
Resources Regulator

Department of Regional NSW



Compliance audit program

EL8867 Illabo Exploration Project

Newmont Exploration Holdings Pty Ltd

March 2024

Published by the Department of Regional NSW

Title: EL8867 Illabo Exploration Project Subtitle:
Newmont Exploration Holdings Pty Ltd First published:
March 2024
Department reference number: RDOC24/10706

Amendment schedule		
Date	Version	Amendment
March 2024	1.0	First published

© State of New South Wales through Regional NSW 2024. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, provided that you attribute Regional NSW as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a department website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (February 2024) and may not be accurate, current or complete. The State of New South Wales (including Regional NSW), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers should make their own inquiries and rely on their own advice when making decisions related to material contained in this publication.

Table of Contents

1. Introduction.....	5
1.1. Background.....	5
1.2. Audit objectives.....	5
1.3. Audit scope.....	5
1.4. Audit criteria	5
1.5. Publishing and disclosure of information.....	6
2. Audit methods.....	7
2.1. Opening meeting.....	7
2.2. Site interviews and inspections.....	7
2.2.1. Data collection and verification	7
2.2.2. Site inspections	7
2.3. Closing meeting.....	7
2.4. Compliance assessment definitions	8
2.5. Reporting.....	9
3. Audit findings	10
3.1. Work program	10
3.2. Access arrangements.....	10
3.3. Native title and exempted areas	10
3.4. Community consultation	11
3.4.1. Risk assessment	11
3.4.2. Community consultation strategy	12
3.4.3. Implementation and reporting.....	12
3.5. Exploration activity approvals.....	12
3.6. Environmental management	13
3.6.1. Risk assessment	14
3.7. Security deposit	15
3.8. Rehabilitation	15
3.8.1. Risk assessment	15
3.8.2. Rehabilitation objectives and completion criteria.....	16
3.8.3. Rehabilitation program	16
3.9. Annual activity reporting	17

3.10. Core and sample storage	18
3.11. Record keeping.....	18
4. Compliance management.....	20
4.1. Identifying compliance obligations.....	20
4.2. Contractor management	20
4.3. Inspections, monitoring and evaluation	20
5. Audit conclusions.....	22

1. Introduction

1.1. Background

Exploration licence 8867 (1992) (EL8867) was granted to Freeport-McMoRan Exploration Australia Pty Ltd on 26 June 2019. The company name was changed to Newmont Exploration Holdings Pty Ltd on 6 June 2021. The exploration area was about 38 kilometres south-west of Cootamundra in southern NSW.

As part of the compliance audit program, an audit of the exploration activities associated with the Illabo exploration project within EL8867 was undertaken on 7 September 2023 by the NSW Resources Regulator within the Department of Regional NSW.

1.2. Audit objectives

The objectives of the audit were to:

- undertake a compliance audit of the Newmont exploration activities against the requirements of the *Mining Act 1992* and the conditions of the exploration licences and activity approvals issued pursuant to that Act
- assess the operational performance of the exploration activities and the ability of the licence holder and/or its operator to implement management systems and controls to provide for sustainable management of the operations.

1.3. Audit scope

The scope of the audit included:

- the exploration activities associated with the Illabo exploration project including:
 - exploration activities within EL8867 including a selected sample of exploration drillholes
 - borehole sealing and rehabilitation activities for selected drilling activities undertaken since January 2020
- a review of documents and records pertaining to the exploration activities.

The assessment of compliance for the period commencing on 1 September 2021 and ending on 7 September 2023.

1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*, specifically, Sections 5, 30, 140, 163C to 163E, 163G, 378D.
- Mining Regulation 2016, specifically clauses 59 to 68.
- Conditions attached to EL8867 (granted 26 June 2019).

