

Environmental and Social Impact Assessment Scoping Report: *Non-Technical Summary*

Albemarle is seeking to resume open pit mining and expand the mine footprint of the Kings Mountain Mine in Cleveland County, North Carolina, one of the few known hard rock lithium deposits in the United States. The former Kings Mountain Mine operated until the early 1990s when it was then idled. The proposed operation would produce a lithium-bearing spodumene concentrate. As part of the company’s commitment to responsible mining, Albemarle is voluntarily conducting an **Environmental and Social Impact Assessment (ESIA)** following the Standard for Responsible Mining set by the **Initiative for Responsible Mining Assurance (IRMA Standard; <https://responsiblemining.net/>)**. The requirements outlined by IRMA are considered the most comprehensive and rigorous standard for assurance of responsible mining practices.

Before restarting mining operations, Albemarle intends to complete the ESIA and obtain all local, state and federal permits needed to construct, operate and close the proposed mine.

PROJECT OVERVIEW

Albemarle’s mine plan is being developed through research and analysis of the site by project engineers and scientists.

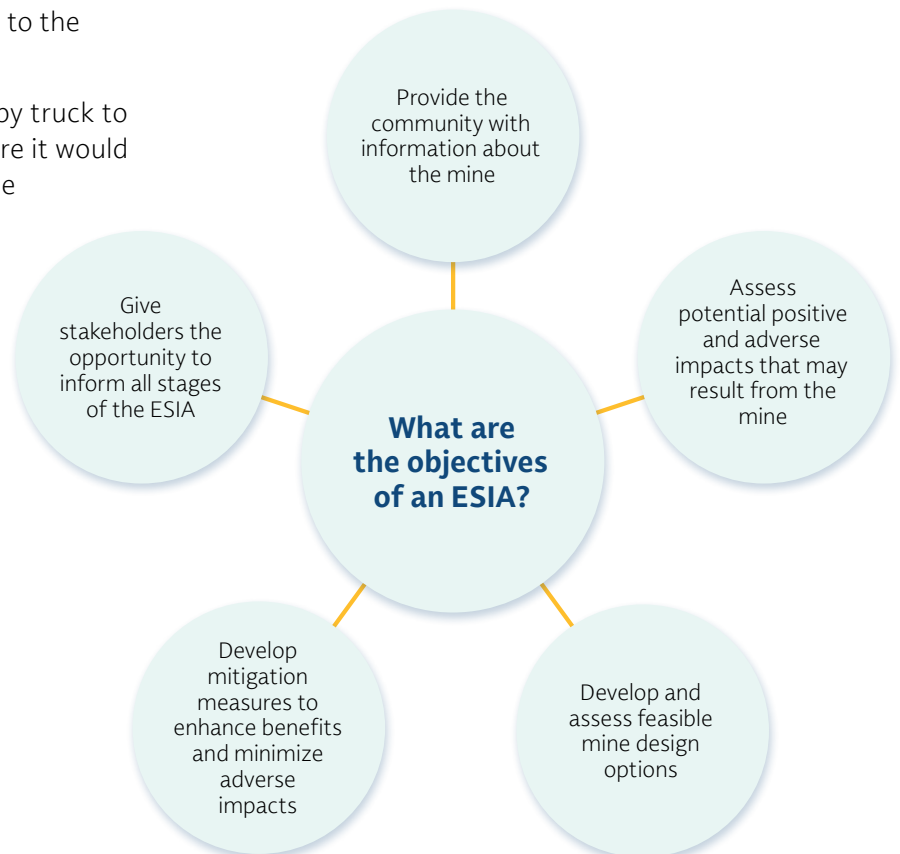
Once operational, we intend for the existing rock and soil in the mine pit to be drilled, blasted and loaded into trucks and hauled to various destinations at the mine site. Any rock that does not contain lithium-bearing spodumene ore would be separated and stored at on-site rock storage facilities or repurposed for other uses. A portion of the rock that can be used for construction aggregate production would be transported to the adjacent Martin Marietta quarry.

Albemarle intends to haul spodumene ore by truck to the on-site mineral processing facility, where it would be processed into a lithium-rich spodumene concentrate. Spodumene concentrate would then be transported by rail to an off-site conversion facility. Tailings from the mineral processing facility would be transported to an off-site tailings storage facility, approximately 3 miles southwest of the mine.

