Andover Lithium Project

Greenhouse Gas Assessment Technical Report

Azure Minerals

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01	10 March 2026	Romana Thefs	Alyssa Limmena	Kirsten Lawrence
02	15 April 2026	Romana Thefs	Alyssa Limmena	Kirsten Lawrence

Basis of Report

This report has been prepared by SLR Consulting Australia Pty Ltd (SLR) with all reasonable skill, care and diligence, and taking account of the timescale and resources allocated to it by agreement with Azure Minerals (the Client). Information reported herein is based on the interpretation of data collected, which has been accepted in good faith as being accurate and valid.

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Acronyms and Abbreviations

Acronym	Definition
ACCU	Australian Carbon Credit Unit
ANFO	Ammonium Nitrate Fuel Oil (explosive used in mining)
CER	Clean Energy Regulator
CO_2	Carbon Dioxide
CO_2-e	Carbon Dioxide Equivalent
FLAG	Forest, Land and Agriculture (GHG Protocol land use methodology)
FIFO	Fly-In Fly-Out
GHG	Greenhouse Gas
GJ	Gigajoule
GWP	Global Warming Potential
HFC	Hydrofluorocarbon
kL	Kilolitre
kWh	Kilowatt-hour
LOM	Life of Mine
$MtCO_2$-e	Million Tonnes of Carbon Dioxide Equivalent
NGA	National Greenhouse Accounts
NGER	National Greenhouse and Energy Reporting
NWIS	North West Interconnected System
PFS	Pre-Feasibility Study
PPA	Power Purchase Agreement
Scope 1	Direct greenhouse gas emissions from sources owned or controlled by the reporting entity
Scope 2	Indirect greenhouse gas emissions from purchased electricity, steam, heat or cooling
Scope 3	Other indirect greenhouse gas emissions occurring in the value chain
SF_6	Sulphur Hexafluoride
SLR	SLR Consulting Australia Pty Ltd
SMC	Safeguard Mechanism Credit
tCO_2-e	Tonnes of Carbon Dioxide Equivalent
WRI	World Resources Institute

Table of Contents

Tables

Figures

Appendices

1.0 Introduction

SLR Consulting Australia Pty Ltd (SLR) was engaged by Azure Minerals Limited (Azure) to prepare a greenhouse gas (GHG) inventory to support environmental approvals and internal planning for the Andover Project (outlined in Section 2.0). The work has been developed in accordance with the agreed scope of services under the existing Advisory Services Framework Agreement between SLR and Azure and is intended to inform regulatory submissions and future feasibility studies.

The Project is at a pre-feasibility stage, with limited site-specific operational data currently available. Accordingly, this assessment adopts a high-level assessment approach, drawing on preliminary feasibility study inputs and industry-standard assumptions where required. The GHG inventory includes Scope 1 and Scope 2 emissions, together with a high-level assessment of relevant Scope 3 emission sources, consistent with regulatory expectations for early-stage project assessment.

This report has been prepared to support referral and assessment under Part IV of the Environmental Protection Act 1986 (WA), and to assist Azure in understanding the Project's potential GHG emissions profile over the life of mine. Where applicable, consideration has also been given to the potential applicability of the Safeguard Mechanism.

The objectives of this assessment are to:

- establish a baseline and projected GHG emissions inventory for the Project; and
- document the methodologies, assumptions and boundaries applied in the emissions assessment.

The findings of this report are intended to inform environmental approval processes and internal decision-making, and do not constitute a detailed engineering or final emissions assessment. Further refinement of the GHG inventory is anticipated as Project design progresses and more detailed data becomes available.

2.0 Project Description

Azure is an Australian mineral exploration and development company advancing high-value battery and base metal resources, with a principal focus on the Andover Project in the West Pilbara region of Western Australia. The Andover Project is a world-class lithium discovery. Since 2023, Azure has executed an accelerated growth strategy, including extensive exploration, resource delineation and development studies, with the objective of progressing Andover toward production and establishing a significant supply of lithium to the global clean energy market.

The current development concept for the Andover Project includes both open cut and underground mining operations. Mining is proposed to commence via open cut methods in F31, with underground mining planned to be introduced from 2035 to support continued extraction of the mineral resource over the life of the Project, ending in FY60.

The Andover Project's development activities encompass phased evaluation of mineral resources and drilling and technical studies to support future feasibility assessments and potential mine planning.

3.0 Safeguard Mechanism Overview

Australia's Safeguard Mechanism is designed to reduce industrial GHG emissions in line with national climate targets: a 43% reduction from 2005 levels by 2030 and net zero emissions by 2050. The policy sets declining emissions limits ("baselines") for large industrial facilities and requires them to keep their Scope 1 emissions within those limits.

Coverage applies to facilities that emit more than 100,000 tCO_2-e per year. Once covered, a facility's baseline typically declines by 4.9% annually through to 2029-30, requiring gradual emissions reductions or the use of approved offsets and credits.

Compliance and incentives are administered through the *National Greenhouse and Energy Reporting (NGER)* scheme. Each year, facilities report Scope 1 emissions under NGER, and the Clean Energy Regulator (CER) compares net emissions against the baseline. If emissions are above the baseline, operators must surrender Safeguard Mechanism Credits (SMCs) and/or Australian Carbon Credit Units (ACCUs). If emissions are below the baseline, facilities earn SMCs which they can bank or trade. In 2023-24, 62 facilities received approximately 8.3 million SMCs, while liable facilities surrendered approximately 7.1 million ACCUs and 1.4 million SMCs.[1]

A facility's baseline-setting approach depends on whether it is existing or new:

- **Existing facilities**: Baselines transition toward industry-average emissions-intensity values by 2030, with production adjustment and the annual decline applied.
- **New facilities** (including the Andover Project): Baselines are set using *best-practice* emissions-intensity benchmarks for relevant products.

Baseline establishment for the Andover Project will follow a prescribed four-step process:

1. Register under NGER: Azure will register the Andover facility under NGER to establish operational control and enable Safeguard compliance based on NGER-reported production and emissions.
2. Apply for a production-adjusted baseline: As a new facility, Andover's initial baseline will be set using best-practice emissions-intensity values for the Project's products.
3. Finalise using year-one actuals: In its first reporting year, Andover will measure and report actual Scope 1 emissions and production under NGER. The CER will then use these verified data to finalise the baseline for subsequent years.
4. Reporting from year two onward: Andover will enter the standard reporting cycle under NGER and when required, will surrender SMCs/ACCUs (or earn SMCs if below the baseline).