- Assessable prospecting operations application dated 24 October 2022 for the Illabo project consisting of up to 16 RC or diamond drill holes, and associated approval dated 14 November 2022 (APO0001309).
- Assessable prospecting operations application dated 9 December 2022 for the Illabo project consisting of up to 200 aircore drill holes, and associated approval dated 23 December 2022 (APO0001332).
- Exploration code of practice: Environmental management (Version 4, June 2021 and Version 5, March 2022).
- Exploration code of practice: Rehabilitation (Version 4, June 2021 and Version 5, March 2022).
- Exploration code of practice: Community consultation (Version 2.0, October 2022 and Version 2.1, May 2023).
- Exploration code of practice: Produced water management, storage and transfer (Version 3, September 2017, Version 4, June 2021 and Version 5, March 2022).
- Exploration reporting: A guide for reporting on exploration and prospecting in New South Wales (Version 3, October 2021 and Version 4, January 2022).
- Exploration guideline: Annual activity reporting for prospecting titles (Version 3.0, December 2020 and Version 4, October 2022) published by Department of Regional NSW.

1.5. Publishing and disclosure of information

This audit report was published on the Regulator's website consistent with:

- Section 365 of the *Mining Act 1992*
- Resources Regulator's [Public comment policy](#)
- *Government Information (Public Access) Act 2009*.

2. Audit methods

The audit process involved interviewing site personnel, reviewing documentation and samples of records provided by the licence holder and/or operator to determine the level of compliance of the operations and assess the status of the operational performance. The audit process and methodology are described in more detail in the sections below.

2.1. Opening meeting

An opening meeting was held onsite on 7 September 2023. The audit team was introduced, and the scope of their responsibilities was conveyed to the auditees. The objectives and scope of the audit were outlined. The methods to be used by the team to conduct the audit were explained, including the interview of personnel, review of documentation, examination of records and a site inspection to assess specific compliance requirements.

2.2. Site interviews and inspections

2.2.1. Data collection and verification

Where possible, documents and data provided during the audit process were reviewed electronically on the day. Where documents were unable to be reviewed on the day, they were provided following the audit.

All information obtained during the audit process was verified by the audit team where possible. For example, statements made by site personnel were verified by viewing documentation and records, including site photographs, where possible. Where suitable verification could not be provided, this has been identified in the audit findings as not determined.

2.2.2. Site inspections

A site inspection was undertaken of the following exploration activities:

- Diamond drill hole JN0031, drilled in December 2022 and rehabilitated.
- RC drill hole JN0028, drilled February 2022 and rehabilitated.
- Aircore hole JAC357, drilled January 2023 and rehabilitated.
- Aircore hole JAC323, drilled January 2023 and rehabilitated.
- Aircore hole JAC336, drilled January 2023 and rehabilitated.
- Stanyers aircore program, drilled February 2022 and rehabilitated.
- Core storage at Burringa Homestead.

2.3. Closing meeting

A closing meeting was held on site on 7 September 2023. The objectives of this meeting were to discuss any outstanding matters, present preliminary findings and outline the process for finalising the audit report.

2.4. Compliance assessment definitions

The reporting of results from the compliance audit was determined based on the definitions presented below in Table 1.

Table 1 Compliance assessment definitions

Assessment	Criteria
Compliance	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
Non-compliance	<p>Clear evidence has been collected to demonstrate the particular requirement has not been complied with. There are three subcategories of non-compliance reflecting the severity and level of risk associated with the non-compliance:</p> <p>NC1 – the absence of planning or implementation of a required operational element which has the potential to result in a significant risk.</p> <p>NC2 – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk.</p> <p>NC3 – an administrative or reporting non-compliance which does not have a direct environmental or safety significance.</p> <p>Note: The identification of a non-compliance in this audit may or may not constitute a breach of, or offence under, the <i>Mining Act 1992</i>. Non-compliances identified in this audit report may be further investigated by the Regulator and regulatory actions may be undertaken.</p>
Observation of concern	<p>Where an auditee may be compliant at the time of the audit but there are issues that exist that could result in the potential for future non-compliance if not addressed.</p> <p>Observation of concern was also used where an issue may not have particular compliance requirements, but which was not conducive to good management or best practice.</p>
Suggestion for improvement	Where changes in processes or activities inspected or evaluated at the time of the audit could deliver improvement in relation to risk minimisation, sustainable outcomes and management practices.
Not determined	<p>The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit.</p> <p>Reasons why the audit team could not collect the required information include:</p> <p>insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion</p> <p>the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence.</p> <p>A ‘not determined’ assessment was also made where the condition was outside the scope of the audit.</p>
Not applicable	The circumstances of the authorisation or licence holder have changed and are no longer relevant (e.g. no longer mining, mining equipment and plant has been removed).

