

# Australian Industry Participation (AIP) Plan Summary - Operations Phase

## **1. Facility Details**

**Designated operator:** Covalent Lithium Pty Ltd (**Covalent Lithium**)

**Facility name:** Mount Holland Lithium Project

### **Description of the facility:**

The Project is centred on the Earl Grey hard-rock lithium deposit, near Mount Holland in Western Australia. The Project consists of a mine, concentrator, aerodrome, village and supporting infrastructure at Mount Holland (**Mine**) and a battery grade lithium hydroxide processing refinery in Kwinana (**Refinery**).

The Projects Final Investment Decision (FID) is planned for Q2 2020. Site construction works are planned to commence in Q4 2019/Q1 2020 with first production planned for Q4 2021.

### **Facility location:**

The Project consists of two of sites which are 1) the Mount Holland (**Mine**) which is located approximately 500 km east of Perth CBD and 110 km south east of Southern Cross and 2) the Kwinana (**Refinery**) approximately 40km south of Perth CBD.

### **Link to facility information:**

ICN Webpage: [www.CovalentLithium.icn.org.au](http://www.CovalentLithium.icn.org.au)

Covalent Lithium Webpage: [www.covalentlithium.com](http://www.covalentlithium.com)

### **Operator contact for procurement information:**

Xavier Coetzee – Commercial Manager - [Xavier.Coetzee@covalentlithium.com](mailto:Xavier.Coetzee@covalentlithium.com) – 0410 177 235

**Other operators involved in the facility:** Not Applicable

**. Opportunities to supply Goods and Services**

<b>Expected opportunities</b>	<b>Opportunities for Australian entities*</b>	<b>Opportunities for non-Australian entities</b>
<b>Goods</b>		
Sodium Carbonate (Soda Ash)	Yes	Yes
Modified Oleic Acid	Yes	Yes
Diesel	Yes	Yes
Diatomaceous Earth	Yes	Yes
Hydrochloric Acid	Yes	Yes
Sodium Hydroxide	Yes	Yes
Sulphuric Acid	Yes	Yes
Hydrogen Peroxide	Yes	Yes
Calcium Carbonate	Yes	Yes

<b>Services</b>	<b>Opportunities for Australian entities*</b>	<b>Opportunities for non-Australian entities</b>
Freight and material handling (incl Rail Transport)	Yes	No
Mining / Earthmoving Services	Yes	No
Civil Construction Services / Tailings Dam Lifts	Yes	No
Drill and Blast/Explosive Services	Yes	No
Tank Cleaning	Yes	No
Mechanical Maintenance/Repair Services	Yes	No
Electrical Maintenance/Repair Services	Yes	No
Engineering Consultancy Services	Yes	No
Scaffolding Services	Yes	No
Cranage Services	Yes	No
Camp/Accommodation/Cleaning Services	Yes	No
Aviation Charter Services	Yes	No

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact. This information is provided for Expression of Interest purposes only.

\*An Australian entity is defined in the Jobs Act as any entity with an ABN or ACN.

**Explanation for item(s) in list above where it is indicated ‘No Opportunities for Australian entities’**

Not Applicable
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**3. Standards to be used in the facility**

The Project will be undertaken in accordance with all relevant Australian Standards, specifications and engineering codes.

Further, relevant Covalent procedures, standards and specifications will be appended to all scopes of work for major procurement packages. The Covalent procedures, standards and specifications comply with, and are no more onerous, than relevant Australian standards, specifications and engineering codes.

Covalent’s procedures, standards and specifications – such as those relating to health, safety and quality – will be ‘industry-standard’ and typical of those used by major miners (BHP, Rio Tinto, etc;) in the Western Australian resources industry.

Some technical specifications that are specific to the mining and processing of lithium may be unique but Tier 1, 2 and 3 Australian entities should be able to comply with them. Covalent will work with Australian entities to help them to understand and comply with the procedures, standards and specifications.

**4. AIP activities to be undertaken by the Operator**

<b>Action 1</b>	<p>Early and ongoing active participation in local supplier, community and WA government forums to communicate Project progress and opportunities. As outlined above, this will include communication via the ICN Gateway Portal to all suppliers who have registered interest in working on the Project.</p> <p>Covalent will organise local supplier forums at the Shire of Yilgarn (Mine and Concentrator) and via the Kwinana Industries Council (Refinery) and issue updates directly to those who have registered interest in participating in the Project via the Portal.</p> <p>These initiatives will commence in Q1 2020 prior to likely release of key Project tenders following final investment decision (FID) for the Project in January 2020.</p>
<b>Action 2</b>	<p>Regular media releases to the Australian market covering Project approvals and progress.</p> <p>Media releases will be issued to the Australian market from early Project phase through to completion and commissioning.</p>
<b>Action 3</b>	<p>The Industry Capability Network of WA (ICNWA) has been engaged by Covalent to manage registrations of interest from organisations interested in providing goods and</p>

	<p>services for the Project. This process will be managed via the ICNWA Gateway Portal (Portal) that has been established for Covalent:</p> <p><a href="https://gateway.icn.org.au/project/4280/covalent-lithium-project?st=projects&amp;psid=1553660684">https://gateway.icn.org.au/project/4280/covalent-lithium-project?st=projects&amp;psid=1553660684</a></p> <p>The Portal is used to manage supplier expressions of interest for the Project. A link to the Portal is included on the Covalent Lithium internet site. The Portal currently contains a number of tenders requesting expressions of interest from suppliers for key scopes of work.</p>
<b>Action 4</b>	All prequalified Australian vendors to Covalent Lithium will be added to the reference list for consideration for future projects or expansion of this project.

### **5. AIP activities to be undertaken by procurement entities**

Additional to 4 above, Covalent Lithium will ensure the following activities occur:

- Will develop training material/conduct internal information sessions for its procurement staff to understand the requirement of the AIP Plan.
- Put in place an AIP Plan Assurance Program to ensure appropriate AIP processes are being followed by procurement personnel.
- Capture the levels of AIP participation that the Project has achieved and record compliance data for inclusion into the AIP Compliance Report.
- Covalent commercial contracts for supply of goods and services will contain clauses requiring compliance with the Covalent AIP Plan. Explanatory publications will be developed and placed on the Covalent web site, including answers to Frequently Asked Questions.
- Covalent will also provide ongoing guidance to both its internal project staff and major contractors working on the Project, including answering queries on the requirements under the AIP plan and Jobs Act.

**Note:**

The supply of all goods and services required to support the Operational phase is a key requirement of the Operational Readiness Stage Gate Review. The identification of suppliers for all goods and services and (as applicable) the entering into of term service contracts, is a critical element of demonstrating Operation Readiness prior to handover and start-up. Each key supply item required to support the operational phase will be identified during engineering, listed and tracked against the Operational Readiness Schedule to ensure all goods and services have either contracts in place or are available in the market from identified suppliers.

Upon approval of the AIP Plan, the Project proponent will:

1. Conduct an awareness campaign to all affected Operations personnel commencing with the issue of the Covalent Lithium AIP Policy summarised as per this AIP plan;
2. Sponsor the development of procedures and other standard documentation that detail and formalise the implementation of Covalent Lithium Pty Ltd's AIP Plan obligations for the initial operations phase for all contracting and procurement activities including cascading of these obligations down into each contract and purchase order to become contractor and supplier obligations; and
3. Capture the levels of AIP participation that the operations has achieved and record compliance data for inclusion into the AIP Compliance Report.