Policy settings will continue to evolve. The Australian Government has flagged a 2026-27 review of the Safeguard Mechanism to test the initial impacts and calibrate parameters (including post-2030 decline trajectories and design refinements for trade-exposed sectors). Azure will need to monitor this review and update Safeguard Mechanism and abatement strategies accordingly to stay aligned with regulatory expectations.

[1] Safeguard Mechanism - CER

4.0 GHG Emissions and Scopes

The term GHG comes from the 'greenhouse effect', which refers to the natural process that warms the Earth's surface. GHGs in the atmosphere absorb the solar radiation released by the Earth's surface and then radiate some heat back towards the ground, increasing the surface temperature.

Human activity, especially burning fossil fuels and deforestation, is increasing the concentration of GHGs in the atmosphere and hence increasing the absorption of outgoing heat energy. Even a small increase in long-term average surface temperatures has numerous direct and indirect consequences for the global climate system.

4.1 Scope 1, 2 and 3 Emissions

GHG emissions are commonly categorised into three groups, referred to as Scopes, in accordance with the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* and the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*. These scopes distinguish between direct emissions and indirect emissions occurring across the value chain.

Scope 1 emissions
Scope 1 emissions are direct GHG emissions from sources owned or controlled by the reporting entity. These may include emissions from fuel combustion in vehicles or equipment, fugitive emissions from industrial processes, or emissions associated with on-site waste treatment.

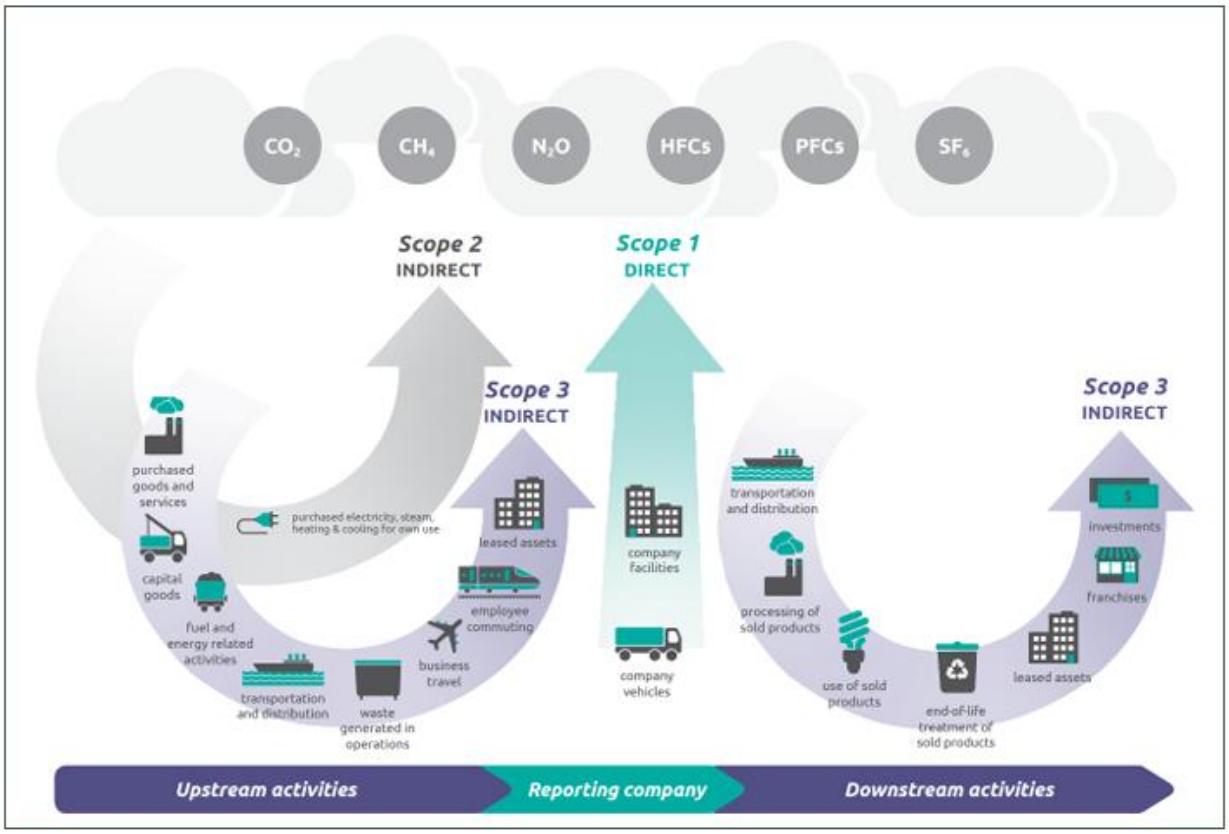
Scope 2 emissions
Scope 2 emissions are indirect emissions from the generation of purchased electricity consumed by the reporting entity. These emissions occur at the electricity generation facility but are attributed to the electricity user.

Scope 3 emissions
Scope 3 emissions are other indirect emissions that occur outside the operational boundary of the reporting entity but arise from activities across the project's value chain. Examples include upstream fuel production, transport of materials or products, and downstream processing of sold products.

Separating emissions into scopes helps ensure consistent reporting and avoids potential double counting where multiple organisations may be associated with the same emissions source.

Figure 1 provides an overview of the GHG Protocol Scope 1, 2 and 3 emissions.

Figure 1: Overview of GHG Protocol Scope and Emissions



Source: (WRI, 2011)

5.0 Organisational and Operational Boundaries

The first step in developing the Project's GHG inventory is defining the organisational and operational boundaries that determine which emission sources are included in the assessment.

5.1 Organisational Boundary

For this assessment, the organisational boundary has been defined using the operational control approach, consistent with the NGER framework.

Under this approach, emissions are attributed to the entity that has authority to implement operating, health, safety and environmental policies for a facility. The GHG inventory therefore includes emissions from activities and facilities over which Azure has operational control at the Project. No joint venture apportionment has been applied.

Mining operations associated with the Project are treated as a single reporting facility. Accordingly, direct emissions associated with on-site fuel combustion, land-use change and other operational activities are attributed to Azure.

Electricity supplied during the initial operational phase will be generated by an on-site natural gas power station owned and operated by a third-party provider. As Azure will not have operational control of this facility, emissions from natural gas combustion at the power

station are not attributed to Azure as Scope 1 emissions. Instead, electricity supplied to the Project is treated as purchased electricity and will be captured under Scope 2.

5.2 Operational Boundary

The operational boundary defines the emission sources included in the Project's Scope 1, Scope 2 and relevant Scope 3 emissions. These sources were identified based on the

current mine plan, processing strategy and available activity data.