Assessment	Criteria
	An invoking element in the criteria was not activated within the scope of the audit.

2.5. Reporting

Following completion of the audit, the audit checklists were completed, and audit notes were reviewed to compile a list of outstanding matters to be noted in the audit report. This report was prepared to provide an overview of the operational performance of the site in relation to the exploration activities and identify any non-compliances or observations of concern noted by the auditors during the documentation review and interviews.

The draft audit findings were forwarded to Newmont for comment. Consideration was given to the representations made during the finalisation of the audit report as discussed in the audit findings.

3. Audit findings

3.1. Work program

Condition 1 of EL8867 required the licence holder to carry out the operations described in the approved work program. Work program, WP-EL8867-2019-2025, was in force during the audit period.

Evidence was available to confirm that exploration activities were progressing. Annual reports for the 2022 and 2023 reporting periods were reviewed for EL8867. Exploration completed included:

- reconnaissance mapping and rock chip sampling across the licence
- assay and aiSIRIS analyses of selected rock chip samples
- drilling of one diamond drillhole
- reverse circulation drilling program
- acquisition of 2 Dipole-Dipole Induced Polarisation (DDIP) surveys
- geological and structural review and prospect evaluation
- a diamond drilling program at the Dobroyde West prospect
- 2 AC drilling programs at the Forest Hill and Stanyers prospects
- acquisition of a ground gravity survey.

Newmont exploration staff said the annual reporting process was used to review and monitor the approved work program.

Exploration data was noted to be maintained by the Newmont geologists and submitted to Mining, Exploration and Geoscience (MEG) with the annual activity reports as required.

3.2. Access arrangements

Section 140 of the *Mining Act 1992* stated, 'the holder of a prospecting title must not carry out prospecting operations on any particular area of land except in accordance with an access arrangement or arrangements applying to that area of land'. The access arrangement was required to be agreed in writing between the holder of the prospecting title and each landholder of that area of land.

Evidence was provided to confirm that written land access agreements were in place for the exploration activities undertaken on EL8867. The land access agreements reviewed during the audit were generally noted to be prepared using a standard AMEC template. Some agreements noted additional conditions negotiated by the landholder (for example, specific requirements for accessing sites in wet weather, requirement not to drive vehicles on the air strip, etc).

3.3. Native title and exempted areas

Condition 2 of EL8867 required the licence holder to obtain the prior written consent of the Minister before carrying out any activities on land on which native title had not been extinguished. Similarly,

Section 30 of the *Mining Act 1992* required the consent of the Minister before a licence holder undertook any activities within an exempted area.

Newmont staff said exploration activities were generally being conducted in areas of freehold land within EL8867. A review of mapping data showed no holes were drilled in any exempted areas within EL8867. No further approvals under section 30 of the *Mining Act 1992* were required.

Newmont staff said most of the licence area was under freehold title where native title had generally been extinguished. Although not a compliance requirement, confirmation of extinguishment had not been sought from MEG. No further approvals under condition 2 of the licence were required for EL8867.

3.4. Community consultation

Condition 3 of EL8867 required the licence holder to carry out community consultation in relation to the planning and conduct of exploration activities. Community consultation was required to be carried out in accordance with the requirements of Exploration code of practice: Community consultation.

An assessment against the mandatory requirements of the code of practice was undertaken as documented in the following sections.

3.4.1. Risk assessment

Mandatory requirement 1 of the code of practice required the licence holder to conduct a risk assessment to identify and consider the range of opportunities and potential threats associated with community consultation and engagement.

Newmont undertook a community consultation risk assessment and documented it as part of the community consultation strategy. Consultation risks were identified as moderate or high risk and included:

- failure to gain or maintain access to property – social licence to operate
- opportunity costs arising from inability to pursue future activities or expansion of opportunities
- company and personal reputational damages.

Controls were identified for each risk including:

- engage with the community early
- understand and respond to feedback promptly
- undertake works consultatively with land holders and community.

