Quality Control Samples (Condition 3.1.1(a)). Blanks and replicates were not routinely collected when conducting process monitoring (Condition 3.3.1 Table 3.3.2), monitoring of ambient surface water (Condition 3.4.1 Table 3.4.2), monitoring ambient groundwater (Condition 3.4.1 Table 3.4.3), and monitoring point source emissions to surface water (Condition 3.2.1 Table 3.2.1) as required by AS/NZS 4667.1. Blanks were not collected for water monitoring for the Annual Ecological Assessment (Condition 3.4.3).</li> <li>2. Monitoring was conducted in accordance with Condition 3.2.1 Table 3.2.1 during the period, with the following exceptions: <ul style="list-style-type: none"> <li>• in the July-Sept 2022 quarter, laboratory analysis was performed for Chromium (Cr-VI) instead of Total Chromium (Cr) for Floyds South, Carters Farm and Cemetery point source emissions; and</li> <li>• in the Jan-March 2023 quarter, the January 2023 monthly sample of seepage from the CBD was taken on 01 February 2023.</li> </ul> </li> <li>3. Groundwater quality analysis was not completed in all four (4) quarters in four (4) bores (MB17/07S, MB17/08S, MB17/07D and MB1/09) as required by 3.4.1. These bores were decommissioned to facilitate the construction of Tailings Storage Facility #4 (TSF4).</li> <li>4. Monitoring of ambient surface water quality was conducted in accordance with Condition 3.4.1 with the following exception: <ul style="list-style-type: none"> <li>• for the July-Sept 2022 quarter, laboratory analysis was not performed for the following parameters in Norilup Dam (<b>ND</b>): Redox Potential, Dissolved Oxygen, chloride, nitrate, sulphate, Chromium (VI), Magnesium and Sodium (Condition 3.4.1 Table 3.4.2).</li> </ul> </li> <li>5. During the annual review of the Annual Ecological Assessment (<b>AEA</b>) required by Condition 3.4.3 it was identified that the AEA had been conducted in accordance with Condition 3.4.3 except for: <ul style="list-style-type: none"> <li>• the AEA was conducted at four (4) fixed monitoring sites located upstream of the mine (i.e. reference/upstream sites) and six (6) sites downstream of the mine (i.e. at risk/downstream sites). Condition 3.4.3 requires that monitoring be conducted at “<i>four (4) sites upstream (two (2) of which are in Cowan Brook) and six (6) sites downstream of the Norilup Dam</i>”; and</li> <li>• For the AEA, sulfur (S) and phosphorous (P) were analysed in water and sediment in 2022, instead of sulfate (SO<sub>4</sub><sup>2-</sup>) and phosphate (PO<sub>4</sub><sup>3-</sup>), in error. These analytes have been analysed in error since 2017, and this was continued in 2022 to allow for comparison of results to previous years.</li> </ul> </li> </ol>			

Section E – Details of non-compliance with licence condition	
<p>What was the actual (or suspected) environmental impact of the non-compliance?</p> <p><b>NOTE</b> – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.</p>	
<p>The actual environmental impact of the non-compliances has been assessed to be negligible (monitoring administrative non-compliance). These oversights should not be seen as invalidating the water quality analysis performed to date.</p>	
<p>Cause (or suspected cause) of non-compliance:</p>	
<ol style="list-style-type: none"> <li>1. The required monitoring standard was not adequately described in the monitoring procedures.</li> <li>2. Administrative error in chain of custody paperwork</li> <li>3. Construction activities within TSF4 footprint, approved by W6618/2021/1.</li> <li>4. Administrative error in chain of custody paperwork.</li> <li>5. The non-compliance in the location of the monitoring locations has been attributed to the licence condition incorrectly describing the location of the monitoring sites. This error was identified in the 2021-22 reporting period, and was continued in the 2022-23 reporting period to facilitate comparison of results to previous years.</li> <li>6. Administrative error in chain of custody paperwork.</li> </ol>	
<p>Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:</p>	
<p>Items 1, 2 and 5: A quality control review is planned to be conducted against all water monitoring procedures, and recommendations from this review will be incorporated into all relevant monitoring programs.</p> <p>Item 3: The requirement to decommission these bores was communicated with DWER in the TSF4 Works Approval Application, and the TSF4 Works Approval (W6618/2021/1) conditions the construction of additional monitoring bores. The decommissioning of these bores was first reported to DWER in the April-June 2022 Quarterly Report on 20 July 2022.</p> <p>After the conclusion of the reporting period, the requirement to monitor from these bores has since been removed from the Licence (amendment dated 28/08/2023). Therefore, no further actions required as this compliance issue has been resolved.</p> <p>Item 5: A review of the quality control methods employed in the AEA was conducted, and will be implemented commencing the spring 2023 campaign. Detailed quality control standards have also been incorporated into the licence (as amended 12/12/2022) to amend the design and execution of the AER, and future design requirements have also been discussed with DWER. This quality control monitoring non-compliance was first reported to DWER on 27 June 2022 (letter reference L06KH11ENV2022).</p>	
<p>Was this non-compliance previously reported to DWER?</p>	
<p><input checked="" type="checkbox"/> Yes, and</p>	
<p><input type="checkbox"/> Reported to DWER verbally</p>	<p>Date: / /</p>
<p><input checked="" type="checkbox"/> Reported to DWER in writing</p>	<p>Date: Item 1 first reported 27/06/2022, and again in September 2023 in the AER and AACR. Item 2 reported 31/10/2022 and 26/04/2022. Item 3 and Item 4 first reported 20/07/2022 (and in all quarterly reports submitted since this first notification). Item 5</p>