Primary elements of the proposed project include:

- Redevelopment of the open pit mine
- Mineral processing facility and supporting infrastructure
- Mine services infrastructure

- Two rock storage facilities
- Three material stockpiles to store soil and weathered rock
- Tailings storage facility
- Martin Marietta’s Kings Mountain quarry accepting and processing non-ore-bearing rock



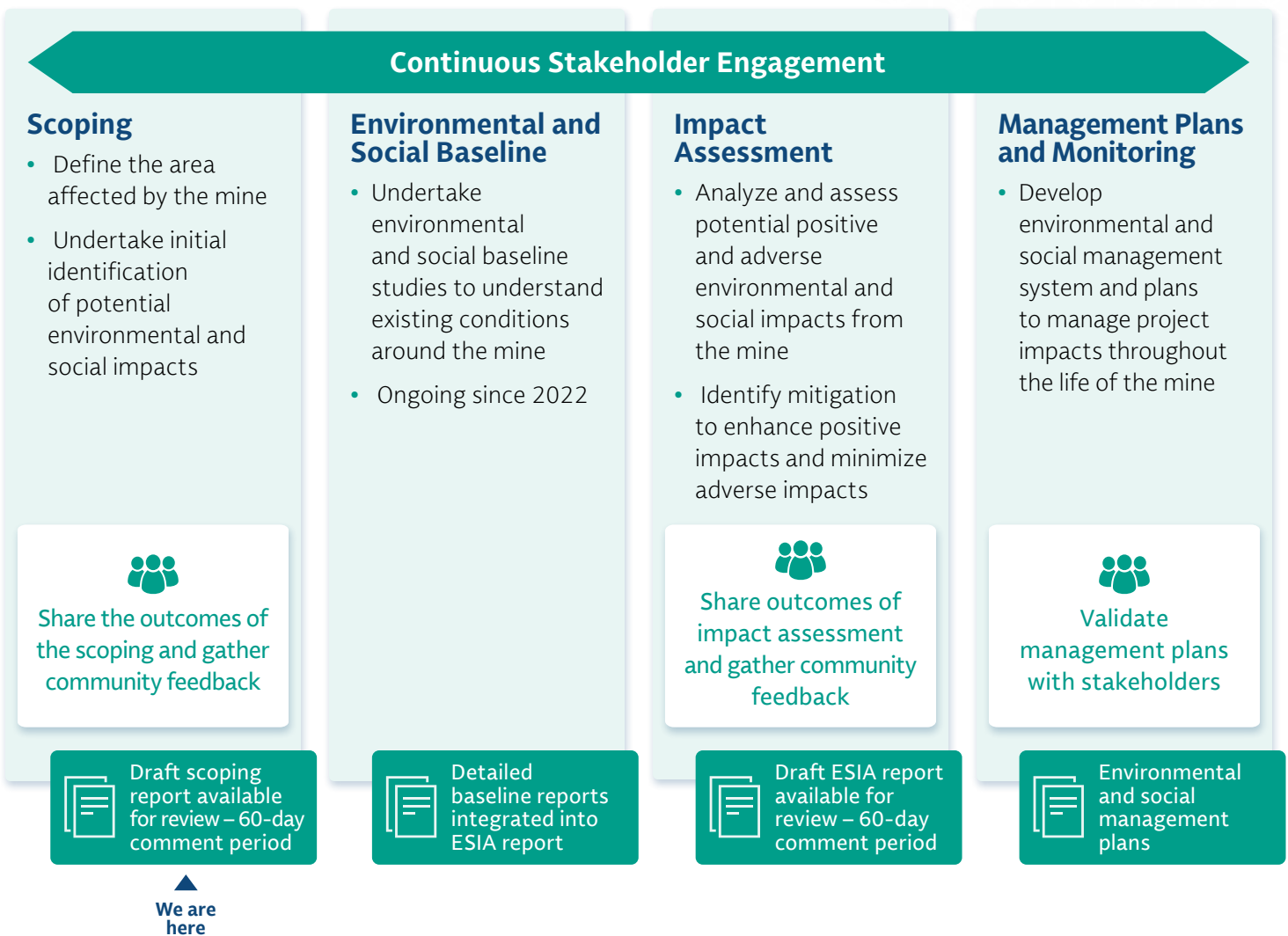
ESIA PROCESS

The objective of the ESIA is to identify and evaluate the potential environmental and social impacts of a proposed project and develop the corresponding plans to avoid, minimize, mitigate, and when necessary, compensate for the impact.

The ESIA process typically begins early in the planning and design phases of the project when there is an opportunity to develop measures that avoid or minimize impacts. Managing residual impacts identified during the ESIA process is essential to responsible mining.

An ESIA process typically occurs in four phases, some of which may overlap: (1) scoping, (2) environmental and social baseline, (3) impact assessment and (4) management plans and monitoring. Reports prepared during the ESIA process will be shared with surrounding community members and stakeholders¹. Stakeholders will have opportunity to provide feedback and comment of draft reports throughout all phases of the ESIA, as illustrated in the figure below.

ESIA PHASES



[1] Stakeholders are persons or groups who are directly or indirectly affected by a project, such as rights holders, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively (IRMA Standard v.1.0 June 2018). For this project, stakeholders are understood to include all community members in Kings Mountain.

