



Department of
**Jobs, Tourism, Science
and Innovation**

Lithium Industry Loan Facility Program

Program Guidelines

December 2024



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1. Introduction

Western Australia's lithium industry has grown rapidly in recent years to be the biggest hard rock industry of its type in the world, supplying approximately 50 per cent of the world's lithium. However, the industry has experienced a sudden and unexpected downturn in the price of lithium, which has prompted some mine and processing plant suspensions and impacted jobs.

On 27 November 2024, the Western Australian Government announced the Lithium Industry Support Program, which includes a \$50 million interest-free loan facility. The Lithium Industry Loan Facility (the Facility) aims to provide lithium miners with temporary interest-free loans of up to \$15 million to support their operations, subject to demonstrating their financial position and operational plan.

The Facility is an industry support initiative for the provision of financial assistance under section 10 of the *Industry and Technology Development Act 1998 (WA)*.

Applications are open to all spodumene concentrate producers operating in Western Australia. The Facility offers interest-free loans to help stabilise operations, safeguard jobs, and contribute to the growth of Western Australia's critical minerals industry.

Applications will open at **9am on Friday, 20 December 2024** and close at **5pm, Friday, 31 January 2025** or at the discretion of the State. Applications will be assessed on a first-come basis and loans awarded to eligible organisations.

1.1. Purpose

The Facility is designed to provide temporary interest-free loans to lithium miners, to support their operations by stabilising production, safeguarding jobs, and fostering the growth of Western Australia's critical minerals industry.

This Facility is only available to lithium miners as confirmed by the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS).

2. Eligibility

To be eligible for financial assistance, Applicants must meet all the following criteria:

1. The Applicant must be actively operating a lithium mine in Western Australia, producing at a commercial scale as of the application date.
2. The operation must be ongoing, with no plans to enter or be currently under care and maintenance.
3. The Applicant must nominate a single mine and clearly outline how the loan will be used to sustain operations. Only one mine application is permitted per Applicant.

4. A clear, actionable plan and strategy to demonstrate the mining operation's ongoing viability.
5. The Applicant must demonstrate that the project will support the retention of jobs at the relevant lithium mine, with evidence of current employment levels and positions at risk without financial support.
6. The lithium mine's operations must be compliant with all required licenses, permits, and environmental approvals in accordance with WA Government standards.
7. The project must contribute to Western Australia's battery and critical minerals strategy, including advancing critical minerals production, sustaining jobs in the lithium mining sector, or supporting downstream processing initiatives.

2.1. Non-Eligible Loan Uses

Under the Facility, the loan cannot be used for the following purposes:

- Paying dividends, bonuses, or other financial returns to shareholders.
- Refinancing existing debts, including loans or lines of credit from other financial institutions.
- Funding exploration or the development of new mining sites outside the nominated operational mine.
- Supporting activities unrelated to lithium production, such as investments in unrelated businesses, property acquisitions, or speculative ventures.
- Covering fines, penalties, or legal settlements arising from non-compliance with licenses, permits, or environmental regulations.
- Covering costs associated with care and maintenance or mine closure planning.

3. How to Apply

3.1. Application Process

The Facility will operate on a first-in application basis.

All applications are to be submitted via an online portal on the Department of Jobs, Tourism, Science and Innovation (JTSI) website [Western Australian Government](#) JTSI will allocate each complete application a position number in the application processing queue, and process applications as they are provided.

Applications will open at **9am on Friday, 20 December 2024** and close at **5pm on Friday, 31 January 2025** or at the discretion of the State.

Receipt of the application will be determined by the date and time shown that the complete application is electronically submitted. Lodgement of electronic files may take time and the Applicant must make their own assessment of the time required for full transmission of their application.

Applicants may be contacted by a DEMIRS representative if further information is required throughout the assessment process.

3.2. Evidence Required

The application must include, but is not limited to, the following information:

- Nomination of the lithium mine that the loan facility will apply to if the Applicant has more than one mine.
- Project information including status, i.e., operating, care and maintenance, etc.
- A detailed description of how the funds provided through the Facility will be used to support the mining operation(s).
- Company turnover and financial reports, such as balance sheet, cash flow statement, and profit and loss or income statement.
- Financial projections, including balance sheet.
- The Project's recent historical, current, and forecast production and/or sales quantity (in tonnes) and value of spodumene concentrate and co- or by-products
- the relevant Project's recent historical, current, and forecast all-in sustaining costs per tonne of spodumene produced less co- or by-product credits, including a breakdown of costs and credits.
- Forecast all-in sustaining costs per tonne of spodumene produced less co- or by-product credits, including a breakdown of costs and credits.
- Current mine life, resource/reserve estimates and estimated economical tonnes of spodumene.
- Number of staff by role (i.e. operations, administration, management) and residence (local, Western Australia, interstate, overseas).
- Marketing and sales arrangements including offtake agreements with related quantities and duration.
- Expansion and downstream processing plans, including capital expenditure.
- Previous State and Commonwealth Government assistance received by the Applicant.
- Any other information to demonstrate the financial position of the Applicant, viability of an asset, and/or any other relevant information This may include historical data.