**Section E – Details of non-compliance with licence condition**


	and Item 6 reported 27/06/2022, and again in September 2023 in the AER and AACR
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Section E – Details of non-compliance with licence condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	3.3.1	Date(s) of non-compliance:	Jan, Feb, Mar, Apr, May and Jun 2023
Details of non-compliance:			
<p>The following exceedances of a descriptive or numerical limit occurred during the Current Reporting Period relating Condition 3.3.1 Table 3.3.2:</p> <ul style="list-style-type: none"> <li>the lithium concentration in treated process water from the reverse osmosis water treatment plant (WTP) exceeded the numerical limit of 0.5mg/L in seven (7) weekly spot samples; and</li> <li>the arsenic concentration in treated process water from the arsenic remediation unit (ARU) exceeded the numerical limit of 0.1mg/L in 19 weekly spot samples.</li> </ul>			
What was the actual (or suspected) environmental impact of the non-compliance?			
<b>NOTE</b> – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.			
The actual environmental impact of the non-compliance has been assessed to be negligible (administrative non-compliance).			
Cause (or suspected cause) of non-compliance:			
A typographical error was included in the 12 December 2022 amendment to the licence which had a discrepancy in the limit values (Condition 3.3.1) and the minimum treatment performance values (Condition 1.3.10).			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
All exceedances were reported to DWER in accordance with Condition 4.3.1. Note that since the completion of the reporting period, this condition has been amended to increase the limit value on the discharge from ARU and WTP. Therefore, no further actions required as this compliance issue has been resolved.			
Was this non-compliance previously reported to DWER?			
<input checked="" type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input checked="" type="checkbox"/> Reported to DWER in writing		Date: 23/01/2023; 07/02/2023; 14/02/2023; 21/02/2023; 08/03/2023; 13/03/2023; 20/03/2023; 28/03/2023; 03/04/2023; 12/04/2023; 01/05/2023; 22/05/2023; 24/05/2023; 02/06/2023; 08/06/2022; 12/06/2023; 19/06/2023; 26/06/2023; 29/06/2023; 11/07/2023	



Section E – Details of non-compliance with licence condition			
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.			
Condition no:	4.2.4	Date(s) of non-compliance:	Approx. Nov 2022 and May/June 2023
Details of non-compliance:			
The compliance documents required to be submitted following construction of the Tailings Storage Facility #2 ( <b>TSF2</b> ) embankment works lifts to relative level ( <b>RL</b> ) 1,275m and 1,280m, were not submitted prior to commissioning of each lift.			
What was the actual (or suspected) environmental impact of the non-compliance? <b>NOTE</b> – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place.			
The actual environmental impact of the non-compliance has been assessed to be negligible (administrative non-compliance).			
Cause (or suspected cause) of non-compliance:			
<p>The terminology 'prior to commissioning' is problematic in the context of a TSF lift and the construction reports required take a significant period of time to be compiled by the Responsible Technical Person.</p> <p>For the lift to RL 1,275m, construction compliance documentation and completion certification was received from the Responsible Technical Person in November 2022. Due to an administrative error, the submission of the information to DWER was delayed until May 2023.</p> <p>For the lift to RL 1,280m, construction was completed late in the reporting period, and the construction report has not yet been finalised.</p>			
Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:			
<p>The compliance document required for the RL 1,275m lift was submitted to DWER on 10/05/ 2023 (letter reference L05KH35ENV2023), and DWER acknowledged on 15/08/2023 partial demonstration of compliance with Condition 4.2.4.</p> <p>Once the compliance documentation required for the RL 1,280m lift has been received from the Responsible Technical Person, Talison will forward this to DWER promptly.</p>			
Was this non-compliance previously reported to DWER?			
<input type="checkbox"/> Yes, and			
<input type="checkbox"/> Reported to DWER verbally		Date: / /	
<input checked="" type="checkbox"/> Reported to DWER in writing		Date: 10/05/2023, and again in September 2023 in the AER and AACR	

## Department of Water and Environmental Regulation

Section F – Declaration			
I / We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular <sup>1</sup> .			
I / We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website.			
Signature <sup>2</sup> :		Signature:	
Name: (printed)		Name: (printed)	
Position:	General Manager - Operations	Position:	
Date:	27/9/2023	Date:	
Seal (if signing under seal):			

<sup>1</sup> It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.

<sup>2</sup> AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.