Scope 1 emission sources

The primary Scope 1 emission sources expected for the Project include:

- diesel combustion in transport vehicles such as road-registered vehicles and non-road mobile mining equipment such as haul trucks, excavators, loaders, drills and ancillary plant;
- diesel combustion in stationary equipment, including generators and fixed plant where applicable; and
- land-use change emissions associated with vegetation clearing during project development.

Diesel used in explosives preparation is classified under the NGER Determination as energy consumed without combustion and therefore does not generate Scope 1 emissions.

Transport of spodumene concentrate to port by third parties occurs outside the operational boundary and is therefore treated as a Scope 3 emission source.

Scope 2 emission sources

Scope 2 emissions arise from the consumption of purchased electricity supplied to the Project.

Scope 3 emission sources

Relevant Scope 3 emission sources considered in this assessment include:

- upstream emissions associated with the production and transport of fuels and electricity;
- third-party transport of spodumene concentrate to port;
- shipping of concentrate to overseas refining facilities; and
- employee travel and other ancillary sources where relevant data are available.

6.0 Overall Methodology

This assessment draws on both the NGER framework and the GHG Protocol, which serve different purposes:

- The NGER framework is the Australian regulatory system used for mandatory reporting of GHG emissions and energy consumption. It defines the methods used to calculate Scope 1 and Scope 2 emissions for compliance purposes.
- The GHG Protocol is an internationally recognised accounting framework that provides guidance for reporting corporate emissions, including Scope 3 emissions across a project's value chain.

In this assessment, Scope 1 and Scope 2 emissions have been estimated using methods consistent with the NGER Determination, while Scope 3 emissions have been assessed using guidance from the GHG Protocol.

Where project-specific data were unavailable, conservative assumptions and recognised default emission factors were applied.

7.0 Scope 1 Emissions

7.1 Scope 1 Emission Sources

The primary sources of Scope 1 emissions include direct GHG emissions from sources owned or controlled by Azure at the Project. The significant Scope 1 emission sources identified are:

- **Diesel combustion in the mining fleet and support equipment**, including haul trucks, loaders, excavators, light vehicles, and other mobile plant used for operational and transport purposes on site.
- **Construction power generation**, primarily from diesel-powered generators used during the construction phase.
- **Land use change emissions (biogenic)** associated with vegetation clearing and disturbance required for the development of the Project.

Emissions associated with transporting concentrate to Port Hedland for export, and subsequent shipping to the refinery are not classified as Scope 1 emissions. These activities occur outside the Project's operational boundary and have therefore been accounted for under downstream Scope 3 emissions.

Consistent with the NGER Determination, no Scope 1 emissions were calculated for diesel used in explosives preparation, as the diesel is not combusted and therefore does not generate reportable Scope 1 emissions (refer to Section 7.2.3).

7.1.1 Excluded Emissions

The following Scope 1 emission sources and energy uses have been excluded from the Project's emissions inventory, as they are considered immaterial to the overall emissions profile or no use has been identified for the Project by Azure:

- Consumption of oils and greases
- Sulphur hexafluoride (SF6) losses
- Hydrofluorocarbon (HFCs) and perfluorocarbon (PFCs) losses
- Consumption of other minor fuels (e.g., unleaded petrol)
- On-site wastewater treatment plant

7.2 GHG Emissions Estimation Methodology

7.2.1 Fuel Combustion

Scope 1 emissions were calculated using methods published in the NGER Determination and emission factors from the National Greenhouse Accounts (NGA) Factors. These methods estimate emissions from fuel combustion based on the quantity of fuel consumed and the relevant emission factors for each fuel type.

The key inputs provided by Azure used to estimate Scope 1 emissions are outlined in **Appendix A.**

The emission factors used in the calculations are presented in **Table 1.** These factors are expressed in carbon dioxide equivalent (CO_2-e) and therefore incorporate the global warming potential (GWP) of each GHG.

Table 1: GHG emission factors applied to the Project

Sources	Energy Content Factor	Emission Factor (kg CO_2-e/GJ)			
		CO_2	CH_4	N_20	Total
GWP		1	28	265	
Diesel combustion (non-transport)	38.6 GJ/kL	69.9	0.01	0.5	70.41
Diesel combustion (transport)	38.6 GJ/kL	69.9	0.1	0.2	70.20

7.2.2 Land Clearing

Land clearing can result in GHG emissions due to vegetation and soils storing carbon. When vegetation is removed, a portion of this stored carbon is gradually released to the atmosphere as plant material decomposes and soil carbon adjusts to the new land use.

To estimate these emissions, this assessment applies the Forest, Land and Agriculture (FLAG) methodology under the GHG Protocol. The FLAG framework provides standard methods for estimating emissions associated with land-use change, including vegetation clearing.

Under this approach, emissions are not assumed to occur entirely in the year clearing occurs. Instead, carbon stored in vegetation is modelled to be released gradually over time as biomass decomposes. For the Project, clearing is assumed to occur between FY29 and FY32, with emissions modelled across the life of mine (FY31-FY60).

This approach provides a conservative estimate of land-use change emissions consistent with internationally recognised accounting methods.

7.2.3 Diesel Used in Explosives Preparation

Diesel is used as a component of explosives such as ammonium nitrate fuel oil (ANFO). Under the NGER Determination, diesel used in explosives preparation is classified as energy consumed without combustion. This means the diesel contributes to reported energy use but does not generate Scope 1 emissions because it is not combusted as a fuel. Energy consumption associated with explosives preparation has therefore been reported separately from Scope 1 combustion emissions.

Energy consumption was calculated using the diesel energy content factor published in the 2025 NGA Factors. The applicable factor and equation is shown below.

Energy (GJ) = Diesel (kL) x 38.6 (GJ/kL)

7.3 Scope 1 Emission Results

The estimated total Scope 1 emissions over the LOM are **3,868,086 tCO_2-e**. These emissions primarily arise from diesel combustion associated with stationary equipment.

Table 2: Total Scope 1 emissions over the life of mine

Scope 1 Source	Total Emissions (tCO_2-e)	Notes
Diesel – stationary combustion	3,690,289	Fuel use in stationary equipment during operations
Diesel – transport	44,778	Fuel use in mobile equipment and vehicles
Diesel – stationary power generation (construction)	4,682	Temporary diesel generation during construction prior to grid connection (FY29–FY30)
Land use change	128,336	Emissions associated with vegetation clearing and land-use change
Total Scope 1 Emissions (LOM)	**3,868,086**	

In addition to combustion emissions, diesel used in explosives preparation contributes to project energy consumption but does not generate Scope 1 emissions. Over the LOM, this activity represents **1,398,789 GJ** of energy consumption without combustion.