It should be noted that:

- The assessment process will benefit most from the provision of longer-term and quarterly information.
- Information should be provided on a Western Australian business unit/asset basis (as applicable) and must be denominated in US dollars.
- Submission of information is voluntary and will be treated as commercial-in-confidence by the Government of Western Australia.
- The Minister of State Development, Jobs and Trade (Minister) retains discretion in the loan assessment process.
- Compliance with State and Commonwealth Government laws and regulations may be considered during the assessment.
- Applications must be completed to a standard that can be certified by an external auditor.

Applicants are responsible for notifying JTSI of any significant changes affecting the accuracy or relevance of the information provided in support of their application.

4. Loan Features

The Recipient must execute the Deed of Loan provided by JTSI and finalise agreement through good faith negotiations.

4.1. Financial Assistance

The total maximum allowable support will be **\$15 million** for each successful Applicant. Financial assistance will be:

- subject to execution of a Deed of Loan.
- paid on a single instalment.
- limited to one loan per Applicant and must be tied to one lithium mine.

4.2. Loan and Repayment Terms

Loan Terms

Recipients will be required to repay the loan through regular quarterly payments over the two years following the end of the interest-free period.

The interest free period will cease after the average spodumene concentrate price has exceeded **US\$1,100 per tonne** for two successive quarters, or by **30 June 2026**, whichever occurs first.

Recipients are required to repay only the principal, as the loan is interest-free. The principal may be repaid in full or in part at any time during the loan term without incurring fees or penalties.

Loan drawdowns will be transferred directly into an Australian bank account nominated by the Recipient at the execution of the Deed of Loan.

Once repaid, loan amounts cannot be redrawn under any circumstances.

Calculation of the Lithium Spodumene Concentrate Price

The price of *spodumene concentrate* will be monitored using key market indices via established processes.

End of Term Obligations

At the end of the loan term, the loan recipients must repay or refinance any remaining loan balance through commercial finance (or repayment by other means).

If recipients fail to repay or refinance any remaining loan balance, the loan will be subject to a commercial interest rate set by the Western Australia Government.

5. Further Information

5.1. Discretionary Approval

The provision of financial assistance is at the absolute discretion of the Minister or a Ministerial delegated officer and is subject to the availability of funds. Meeting the eligibility criteria does not guarantee approval for financial assistance.

5.2. Audit, Compliance and Risk Management

The recipients of the Facility are to note that the Western Australian Government may conduct a review of business operations that relate to the mine that is subject to the Deed of Loan and must agree to provide access to documentation and financial information, and prior to handover, access to the mine site, as requested as part of any assessment or review process.

The Recipient of this support must abide by all legal and statutory obligations that apply in the State of Western Australia. If, by making the application for a loan, you knowingly provide false or misleading information, create false documents, or impersonate a person

or business with the intent to deceive the loan provider to obtain a benefit, this may constitute a fraud offence under the *Criminal Code Act 1913* and be subject to criminal penalties.

The Western Australian Government must ensure the most prudent and effective use of its financial assistance schemes, including having access to the subject mines or relevant facilities, and is subject to audit and review of programs.

Loan recipients will be therefore required to:

- Agree to assist with program audits if requested.
- Provide, if requested, information to assist in the review of the project.
- Agree, if requested, to respond to an annual program evaluation survey

Application and approval process is to be overseen by an independent probity advisor.

5.3. Freedom of Information

Applicants are notified that all information supplied is subject to the *Freedom of Information Act 1992 (WA)* which provides a general right of access to records held by state and local government agencies.

Applicants should also be aware that the information pertaining to the receipt of Western Australian Government financial assistance may be tabled in the Western Australian Parliament. This information may include the name of recipients, the amount of the assistance, the name of the project/activity and, possibly, a brief description thereof. This could result in requests for more details to be released publicly.

5.4. Contact

If you have any questions regarding the Facility, please contact JTSI by telephone on (08) 6277 3000 or by email at GreenEnergyWA@jtsi.wa.gov.au.

The email will not be monitored between Monday, 23 December 2024 to Monday, 6 January 2025.

All direct communication with Applicants about their application will be conducted via the contact details specified by the Applicant in the application form. Applicants are reminded that all communication and enquires on the Facility, must be strictly in accordance with instructions provided to Applicants.