SCOPING

Albemarle has been working on the scoping and environmental and social baseline since 2022. During these activities, Albemarle has identified potential project activities that could impact surrounding resources (e.g., visual landscape) and receptors (e.g., a waterbody that receives stormwater discharges from the project site). Key objectives of scoping include (1) identification of stakeholders and rights holders who may be interested in or affected by the project; (2) identification of environmental, social, direct, indirect and cumulative impacts to be further assessed in the next phase of the ESIA process; (3) identification of alternative project designs to avoid adverse impacts; and (4) identification of additional data, if needed, to understand and assess the potential impacts.

The outcome of the scoping phase guides the rest of the ESIA process, during which Albemarle will develop feasible avoidance, minimization, mitigation and management measures for the potential impacts.

A draft scoping report is complete and is available for public review (see below). The scoping report identifies risks and impacts for further analysis during the impact assessment phase to the following resources and receptors:

- Changes to air quality, noise and vibration baselines at receptors adjacent to the project and along transport corridors (e.g., community residents and land users)
- Changes to physical, chemical or biological baselines of surface water bodies
- Effects to groundwater resources (e.g., water quality of aquifers, groundwater flow direction and water table level)
- Benefits to the local and regional economy through Albemarle's employment and procurement activities
- Changes to the existing visual landscape
- Changes to local traffic patterns and community health and safety
- Relocation for homeowners and/or landowners whose property is purchased for the project

All comments and questions received throughout the ESIA process will be captured in a comments and responses report and will be documented in the ESIA report along with a response from Albemarle.

PARTICIPATE IN THE ESIA PROCESS

Stakeholder engagement is an inclusive two-way dialogue to share information about a project, understand the concerns of stakeholders and affected communities, and build relationships based on collaboration. This process allows stakeholders to understand the potential impacts and opportunities of the project to minimize adverse impacts and maximize positive potential outcomes. Meaningful stakeholder engagement that is proactive, inclusive, accountable and transparent increases the potential for the best outcomes for all parties. The stakeholder engagement objective is "to support mining company decision-making and enable communities and stakeholders to participate in mining-related decisions that affect their health, well-being, safety, livelihoods, futures and the environment" (IRMA Standard 1.0, 2018).

Albemarle's Community Affairs team began engagement with stakeholders in early 2022 to inform the surrounding community and other stakeholders about the project and build relationships. Key topics raised by stakeholders during the engagements to date will be considered as part of the ESIA.

Throughout the ESIA process, Albemarle will continue sharing information and seeking knowledge, input and feedback from stakeholders through accessible engagement channels.

SCOPING PHASE ENGAGEMENT

A draft scoping report is available for public review and comment from June 12 to August 12, 2024. Stakeholders can access the report electronically from our website or consult hard copies available at the following public locations:

- **Kings Mountain Project Center**
129 W. Mountain Street, Kings Mountain, NC
- **H. Lawrence Patrick Senior Life Center**
909 E. King Street, Kings Mountain, NC
- **Mauney Memorial Library**
100 S. Piedmont Ave, Kings Mountain, NC
- **Kings Mountain YMCA**
211 Cleveland Ave, Kings Mountain, NC
- **Dover YMCA** 411 Cherryville Rd., Shelby, NC
- **Kings Mountain Farmers' Market (Saturdays)**
125 S. Battleground Ave., Kings Mountain, NC

Stakeholders are encouraged to provide feedback on the project and scoping report by submitting comments through the channels listed below and by participating in upcoming community meetings.

Following a 60-day comment period, stakeholder input will be compiled and used to guide the ESIA process and report preparation. Comments submitted during the scoping phase will receive a response, and a comments and response report will be shared with stakeholders.

ESIA REPORT PREPARATION & ENGAGEMENT

The scoping report will help the ESIA team focus on assessing key potential project impacts during the ESIA process. The ESIA report will present the outcome of the assessment along with the proposed measures to manage potential impacts.

The results of the ESIA process and the ESIA report will be shared with stakeholders who will have the opportunity to participate in meetings to provide input and learn more about the ESIA process, the findings and the proposed management measures.

It is anticipated that a draft ESIA report will be completed in the first half of 2025. The draft ESIA report will be available electronically and hard copies will be available in public locations.

Stakeholder comments will be used to update the ESIA and a final version of the ESIA report, together with comments and responses, and will be shared with stakeholders.

Comments or questions related to the scoping report and ESIA process can be provided through the following channels:

- ✉ kmcommunity@albemarle.com
- ☎ 704-734-2775
- 📍 129 West Mountain Street, Kings Mountain, NC 28086
- 🌐 albemarlekingsmountain.com
- 📅 albemarlekingsmountain.com/events-calendar