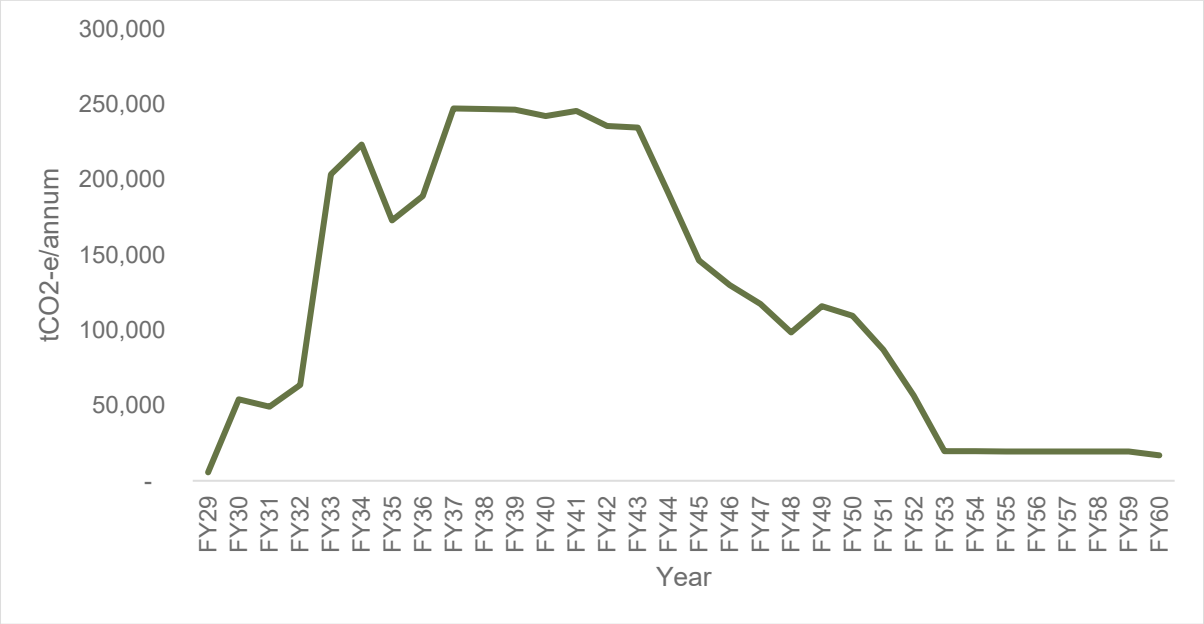
7.4 Findings

The annual Scope 1 emissions profile over the life of mine is shown in **Figure 2**. Scope 1 emissions are projected to increase substantially between FY29 and FY33 as the Project transitions from construction into operations. A significant increase occurs from FY31 with the commencement of open cut mining operations, driven largely by diesel combustion in haul trucks, excavators, drills and ancillary mining equipment.

Emissions continue to rise through FY32 and peak between FY37 and FY43 at approximately 247,000 tCO2-e to 234,000 tCO2-e per annum. This peak period reflects the highest levels of mining activity, ore movement and material handling across the Project. The introduction of underground mining operations from 2035 contributes to this elevated emissions profile, with additional diesel consumption associated with underground fleet movements, ventilation requirements and supporting infrastructure. The combination of concurrent open cut and underground operations is the primary reason emissions remain elevated during this period.

From FY44 onwards, Scope 1 emissions decline progressively as mining activity reduces. The decline becomes more pronounced after FY50 as open cut mining winds down and underground production reduces. By FY53, annual emissions decrease to approximately 20,000 tCO2-e per annum and remain relatively low for the remainder of the Project life, reflecting residual processing, lower mining rates and site closure-related activities.

Figure 2: Estimated total Scope 1 emissions over life of mine



7.5 Safeguard Mechanism

Based on the current emissions estimates, the Project is expected to exceed the Safeguard Mechanism threshold of 100,000 tCO_2-e of Scope 1 emissions per annum between FY33 and FY50. Facilities that exceed this threshold are required to be covered by the Safeguard Mechanism and to have an emissions baseline determined for the facility.

The baseline represents the maximum level of Scope 1 emissions that the facility can emit in a given year while remaining compliant with the Safeguard Mechanism. Once established, the facility must ensure that annual emissions remain below the applicable baseline. Where emissions exceed the baseline, the facility operator is required to manage the resulting carbon liability, either through emissions reduction measures or by surrendering eligible carbon units, such as Safeguard Mechanism Credits (SMCs) or Australian Carbon Credit Units (ACCUs).

The highest potential Safeguard Mechanism exposure is expected to occur during the peak operating period between FY37 and FY43, when open cut and underground mining activities are expected to occur concurrently and Scope 1 emissions are forecast to be at their highest. This period is therefore likely to represent the greatest potential carbon cost exposure for the Project and may warrant targeted consideration of emissions reduction initiatives and decarbonisation opportunities.

The emissions estimates used in this assessment are based on Pre-Feasibility Study (PFS) level inputs and assumptions, including projected mining rates, production volumes and energy consumption. Accordingly, the timing and magnitude of potential Safeguard Mechanism obligations should be regarded as indicative at this stage. The facility's final baseline and compliance obligations may change as the Project progresses through detailed design and into operations, at which point emissions will be measured and reported annually.

8.0 Scope 2 Emissions

8.1 Scope 2 Emission Sources

Under the GHG Protocol, Scope 2 emissions represent indirect GHG emissions associated with the generation of purchased electricity.

For the Project, Scope 2 emissions arise from two electricity supply arrangements over the LOM:

Third-party on-site power generation (Years 1-10)

During the initial operational phase, electricity will be supplied by a 80 MW natural gas-fired power station located on site. The facility will be owned and operated by a third-party provider, who retains operational control of the power station. As a result, emissions associated with the combustion of natural gas for electricity generation are reported as Scope 1 emissions by the power station operator.

Azure will purchase electricity generated by this facility, and therefore the associated emissions are treated as Scope 2 emissions for the Project.

There is no grid electricity consumption during construction or during the first ten operational years while the Project is supplied by the on-site gas power station.

Grid electricity supply (post year 10)

Following the initial operational phase, the Project is expected to connect to the North West Interconnected System (NWIS) in Western Australia. From this point, electricity imported from the grid will generate Scope 2 emissions.