While Newmont prepared a community consultation risk assessment, as suggestion for improvement number 1, it was recommended the risk assessment be reviewed with reference to the objectives for consultation (i.e. the risk assessment should focus on what risks need to be managed in order for effective and inclusive consultation to take place to achieve the objectives for consultation).

3.4.2. Community consultation strategy

Mandatory requirement 2 required the preparation of a community consultation strategy to manage the risks identified in the risk assessment. Mandatory requirement 3 set out the requirements for preparation of the community consultation strategy.

Newmont prepared a community consultation strategy for its Illabo exploration project. The strategy was noted to address the mandatory requirements of the code of practice, including:

- objectives for community consultation
- stakeholder identification and analysis – a range of stakeholders were identified including land holders, relevant local community and environmental groups, local government and other government agencies
- documenting methods for undertaking community consultation
- documenting processes for monitoring and responding to feedback or complaints
- processes for review of the strategy.

3.4.3. Implementation and reporting

Mandatory requirement 4 required the licence holder to implement, monitor and report annually on the community consultation strategy.

Evidence was available to confirm that Newmont was undertaking community consultation generally in accordance with the methods outlined in the community consultation strategy. Given the location of exploration activities remote from sensitive receptors, liaison with landholders was the key consultation undertaken.

It was noted that records of consultation activities were maintained electronically in a community register. The register included:

- land holder correspondence register
- community register.

Details of the issues and outcomes from consultation was noted to be documented in each register. As suggestion for improvement number 2, Newmont should consider undertaking an analysis of any community consultation outcomes and complaints to identify any common issues or emerging trends, and document this in the annual reports.

Up until the change to the code of practice in October 2022, annual community consultation reports were prepared and submitted by Newmont, generally in accordance with the reporting guidance in Appendix 2 of the code of practice.

3.5. Exploration activity approvals

Section 23A of the *Mining Act 1992* required the holder of an exploration licence to obtain an activity approval before carrying out assessable prospecting operations.

Evidence was available to confirm that exploration activity approvals were sought and granted for exploration activities. Exploration activity approvals granted included:

- assessable prospecting operations application dated 24 October 2022 for the Illabo project consisting of up to 16 RC or diamond drill holes, and associated approval dated 14 November 2022 (APO0001309)
- assessable prospecting operations application dated 9 December 2022 for the Illabo project consisting of up to 200 aircore drill holes, and associated approval dated 23 December 2022 (APO0001332).

Generally, evidence was provided to indicate the exploration activities were carried out in accordance with the description provided in the applications and generally in accordance with the approvals given. However, it was noted 2 aircore holes within the Forest Hill prospect (APO0001332) were drilled within an area mapped as terrestrial biodiversity.

In the documents accompanying the application for assessable prospecting operations (APO), including the Procedures AC Forest Hill and Stanyers APO document, Newmont indicated it intended to avoid exploration activities in the areas indicated as terrestrial biodiversity contained within the area of interest marked in red on the drill hole maps. The procedure stated *“Avoidance would be achieved by locating planned drill hole collars (and the associated surrounding drill pad site) outside the areas of the Terrestrial Biodiversity polygons indicated - by referring the planned drill hole collar coordinate location (outside the polygon) to a geo referenced terrestrial biodiversity polygon map layer in the drill planning computer program. Onsite, the planned collar location is identified by GPS and clearly marked by peg with provision for the surrounding drill pad area to be outside the polygon. Final collar locations are registered and submitted with AER and Rehabilitation reports”*.

From the site inspection, observations made by the audit team and the discussion with Newmont staff on site, it was clear the biodiversity mapping was inaccurate and included cropped paddocks where terrestrial biodiversity was very limited to non-existent.

Holes were planned to be drilled outside the mapped areas (as indicated on the plans accompanying the APO) but on site, these areas were in the same cropped paddock as the remaining holes. Two holes were inadvertently moved about 10 to 30 metres from that approved (but within the approved polygon) to place the holes in line with the remainder of the drill pattern. Based on the site inspection, there was no evidence sighted to suggest that drilling was conducted in areas of actual terrestrial biodiversity.