6. Terms and Conditions

1. By submitting its Application, the Applicant agrees to comply with these Terms and Conditions.

2. The Applicant may withdraw their Application at any time by email to GreenEnergyWA@jtsi.wa.gov.au.
3. Applicants must supply copies of certificates, permits, or compliance documents as requested during the application process.
4. In order for its Application to be assessed by the State, the Applicant must submit a complete Application electronically through the JTSI Website on or before the Application Closing Time.
5. Receipt of the Application will be determined by the date and time shown that the complete Application is electronically submitted.
6. If the application is incomplete, JTSI will advise the Applicant in writing and identify the missing information. Applicants will be able to resubmit their application with the complete information. Incomplete applications will not be considered or assessed by the State. Applicants should be aware that applications are assessed on a first come basis and resubmitting an incomplete application will restart your place in the assessment queue.
7. Lodgement of electronic files may take time and the Applicant must make their own assessment of the time required for full transmission of their Application.
8. No State Party will be responsible in any way for any loss, damage or corruption of the electronic copy of the Application.
9. The Applicant must inform JTSI of any changes in the status or circumstances of the Application between the time of its submission and its assessment, by email to GreenEnergyWA@jtsi.wa.gov.au or as otherwise specified in the Guidelines.
10. Applicants and recipients must keep all dealings with the State, including JTSI, confidential. However, disclosures may be made to advisors under obligations of confidence or if required by law.
11. Recipients are required to execute the Deed of Loan provided by the Western Australian Government and finalise agreement through good faith negotiations.
12. Recipients must agree to operational reviews and provide access to any necessary documentation and financial information as part of the application process.
13. The State will assess all Applications received before the Application Closing Time against the eligibility criteria identified in the Guidelines and make an assessment as to whether to request further information or supporting evidence of any matter.
14. During the assessment process, the State will review the Application and supporting documents provided by the Applicant to determine whether on the face of it they are complete, correct and accurate. No State Party accepts any responsibility for ensuring that the Application and supporting documents provided by the Applicant are complete, correct and accurate and no State Party is obliged to request further information.

15. Recipients acknowledge that the financial assistance provided may be publicly disclosed.
16. The State, including JTSI, reserves the right to consult third parties if necessary to assist in assessing an application.
17. The Applicant consents to the reproduction of the Application and any information or document submitted in respect of the Application for the purposes of administration of the Facility, and represents that it has obtained all copyright and intellectual property permissions as required to do so (if any)
18. The Applicant or their representative must not directly or indirectly approach or communicate with any officer or employee of the State having any connection or involvement with the Facility, with respect to an offer of employment or availability of employment with the Applicant or any related entity.
19. The Applicant must not directly or indirectly offer a bribe, gift or inducement to any officer or employee of the State in connection with the Facility.
20. The Applicant or their representative must not engage in lobbying activities aimed at influencing the outcome of their application for the Facility. Any such lobbying efforts may be deemed as attempting to unduly influence the decision-making process and could result in adverse consequences for the application, including potential rejection or disqualification from consideration.
21. These Terms and Conditions are governed by the laws of Western Australia.
22. Each Applicant must comply with all laws in respect of their Application and the Facility.
23. To the extent permitted by law, the Applicant:
 - a) will have no right of recovery against any State Party in respect of any matter or thing in relation to the Facility, including without limitation, any aspect of the assessment of the Application or the disclosure of its Application and information or documents; and
 - b) releases each State Party from all liability for any loss, injury, damage, liability, costs or expense arising in connection with any matter or thing in relation to the Facility. Any provision of, or the application of any provision of, these Terms and Conditions which is illegal, void or unenforceable, is ineffective to the extent of the illegality, avoidance or unenforceability.
24. If any part of these Terms and Conditions is or becomes illegal, void or unenforceable, that part is or will be severed from these Terms and Conditions so that all parts that are not, or do not become, illegal, void or unenforceable remain in full force and effect and are unaffected by that severance.

7. Definitions

Applicant means the party applying for the Facility pursuant to the relevant Application.

Application means an application for the Facility.

Application Closing Time means close at 5pm, Friday, 31 January 2025 (AWST) or at the discretion of the State.

DEMIRS means Department of Energy, Mines, Industry Regulation and Safety.

Department means the Department of Jobs, Tourism, Science and Innovation.

Eligibility Criteria means the criteria described at points 1 to 7 of the Facility Guidelines.

Facility means the Lithium Industry Loan Facility provided by the Government of Western Australia to eligible lithium miners producing spodumene concentrate in Western Australia.

Facility Guidelines means the document entitled “Program Guidelines – Lithium Industry Loan Facility – December 2024”, and associated Application Terms and Conditions.

First come basis means that the date and time of submission of a complete application will determine its place in the assessment queue.

JTSI means the Department of Jobs tourism Science and Innovation.

Minister means the Minister for State and Industry Development, Jobs and Trade.

Recipient means a successful Applicant who receives a loan under this Facility.

State means the Crown in right of the State of Western Australia acting through the Department, the SBDC or any other government agency including and includes any department, agency or instrumentality of the State of Western Australia and any Minister whether body corporate or otherwise.

State Party means the State and each of their respective officers and employees.

Terms and Conditions means these terms and conditions