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Private and confidential

Manager - Industry Regulation (Resources North)
Department of Water and Environmental Regulation
Regulatory Services - Environment
Prime House, 8 Davidson Terrace
JOONDALUP WA 6027

28 April 2026

Our reference: RTIO-1147967
Your reference: L9263

To whom it may concern

2025 Annual Audit Compliance Report for L9263 – Gudai-Darri Railway Project

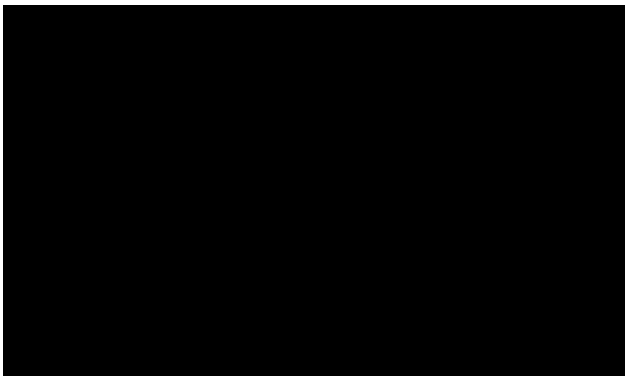
Attached is the 2025 Annual Audit Compliance Report (AACR) for the Gudai-Darri Railway Project as required by Condition 7(b) of L9263/2020/1.

This AACR covers the reporting period from 1 January to 31 December 2025, and addresses the requirements of the following licences:

- L9263/2020/1 version 2 (1 January to 15 May 2025)
- L9263/2020/1 version 3 (16 May to 31 December 2025)

Version 2 is an amendment to add category 13 and 61A, remove category 54, reduce the premises boundary and update the premises name. Version 3 is an amendment to increase the capacity of Category 61A and amend the associated stockpiles; and to amend the reporting date and licence duration. Condition numbering aligns with the version of the licence that was in force at the time of the non-compliance.

Please contact [REDACTED], Principal Operational Performance, at [REDACTED] you have any queries.



Annual Audit Compliance Report form

Environmental Protection Act 1986, Part V

Section A – Licence Details			
Licence Number:	L9263/2020/1	Licence File Number:	DER2020/000289 and INS-0002141
Licence Holder:	Pilbara Iron Pty Ltd		
Trading as:	Pilbara Iron Pty Ltd		
ACN:	107 216 535		
Registered address:	Level 18, Central Park. 152-158 St. Georges Terrace, PERTH WA 6000		
Reporting period:	1 January 2025 to 31 December 2025		

Section B – Statement of compliance with licence conditions	
Did you comply with all of your licence conditions during the reporting period?	
Yes <input type="checkbox"/>	Please complete Sections C, D (if required) and sign the declaration in Section E
No <input checked="" type="checkbox"/>	Please complete Sections C, D (if required), F and sign the declaration in Section E

Section C – Statement of actual production		
Provide the actual production quantity for this reporting period.*		
Category	Premises description	Actual production quantity (2025)
12	Screening, etc. of material	0 tonnes
13	Premises on which waste building or demolition material (for example bricks, stones or concrete) is crushed or cleaned	0 tonnes
61A	Premises (other than premises within category 67A) on which solid waste produced on other premises is stored, reprocessed, treated or discharged onto land	282,255 tonnes

*Supporting information provided in the relevant conditions of the 2024/2025 Biennial Environment Report

Section D – Statement of actual Part 2 waste discharge quantity		
Provide the actual Part 2 waste discharge quantity for this reporting period.		
Category	Premises description	Actual Part 2 waste discharge quantity (2025)
Not Applicable – no categories relevant to Part 2 waste discharge quantity.		

Section E – Declaration	
I declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular ¹ .	
I consent to the Annual Audit Compliance Report being published on the Department of Water and	

Date:	28 April 2026
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¹ 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.

² 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.

Section F – 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 number:	1	Date(s) of non-compliance:	2025
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Details of non-compliance:

During the reporting period, the stockpile side slopes under Category 61A did not comply with the specified 3:1 (approximately 18°) typical slope angle. Analysis of drone surveys conducted throughout the year identified actual slope angles between 35° and 36.5°, indicating that slopes were steeper than the licence requirement.