8.2 GHG Emissions Estimation Methodology

Scope 2 emissions from grid electricity have been calculated using the location-based method, applying the NWIS grid-average emission factor of 0.56 kg CO_2-e/kWh, sourced from the NGA Factors.

GHG Emissions = Electricity consumption x emission factor

For electricity supplied by the third-party power station during the first ten operational years, emissions are accounted for as Scope 2 as the electricity is purchased from an external generator. As the electricity is sourced from a non-grid facility, a supplier-specific emission factor for the power station would normally be applied. However, as this information is not available at this stage of the assessment, the NWIS grid-average emission factor has been used as a proxy.

The key inputs provided by Azure used to estimate Scope 2 emissions are outlined in **Appendix B**.

8.3 Scope 2 Emissions Results

The total Scope 2 emissions over the LOM are estimated to be approximately **7,103,600 tCO_2-e**, comprising:

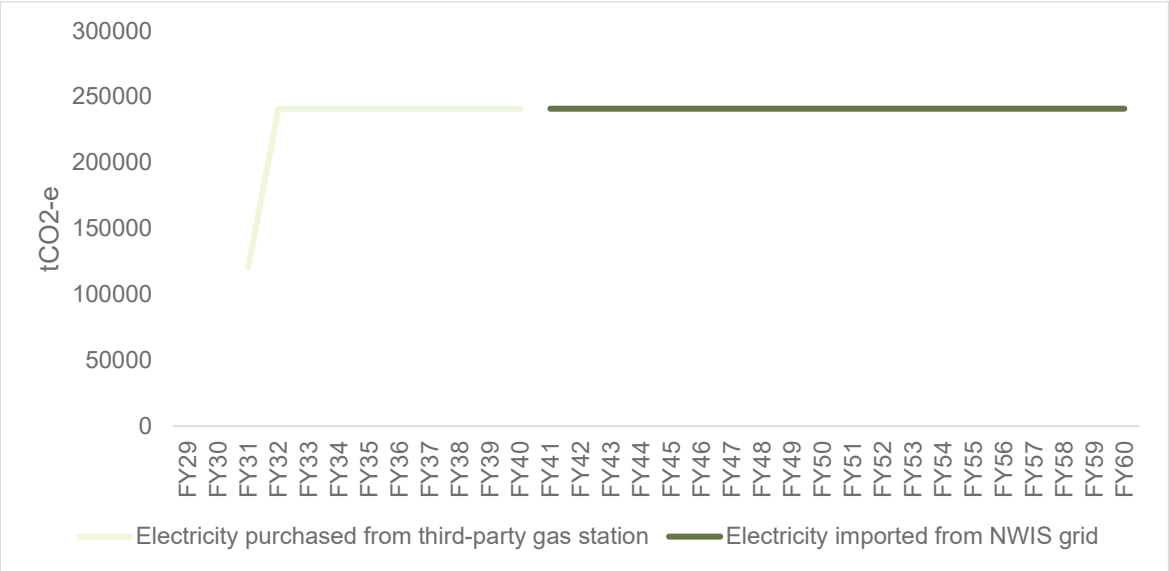
- **2,287,600 tCO_2-e** from electricity supplied by the third-party on-site power plant prior to grid connection; and
- **4,816,000 tCO_2-e** from electricity imported from the NWIS grid following grid connection.

Scope 2 emissions estimates should be refined as electricity demand forecasts, power supply arrangements and grid connection timing are confirmed during later stages of project development.

Table 3: Total Scope 2 emissions over the life of mine

Electricity Source	Operational Phase	Total Scope 2 Emissions (tCO_2-e)
Electricity purchased from third-party on-site gas power station	Prior to grid connection (Years 1-10)	2,287,600
Electricity imported from NWIS grid	Post grid connection	4,816,000
Total Scope 2 Emissions		**7,103,600**

Figure 3: Total Scope 2 emissions over life of mine



9.0 Scope 3 Emissions

9.1 Scope 3 Emission Sources

Scope 3 emissions represent indirect GHG emissions that occur outside the operational control of the Project but within its value chain. These emissions provide an indication of the broader life-cycle emissions associated with Project activities.

Under the *GHG Protocol Corporate Value Chain (Scope 3) Standard (2011)*, Scope 3 emissions are grouped into upstream and downstream categories. Upstream emissions relate to purchased goods and services used by the Project, while downstream emissions relate to activities associated with the transport, processing and use of sold products.

Table 4: Scope 3 included and excluded sources for the Project

GHG Protocol Category	Category Name	Included / Excluded	Rationale
1	Purchased Goods and Services	Included	Material operational consumables (FY29-FY60).
2	Capital Goods	Excluded	All materials purchased have been included in Purchased Goods and Services.
3	Fuel- and Energy-Related Activities (not in Scope 1 or 2)	Included	Upstream well-to-tank diesel emissions and T&D losses associated with purchased electricity (FY29-FY60).
4	Upstream Transportation and Distribution	Excluded	Upstream freight of reagents and consumables has not been separately quantified due to limited available data at the current stage of the project development and is expected to represent a relatively minor contribution compared to downstream product transport.
5	Waste Generated in Operations	Excluded	Operational waste volumes have not yet been calculated for the project and are not expected to materially contribute to total emissions.
6	Business Travel	Excluded	Not material for a single facility. Business travel occurs at a corporate level, but it is unknown at this point the degree to which this will be affected by this project.
7	Employee Commuting	Included	Fly-in/fly-out (FIFO) air travel included due to materiality (FY29-FY60).
8	Upstream Leased Assets	Included	Includes electricity consumption from leased offices and the FIFO camp (FY29-FY60).
9	Downstream Transportation and Distribution	Included	Road transport and long-distance maritime freight is material. Road haulage (200 km site–Port Hedland); shipping (300 km + export distance assumption) (FY30-FY60).
10	Processing of Sold Products	Included	Processing of spodumene concentrate into lithium chemicals (e.g., lithium hydroxide) at third-party refineries during FY30–FY60. It is assumed that these refineries process

GHG Protocol Category	Category Name	Included / Excluded	Rationale
			concentrate from multiple mines. Accordingly, 30% of total refinery emissions have been attributed to Azure's Scope 3 emissions, representing Azure's estimated share of refinery throughput.
11	Use of Sold Products	Excluded	End-use emissions (e.g. battery operation) outside operational influence of the Project.
12	End-of-Life Treatment of Sold Products	Excluded	Battery disposal/recycling occurs downstream of refining and outside Project control.
13	Downstream Leased Assets	Not Applicable	No downstream leased assets identified.
14	Franchises	Not Applicable	Not relevant to mining operations.
15	Investments	Not Applicable	No relevant investment-related emissions associated with the Project.