While this was technically a non-compliance against the commitment in the APO, there was no environmental harm, and it was clear that the terrestrial biodiversity mapping was inaccurate. No further action was taken by the Regulator.

3.6. Environmental management

Condition 4 of EL8867 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approval required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

No evidence of environmental harm was observed at the sites visited during the site inspection. The RC, diamond and aircore drilling programs were completed at the time of the audit and all plant and equipment had been removed from site. All holes inspected were rehabilitated.

An assessment against the Exploration code of practice: Environmental management was not completed but the following observations were made:

- No evidence of hydrocarbon spill or chemical contamination was observed at any of the sites inspected.
- Newmont staff said rig nappies were used under all drill rigs and drill rig audits were completed before the start of drilling and monthly while the rig was onsite.
- Newmont exploration staff said above ground sumps were used to manage any incidental water from drilling operations.
- No waste was observed at any of the sites inspected.
- Green sample bags from RC and aircore drilling were removed from site and disposed at the Temora landfill.
- All holes inspected were observed to have been drilled in cleared paddock areas, some now under cropping.
- Generally, existing farm tracks were used wherever possible. Newmont exploration staff said all access points and tracks were agreed with the landowner.
- Drill rigs were reported to be washed down before arrival on site and when moving between paddocks or land owned by different land holders.

It was noted there were some holes that were mapped as being drilled in a terrestrial biodiversity area. Inspection of these sites showed the terrestrial biodiversity mapping was inaccurate. Biodiversity mapping of this type was typically done at a coarse scale with limited ground truthing. The holes inspected were observed to be drilled in cleared paddocks that were cropped with wheat or canola. Drilling of the holes at the locations marked did not impact on terrestrial biodiversity.

3.6.1. Risk assessment

Mandatory requirement 12.1 required the licence holder to monitor the risks associated with activities and, if the risk associated with an activity changes, implement revised environmental management controls.

Newmont prepared an environmental management strategy for each exploration project that discussed the typical environmental risks associated with the exploration activities for that program.

A range of risks were identified including, for example for the Dobroyde West project:

- surface water pollution
- groundwater pollution
- erosion and sedimentation
- operational noise
- air quality and dust
- Aboriginal heritage
- bushfire.

It was noted that suitable controls were detailed for each risk identified, including:

- using biodegradable drilling fluids where possible
- all chemicals to be kept in approved storage facilities
- design tracks to clear the least ground
- identify areas with threatened flora or fauna and avoid where possible
- when entering new paddocks check vehicles and footwear for burrs or seeds (if found remove and store in sealed container for disposal).

3.7. Security deposit

Condition 5 of EL8867 required the licence holder to provide a security deposit to secure funding for the fulfilment of obligations under the licence.

The security amount required for EL8867 at the time of the audit was \$115,000, which department records confirmed was held. Observations made on site during the site inspection confirmed that the security held was adequate for the drilling programs completed. Following the audit, Newmont submitted an application for rehabilitation sign-off, which was approved by the Regulator. The security deposit was reduced to \$10,000 on 18 December 2023.

3.8. Rehabilitation

Condition 6 of EL8867 required the licence holder to carry out rehabilitation of all disturbance caused by activities carried out under the licence in accordance with the requirements of the Exploration code of practice: Rehabilitation.

An assessment against the mandatory requirements of the code of practice was undertaken for the exploration activities as documented in the following sections.

3.8.1. Risk assessment

Mandatory requirement 1 required the licence holder to conduct a risk assessment to evaluate the range of potential threats and opportunities associated with rehabilitating disturbed areas to a condition that could support the intended final land use.

Newmont prepared a rehabilitation risk assessment that was documented in the rehabilitation management plan for exploration activities prepared for each drilling program. Examples of risks included:

- soil and stability impacts – soil erosion and reduction in soil stability
- soil compaction
- failure of borehole seals
- weed infestation associated with both introduction and lack of control
- weather and climatic influences – drought, intense rainfall events.

It was noted that suitable controls were detailed for each risk identified including:

- drilling programs designed to use flat cropping land to minimise the potential for erosion

- using existing farm tracks and using tram lines as paths of travel
- all RC holes would be grouted at the end of drilling to within 2 metres of the surface. The top of the holes would be backfilled in reverse drilling order with material collected from the hole.
- Daily weather reports would be monitored for potential intense rainfall and drilling operations will be suspended or revised as necessary.