The non-compliance is considered to have been continuous throughout the year and was only recently identified during an internal annual audit against the licence using improved functionality of drone-based terrain modelling.

What was the actual (or suspected) environmental impact of the non-compliance?

No environmental impacts were observed or suspected during the reporting period.

Onsite observations and periodic drone flyovers confirmed:

- No sloughing, failures, or signs of instability noted
- No downslope material transport, and
- No erosion or slope instability.

Cause (or suspected cause) of non-compliance:

The steeper slopes resulted from the practical construction method used onsite.

While early design assumptions used to calculate required volumed for amendment application included 18° batters to allow machinery access to all faces, operational efficiency and safety were better achieved by accessing stockpiles from their ends and placing material from the top, compacting each lift in a manner similar to waste-dump construction. This method results in slopes forming near the natural angle of repose of coarse material (approximately 30–45°) rather than the prescribed 18°.

The divergence from the required slope angle was an unintentional operational outcome not accounted for in original estimate assumptions submitted, not a deliberate departure from the licence conditions.

Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:

Certified Engineer has confirmed that all current slopes at angle of repose are stable, and that methodology is sound and appropriate for the material type.

Controls including constructing safety windrows to protect plant and account for less-compacted material remain in place to manage stability and mitigate open-edge risks.

Drone-based monitoring and inspections will continue, to ensure any change in slope stability, erosion, or runoff behaviour is promptly identified.

Reshaping the stockpiles to achieve the prescriptive 18° slope would require extensive rehandling of material, working against the inherent angle of repose of the coarse material, and would introduce additional safety risks and potential erosion impacts without delivering any environmental benefit. As such, reworking the slopes is not considered feasible or environmentally justified. The licence holder will continue to comply with the existing licence condition to the extent practicable while maintaining stable and environmentally protective stockpile structures. The licence holder also intends to prepare a future licence amendment request in 2026 to replace the prescriptive slope angle requirement with wording such as “safely constructed” or “suitable slope,” to better reflect material behaviour, operational best practice, and environmental protection outcomes. Any amendment request will be made separately and will not alter the licence holder’s obligations under the current condition in the interim.

Was this non-compliance reported to the DWER?

Yes:

Reported to DWER verbally Date:

Reported to DWER in writing Date:

No

Section F – 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 number:	1	Date(s) of non-compliance:	2025
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Details of non-compliance:

Earthen sumps required under Condition 1, Table 1 for Category 61A stockpiles were not constructed during the reporting period.

Runoff from the stockpiles instead flows into natural low-lying central areas within the premises, which acts as informal collection points but does not constitute constructed sumps as specified in the licence.

What was the actual (or suspected) environmental impact of the non-compliance?

No environmental impacts were observed or suspected throughout the reporting period. All runoff during rainfall events was contained onsite due to the central depressions that captured water, and the perimeter earthen bunding (~0.4 m height) that prevents any discharge from the premises as well as preventing external flood waters from entering the operational areas.

While areas of surface ponding occurred during higher rainfall events, these were contained within the premises. There were no off-site discharges, no evidence of sediment migration beyond the bunded footprint, and no interaction with external drainage features occurred.

Cause (or suspected cause) of non-compliance:

The sump installations were not constructed as originally planned, due to sequencing and execution oversights during stockpile establishment. Operational focus was placed on stockpile construction and bunding, with reliance on natural low points to contain water in the interim.

Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance:

Following identification of the issue, temporary earthen windrows were installed around areas where water accumulates, increasing containment and reducing overtopping risks.

The licence holder will progress the construction of formal earthen sump(s) in H1 2026 to ensure adequate capacity for capturing runoff and sediment during high-rainfall events and ensure compliance with the licence.

Some targeted local grading will be completed to direct any runoff toward the newly constructed sump(s). Perimeter bunds will continue to be maintained to prevent offsite impacts.

Future construction works will include scope verification controls and hold points to ensure infrastructure items specified in the licence are constructed as required.

Was this non-compliance reported to the DWER?

Yes:

Reported to DWER verbally Date:

Reported to DWER in writing Date:

No