9.2 GHG Emissions Estimation Methodology

Preliminary Scope 3 emission estimates have been calculated for the life of the Project based on activity data provided by Azure (**Appendix C**). Given the current stage of Project development, these estimates are subject to uncertainty and will be refined as additional operational and supply chain data becomes available.

Scope 3 emissions were estimated in accordance with the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)* and supporting *Technical Guidance for Calculating Scope 3 Emissions (2013).*

Scope 3 emissions were calculated using the standard activity-based approach:

GHG Emissions = Activity Data x Emission Factor

Where activity data represents the quantity of fuel, materials, goods or services associated with Project activities, and emission factors represent the emissions intensity of those activities.

Emission factors were sourced from recognised datasets, including:

- NGA Factors
- NGER Determination
- DEFRA 2025

9.3 Scope 3 Emissions Results

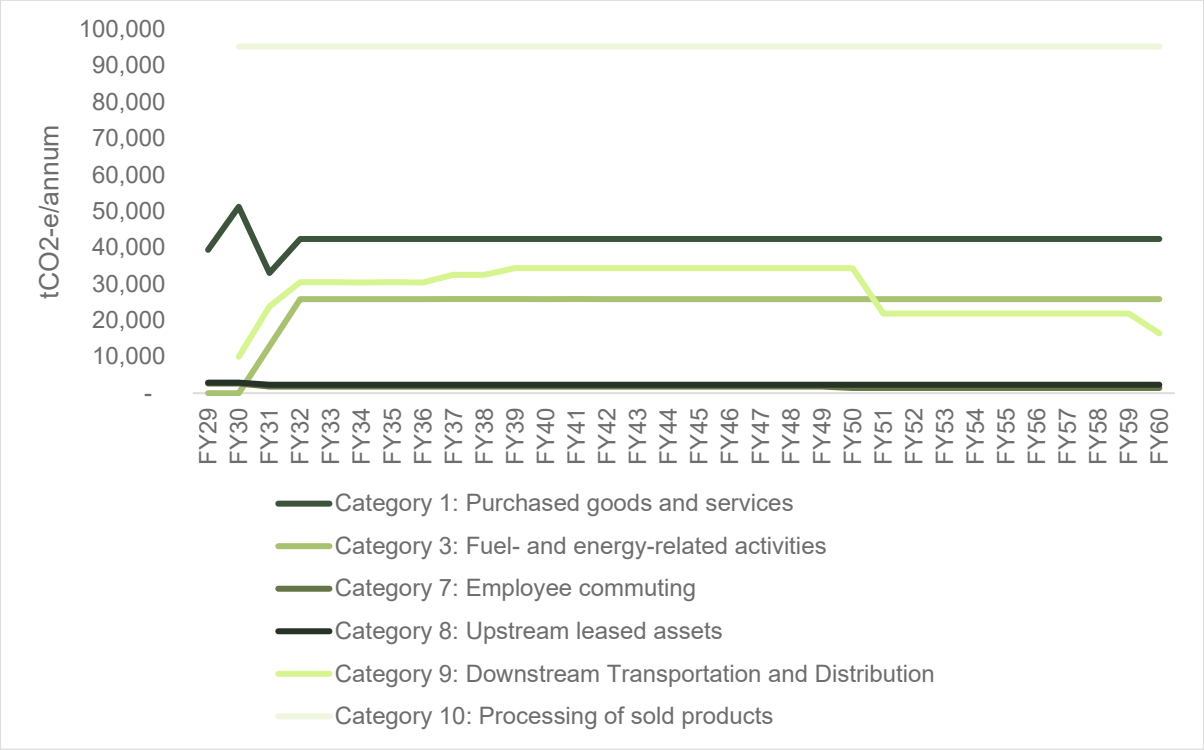
The estimated total Scope 3 emissions over the LOM are approximately **6,072,842 tCO_2-e.** The largest contributor to Scope 3 emissions is the downstream processing of spodumene concentrate into lithium chemicals. Other significant contributors include purchased goods and services used during operations and the transport of concentrate to export market.

Table 5 summarises the estimated Scope 3 emissions by category over the LOM.

Table 5: Total Scope 3 emissions over the life of mine

Scope 3 Category	Scope 3 Emissions (tCO_2-e)
Purchased Goods and Services	1,351,108
Fuel- and Energy-Related Activities (not included in Scope 1 or 2)	762,022
Employee Commuting	55,344
Upstream Leased Assets	75,341
Downstream Transportation and Distribution	876,752
Processing of Sold Products	2,952,276
Total Scope 3 Emissions (LOM)	**6,072,842**

Figure 4: Total Scope 3 emissions over life of mine



9.4 Expected Changes Driven by the Project

Relative to baseline:

- Scope 3 emissions will increase in proportion to:
  - Concentrate production volumes
  - Downstream refining throughput
  - Export volumes
- Downstream processing is expected to represent the largest component of total Project value chain emissions.
- Grid decarbonisation and refinery electrification could materially reduce LOM Scope 3 intensity.
- Electrification of mining fleet would reduce both Scope 1 and upstream Scope 3 fuel emissions.

9.5 Data Quality and Uncertainty

Scope 3 estimates are subject to greater uncertainty than Scope 1 and 2 due to:

- Reliance on secondary emission factors
- Assumptions regarding refinery intensity
- Assumed export destinations
- Lack of supplier-specific data

Uncertainty is estimated at ± 20 - 40% depending on category.

10.0 Limitations of GHG Estimates

GHG emissions estimates presented at this stage are based on Pre-Feasibility Study (PFS) information and are therefore indicative only. Key limitations include:

- **Non-finalised design:** Mine layout, processing configuration, fleet selection and power supply options are not yet finalised, and changes to these elements may materially affect emissions outcomes.
- **Indicative activity data:** Fuel and electricity consumption are derived from high-level production schedules and averaged operating assumptions, rather than detailed equipment-level duty cycles, which introduces uncertainty in Scope 1 and Scope 2 emissions estimates.
- **Power supply uncertainty:** Assumptions regarding grid access, on-site generation efficiency and the contribution of renewable energy sources are preliminary and subject to confirmation during later project stages.
- **Limited temporal resolution:** Emissions are estimated on an annualised basis and do not fully reflect ramp-up inefficiencies, peak operating years or closure activities.
- **Scope boundary assumptions:** The allocation of emissions between Scope 1 and Scope 2, including contractor activities and third-party power generation, is based on preliminary assumptions that may change as commercial arrangements are finalised.
- **Generic emission factors:** Emission factors are drawn from nationally recognised default sources and may not reflect site-specific fuel properties, equipment performance or future changes in grid emissions intensity.

