

Compliance Agreement
Division of Public and Behavioral Health,
Lithium Nevada LLC
Thacker Pass Project
23045 Kings River Road, Orvada, Nevada 89425

This Compliance Agreement (“Agreement”) is made and entered into on ____, by and between the Radiation Control Program (“RCP”) of the Division of Public and Behavioral Health of the Nevada Department of Health and Human Services of the State of Nevada (“Division”) and Lithium Nevada LLC (“Lithium Nevada”), Thacker Pass Project located at 23045 Kings River Road, Orvada, Nevada 89425.

RECITALS

The goal of this Agreement is to establish conditions exempting the Tertiary Volcanic Waste Rock and Waste Rock generated from the Hot Pot Zone from licensing controls and allowing its use for road base until the Nevada Administrative Code (“NAC”) for Radioactive Materials (“RAM”) is consistent with other states and within the recommendations of the Conference of Radiation Control Program Directors (“CRCPD”), within the recommended regulations concerning Naturally Occurring Radioactive Material (“NORM”) and recommended regulations concerning Technically Enhanced Naturally Occurring Radioactive Material (“TENORM”).

- A. Lithium Nevada is seeking an exemption from licensing and use of the waste rock identified in WR-TV-1 (waste rock – tertiary volcanics) and WR-HPZ-1 (waste rock – hot pot zone) designated in the pre-project analysis of the Thacker Pass Project and allowing the use of the material from the WR-TV-1 area as road base. The mean Radium -226 (Ra-226) concentration for the locations are 6.0 picocuries per gram (pCi/g) and 5.7 pCi/g, respectively.
- B. NAC 459.184(1) provides, in relevant part:
 - 1. Except as otherwise provided in subsection 3, any person is exempt from NAC 459.180 to 459.3154, inclusive, to the extent that he or she receives, possesses, uses, transfers, owns or acquires products or materials containing:
 - (a) Radioactive material in concentrations not in excess of those listed in NAC 459.186; or
 - (b) Naturally occurring radioactive material that contains less than 5 picocuries (0.185 becquerels) of radium-226 per gram of material.
- C. NAC 459.021 provides:
 - 1. “Background radiation” means:
 - (a) Radiation from cosmic sources.
 - (b) Naturally occurring radioactive materials, including radon, except as a product of decay from source or special nuclear materials; and
 - (c) Global fallout as it exists in the environment from the testing of nuclear explosive devices, or past nuclear accidents, that contributes to background radiation and is not under the control of the licensee.
 - 2. The term does not include sources of radiation from any radioactive material regulated by the Division pursuant to NAC 459.010 to 459.950, inclusive.

- D. The State of Colorado has provided the following insight into its regulations in this situation:
1. The State of Colorado has a 5 pCi/g above background standard for TENORM and above that there is a registration process for TENORM if less than 50 pCi/g above that in which a radioactive materials license would likely be required.
 - (a) In the State of Colorado, these materials are considered unprocessed because it found that there is no concentration of radionuclides occurring, and as a result the State of Colorado would not classify this as TENORM.
 2. Since this is unprocessed material, the State of Colorado would generally consider it exempt from radioactive materials licensing as well. The State of Colorado's regulations provide a specific exemption for source materials in unprocessed ore, and this is substantially similar as the State of Nevada regulates rocks and with rocks, the State of Nevada would only likely step in if it saw a significant threat to public health and safety.
 3. The State of Colorado, source material exemption 3.3 states, "Any person is exempt from this part to the extent that such person receives, possesses, uses, or transfers unrefined and unprocessed ore containing source material; provided that, except as authorized in a specific license, such person shall not refine or process such ore."
 3. RCP would also likely provide an exemption to an operation if that operation can demonstrate there is no likelihood of any member of the public to exceeding 100 mrem of exposure annually because of the activity.
- E. The CRCPD recommended relevant regulation states: "Persons who receive, possess, use, process, transfer, distribute or dispose of TENORM are exempt from the requirements of Part N with respect to any combination of Ra-226 and Radium -228 (Ra-228) if the materials contain, or are contaminated at, concentrations less than 185 Becquerel per kilogram (5 pCi/g) excluding natural background."
- F. The Nuclear Regulatory Commission does not regulate Ra-226 in the same manner as the State of Nevada.
- G. RCP's recommended change to NAC 459.184(1)(b) is in bold to state: "Naturally occurring radioactive material that contains less than 5 picocuries (0.185 becquerels) of radium-226 per gram of material *above the natural background as provided by National Laboratory evaluation or as determined by sampling of surrounding materials not of the same geologic body of materials but in adjacent locations.*"
- H. RCP's recommended change to NAC 459.021 is in bold to state:
1. "Background radiation/**activity**" means:
 - (a) Radiation from cosmic sources.
 - (b) **Radiation and/or activity** of naturally occurring radioactive materials, including radon, except as a product of decay from source or special nuclear materials; and
 - (c) Global fallout as it exists in the environment from the testing of nuclear explosive devices, or past nuclear accidents, that contributes to background radiation and is not under the control of the licensee.
 2. The term does not include sources of radiation from any radioactive material regulated by the Division **other than NORM** pursuant to NAC 459.010 to 459.950, inclusive.

NOW, THEREFORE, it is hereby agreed as follows:

1. Operational Agreement.
Lithium Nevada may conduct operations and use the tertiary volcanic rock in area (WR-TV-1) as a road base as requested as an exempt quantity as road base as the sampled concentration of Ra-226 is 6.0

pCi/g and the background concentration in the State of Nevada is approximately 1.5 pCi/g as provided by Oak Ridge National Laboratory. Waste rock from the hot pot zone (WR-HPZ-01) is exempt from specific licensing as sampled concentration of Ra-226 is 5.7 pCi/g with the same background concentration as stated above.

2. Terms of Compliance.

Nevada Lithium will excavate the waste rock in bulk.

Nevada Lithium will place the waste rock in the pit in bulk or use it as road base.

Nevada Lithium will cover the base rock (road base) with 15 centimeters of gravel minimum.

Nevada Lithium will comply with requirements specified in all other agreements/permits, including but not limited to, the Nevada Department of Environmental Management and the Federal Bureau of Land Management.

3. Term of Agreement.

This Agreement shall remain in effect from the date issued and until the required changes to the NACs are published on the public website.

Signature Page to Follow

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first above written.

LITHIUM NEVADA LLC

LITHIUM NEVADA, THACKER PASS PROJECT



Signed: _____
Edward Grandy, Secretary & General Counsel

Date: April 10, 2025

NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH
RADIATION CONTROL PROGRAM



Signed: _____
Ihsan Azzam, Ph.D., M.D, Chief Medical Officer

Date: April 28th, 2025

Approved by the Nevada Board of Health on:

Signed: _____
Cody Phinney, Executive Office of Board of Health

Date: _____, 2025