3.8.2. Rehabilitation objectives and completion criteria

Mandatory requirement 2 required the licence holder, no later than 14 days before the commencement of surface disturbing activities, to provide to the Secretary a copy of clear, specific, achievable and measurable rehabilitation objectives and completion criteria (ROCC). For higher risk prospecting operations, a rehabilitation management plan was required to be prepared and submitted with the rehabilitation objectives and completion criteria.

The exploration activity approval applications lodged by Newmont indicated the total surface disturbance area was less than 5 hectares. The drilling programs did not fall within the definition of a higher risk activity under the code of practice and a rehabilitation management plan was not required to be developed. It was noted Newmont prepared a rehabilitation management plan for each drilling program, even though one was not required by the mandatory requirements.

Evidence was available in department records to confirm that ROCCs were submitted for the drilling programs as part of the application for assessable prospecting operations. It was noted that the ROCCs submitted were generally based on the template provided in Appendix 2 of the code of practice. It was also noted that the ROCCs were included in each rehabilitation management plan.

3.8.3. Rehabilitation program

Mandatory requirement 3 required the licence holder to develop, implement and complete a rehabilitation program (which includes a monitoring program) to rehabilitate disturbed areas to a condition that could support the intended final land use. Mandatory requirement 4 required the licence holder to commence rehabilitation of a site as soon as reasonably practicable following the completion of activities on that site.

Newmont exploration staff said, as documented in the rehabilitation management plan for exploration operations, rehabilitation of drill sites included:

- collection and disposal of exploration waste at a lawful waste facility
- grouting each hole up to 2 metres below surface
- in the top 2 metres, samples were returned downhole in the reverse order to which they were drilled
- rehabilitation of surface areas was undertaken as soon as possible following drilling in accordance with the land holders requirements
- monitoring of the success of rehabilitation was completed.

One diamond hole, one RC hole, 3 aircore holes and the area of the Stanyers air core program were inspected during the audit. No issues of concern were identified at any of the sites and successful cropping of the areas with wheat and canola demonstrated that final agricultural land use was achieved. It was noted, following the audit, that Newmont submitted an application for rehabilitation

completion that was approved by the Regulator on 30 November 2023. Rehabilitation of all holes was accepted as satisfactory by the Regulator

Figure 1, Figure 2, Figure 3, and Figure 4 show rehabilitation of the sites inspected.

Figure 1: Area of diamond drill hole JN0031 - successfully cropped post drilling



Figure 2: Area of RC drill hole JN0028 in a grazing paddock



Figure 3: Area of aircore drill hole JAC323 - final land use achieved with canola crop



Figure 4: Area of the Stanyers aircore program viewed from the farm track used to access the sites. The area was cropped with wheat.



3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL8867 required the licence holder to submit an activity report annually within one calendar month following grant anniversary date. Annual activity reports were required to be prepared in accordance with the Exploration guideline: Annual activity reporting for prospecting titles.

During the audit scope period, Newmont submitted annual activity reports comprising:

- annual geological report
- environmental rehabilitation and compliance report

- community consultation report (up to October 2022).

Generally, reports were found to be in accordance with the MEG and/or Regulator templates and guidance material.

3.10. Core and sample storage

Clause 65 of the Mining Regulation 2016 required the holder of an authority to, so far as was reasonably practicable, collect, retain and preserve:

- all drill cores remaining after sampling
- characteristic samples of the rock or strata encountered in any drill holes.

All core and samples collected were required to be labelled, stored and managed in a manner that preserved the integrity of the core or samples.

The drilling programs conducted by Newmont on EL8867 included RC, diamond and air core drilling.

Core from the diamond drilling was stored in plastic core trays at the Burringa homestead. Trays were palletised by hole and strapped with core tray lids (Figure 5). Each tray was labelled with hole number, tray number and depth, with labelling reapplied as required (Figure 6).

Chip sample storage was maintained off-site in a storage facility in Junee. This facility was not inspected during the audit.