These assumptions are considered reasonable for a pre-feasibility stage assessment and are consistent with the level of information typically available at this stage of project development.

As project definition progresses, GHG estimates will be refined using detailed design, confirmed power strategies and updated activity data to support subsequent environmental assessment and approvals.

11.0 Conclusion

This assessment presents a preliminary GHG inventory for the proposed Andover Lithium Project based on available PFS information and activity data provided by Azure. The assessment quantifies the Project's expected Scope 1 and Scope 2 emissions, together with a high-level estimate of relevant Scope 3 emissions, consistent with the GHG Protocol and NGER framework.

Over the expected project period (FY29–FY60), the Project is estimated to generate approximately:

- **3,868,086 tCO_2-e of Scope 1 emissions**, primarily from diesel combustion associated with mining fleet operations and stationary equipment, together with emissions associated with land clearing during early development phases.
- **7,103,600 tCO_2-e of Scope 2 emissions**, arising from electricity consumption supplied initially by a third-party operated on-site gas-fired power station and subsequently from the NWIS following grid connection.
- **6,072,842 tCO_2-e of Scope 3 emissions**, largely driven by downstream processing of spodumene concentrate into lithium chemicals at third-party refineries, together with transport of product to export markets and upstream supply chain activities.

Consistent with the operational control boundary adopted for this assessment, emissions associated with the combustion of natural gas at the on-site power station are not attributed to Azure as Scope 1 emissions. Instead, electricity purchased from the third-party operator is reported as Scope 2 emissions.

The assessment indicates that Scope 1 emissions from diesel combustion represent the primary direct emissions source for the Project. Scope 2 emissions are associated with purchased electricity consumption, while the majority of Scope 3 emissions arise from downstream refining of spodumene concentrate, reflecting the energy-intensive nature of lithium chemical production.

Based on the projected scale of operations, the Project is projected to exceed the Safeguard Mechanism threshold of 100,000 tCO_2-e per annum between FY33 and FY50, meaning the facility may be required to operate within an emissions baseline determined by the CER under the NGER scheme. The results presented in this assessment therefore provide an important early indication of the Project's potential emissions profile and will inform future Safeguard Mechanism baseline setting and compliance planning.

Given the early stage of project development, the emissions estimates presented in this report are indicative and subject to refinement as project design, operational parameters, power supply arrangements and production schedules are finalised. Future studies will refine the emissions inventory using updated activity data and will further evaluate opportunities to reduce emissions through operational efficiencies, electrification of equipment, renewable energy integration and other decarbonisation initiatives.

The findings of this assessment provide a baseline understanding of the Andover Project's potential GHG emissions profile, supporting environmental approvals, regulatory engagement and ongoing project development.

Appendix A Scope 1 Activity Data

Scope 1 Data Supplied by Azure		FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40
		Construction	Construction	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation
Activity	**Units**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**	**FY35**	**FY36**	**FY37**	**FY38**	**FY39**	**FY40**
Diesel - stationary	kL/annum		16,652	14,958	20,011	71,403	78,787	60,474	66,539	87,878	87,878	87,878	86,450
Diesel - transport	kL/annum		137	123	164	586	646	496	546	816	816	816	804
Diesel - stationary use - generator power generation - Prior to grid conn	kL/annum	864.0	864.0										
Diesel - explosives	kL/annum		456.0	421.8	583.6	2005.4	2192.9	1698.2	1860.8	2465.8	2461.6	2471.9	2429.6
Vegetation	Ha/annum	750	750.0	500.0	250.0								
Diesel - transport & stationary total	kL/annum	864	17,653	15,080	20,175	71,988	79,433	60,969	67,085	88,693	88,693	88,693	87,254

FY41	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51	FY52	FY53	FY54	FY55
Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation
FY41	**FY42**	**FY43**	**FY44**	**FY45**	**FY46**	**FY47**	**FY48**	**FY49**	**FY50**	**FY51**	**FY52**	**FY53**	**FY54**	**FY55**
87,878	84,328	84,072	68,402	52,096	46,138	41,745	34,923	41,534	39,291	31,115	20,115	6,541	6,541	6,541
816	787	784	656	522	582	520	497	480	480	481	412	439	439	439
2465.3	2367.4	2368.5	1947.2	1499.7	1312.5	1087.9	1033.2	804.1	757.6	528.1	219.1	100.0	100.0	100.0
88,693	85,114	84,856	69,058	52,618	46,720	42,265	35,420	42,014	39,771	31,596	20,527	6,981	6,981	6,981

FY56	FY57	FY58	FY59	FY60	Life of Mine
Operation	Operation	Operation	Operation	Operation	
FY56	**FY57**	**FY58**	**FY59**	**FY60**	
6,541	6,541	6,541	6,541	5,538	**1,361,871**
439	439	439	439	439	**16,476**
					1,728
100.0	100.0	100.0	100.0	100.0	**36,238**
6,981	6,981	6,981	6,981	5,977	

Appendix B Scope 2 Activity Data

Scope 2 Data Supplied by Azure		FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40
		Construction	Construction	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation
Activity	**Units**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**	**FY35**	**FY36**	**FY37**	**FY38**	**FY39**	**FY40**
Electricity purchased from natural gas plant	kWh/annum			215,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000
Electricity consumed at mine site - NWIS grid	kWh/annum												
Electricity consumption total	kWh/annum	0	0	215,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000

FY41	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51	FY52	FY53	FY54
Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation	Operation
FY41	**FY42**	**FY43**	**FY44**	**FY45**	**FY46**	**FY47**	**FY48**	**FY49**	**FY50**	**FY51**	**FY52**	**FY53**	**FY54**
	-	-	-	-	-	-	-	-	-	-	-		
430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000
430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000

FY55	FY56	FY57	FY58	FY59	FY60	Life of Mine
Operation	Operation	Operation	Operation	Operation	Operation	
FY55	**FY56**	**FY57**	**FY58**	**FY59**	**FY60**	
						4,085,000,000
430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	**7,740,000,000**
430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	430,000,000	

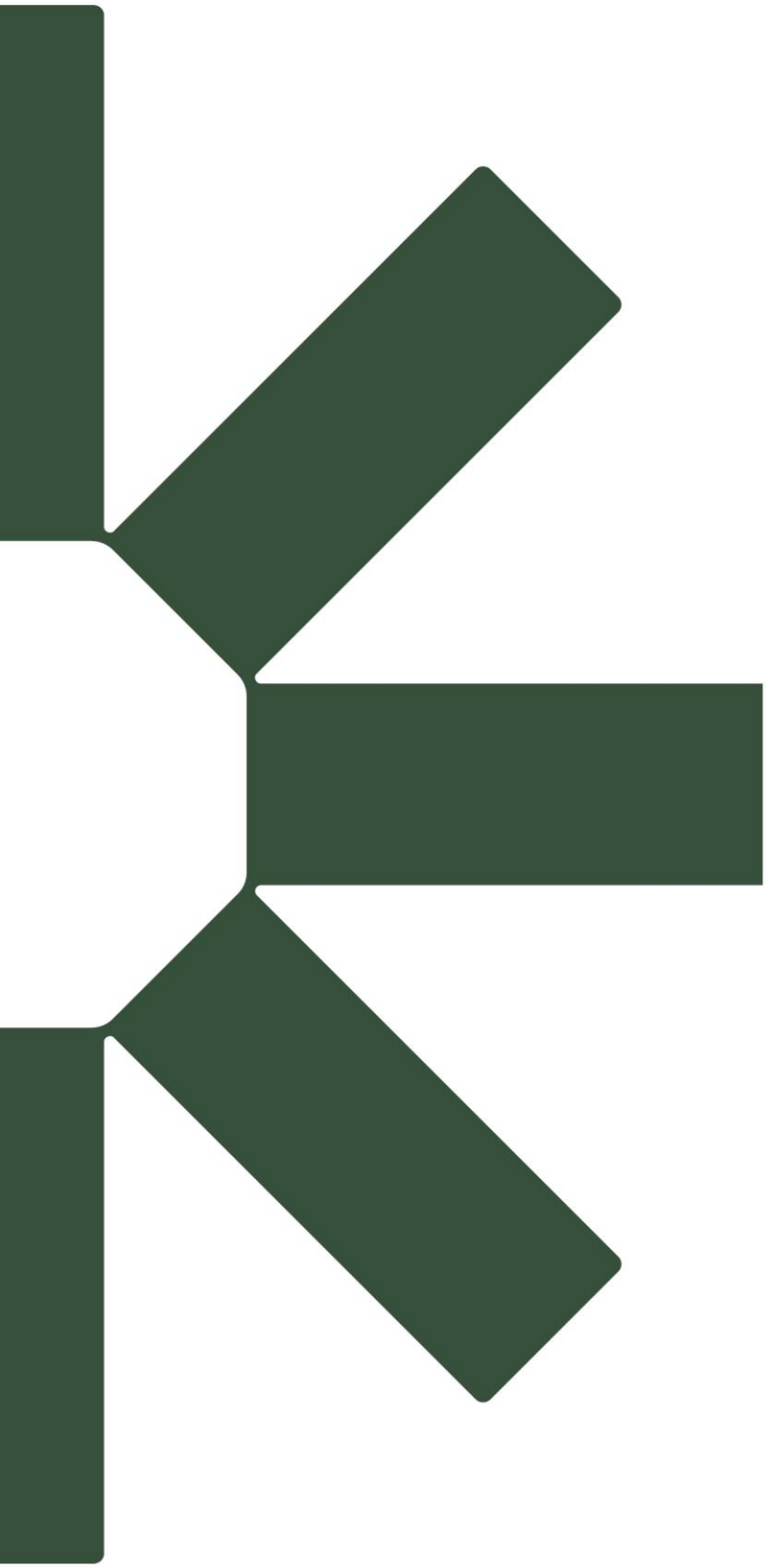
Appendix C: Scope 3 Activity Data

Scope 3 Activity Data

Activity	Units	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
Category 1: Purchased goods and services											
Steel	tonnes/annum	10,000	10,000								
Concrete	tonnes/annum	8,208	8,208								
Aggregate	tonnes/annum	18,750	18,750								
Collector (Oleic Acid)	tonnes/annum	-	-	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Soda Ash	tonnes/annum	-	-	600	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Flocculant	tonnes/annum	-	-	100	200	200	200	200	200	200	200
Coagulant	tonnes/annum	-	-	25	50	50	50	50	50	50	50
Grinding media	tonnes/annum	-	3,100	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Category 3: Fuel- and energy-related activities											
Diesel	kL/annum										
Electricity	kWh/annum										
Category 7: Employee commuting											
Air (Perth - Karratha Airport) 775km	flights/annum	25,000	25,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Road (Karratha Airport - Site) 55km	trips/annum	25,000	25,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Category 8: Upstream leased assets											
Grid electricity - offices	kWh/annum	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Grid electricity - camp	kWh/annum	32,000,000	32,000,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000
Category 9: Downstream Transportation and Distribution											
Ore Moved	tonnes/annum		265,384	633,506	809,308	809,308	808,823	809,469	807,935	864,231	864,231
Road (Site - Port Hedland) 200km	tkm/annum	-	796,151,890	1,900,516,731	2,427,923,077	2,427,923,077	2,426,469,231	2,428,407,692	2,423,803,846	2,592,692,308	2,592,692,308
Sea (Port Hedland - Destination) 3000km	tkm/annum	-	796,151,890	1,900,516,731	2,427,923,077	2,427,923,077	2,426,469,231	2,428,407,692	2,423,803,846	2,592,692,308	2,592,692,308
Category 10: Processing of sold products											
Spodumene	t/annum	-	265,384	633,506	809,308	809,308	808,823	809,469	807,935	864,231	864,231

FY39	FY40	FY41	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51
4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
200	200	200	200	200	200	200	200	200	200	200	200	200
50	50	50	50	50	50	50	50	50	50	50	50	50
6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	13,500	13,500
17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	13,500	13,500
160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000
912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	581,538
2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	1,744,615,385
2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	2,738,076,923	1,744,615,385
912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	912,692	581,538

FY52	FY53	FY54	FY55	FY56	FY57	FY58	FY59	FY60	Life of Mine
									20,000
									16,417
									37,500
4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	**118,000**
1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	**35,400**
200	200	200	200	200	200	200	200	200	**5,900**
50	50	50	50	50	50	50	50	50	**1,475**
6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	**189,100**
13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	**521,500**
13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	**521,500**
160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	**5,120,000**
25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	25,600,000	**832,000,000**
581,538	581,538	581,538	581,538	581,538	581,538	581,538	581,538	437,232	**23,295,579**
1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,311,696,308	**69,886,738,006**
1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,744,615,385	1,311,696,308	**69,886,738,006**
581,538	581,538	581,538	581,538	581,538	581,538	581,538	581,538	437,232	**23,295,579**



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