Figure 5: Core storage at Burringa Homestead



Figure 6: Core tray labelling



3.11. Record keeping

Sections 163D and 163E of the *Mining Act 1992* related to the creation and maintenance of records required under the Act, the Regulations, or a condition of title. Records must be kept in a legible form for production to any inspector and must be maintained for a period of four years after the expiry or cancellation of the title. Specific requirements for the types of records to be maintained for exploration activities were detailed in the mandatory requirements of the exploration codes of practice as follows:

- mandatory requirement 6 of the rehabilitation code of practice
- mandatory requirement 13.1 of the environmental management code of practice
- mandatory requirement 5 of the community consultation code of practice.

Records reviewed during the audit demonstrated Newmont generally maintained records as required by the licence conditions and the exploration codes of practice. It was noted relevant documents and records were readily retrievable upon request.

Examples of records reviewed included:

- land access agreements
- GIS system
- drilling database records
- Junee project induction documentation
- environmental management plans
- vehicle hygiene (weed and seed) checklists
- drill site environmental monitoring checklists for holes inspected
- environmental and rehabilitation risk assessments
- waste management records
- rehabilitation management plans
- rehabilitation objectives and completion criteria
- pre, during and post drilling photos
- ESF2 applications for rehabilitation signoff and associated approvals
- community consultation strategy and records of review of the strategy
- community consultation register
- community consultation records
- annual activity reporting.

It was noted that Newmont maintained a drilling database where each hole approved was related to the activity approval, the drilled hole number, and the reference for rehabilitation sign-off when received. This was a good practice that made it easy to see what approvals were granted, how many holes were drilled against each approval, which of those holes had achieved rehabilitation sign-off, and what rehabilitation was outstanding.

However, it was noted that there appeared to be some discrepancies in the drilling co-ordinates where the planned hole co-ordinates for some holes were different to the co-ordinates of the drilled hole. This was investigated by the Regulator and found to be related to errors in the database, where the drilled holes were related to different planned holes than that originally proposed. No further action was taken by the Regulator. As suggestion for improvement number 3, Newmont should review the process for entering planned hole and drilled hole data into the database to ensure that the hole numbers and co-ordinates align with the approved hole numbers and co-ordinates.

4. Compliance management

4.1. Identifying compliance obligations

Identifying compliance obligations is a critical step in the development of an effective compliance management system. Compliance obligations for an exploration project can include:

- regulatory requirements (for example, the *Mining Act 1992*)
- conditions imposed on the grant, renewal, or transfer of exploration licences
- exploration activity approvals
- exploration codes of practice
- specific commitments made by the organisation (for example, commitments made in the approved exploration activity application).

Once identified, compliance obligations should be reviewed periodically to identify any changes in those obligations (for example, changes in legislation).

The Newmont exploration staff generally had a good understanding of the compliance requirements for exploration. Comprehensive and robust systems and processes for managing compliance requirements were developed and implemented. Examples of such systems included:

- the development of environmental management and rehabilitation management plans for exploration operations
- preparation and implementation of standard work practices such as the terrestrial biodiversity areas avoidance – operational procedure.

It was noted that records were generally being maintained to demonstrate compliance.

4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. While the responsibility for compliance or the implementation of environmental controls is often passed to the contractor, the licence holder will retain accountability for compliance with its licence conditions and other compliance obligations. It is important that the licence holder exercises management control of its contractors by specifying contract requirements, providing oversight of contracted works, and evaluating the performance of the contractor during the contracted works.

Newmont used contract drillers to complete the exploration drilling program. Drilling was completed at the time of the audit and an assessment of the management of contractors was not undertaken.

4.3. Inspections, monitoring and evaluation

An effective inspection, monitoring and evaluation process is required to:

- monitor the implementation of the risk controls

- evaluate the effectiveness of those controls based on an assessment of inspection and monitoring data
- implement an adaptive management approach if monitoring showed controls may be ineffective.

Newmont exploration staff established an inspection and monitoring process that was suitable for the low impact nature of the exploration activities being conducted. These processes were noted to include inspection of drill sites and rehabilitation to confirm works are completed in accordance with the controls identified in the risk assessments, and in the approvals for assessable prospecting operations.

The environmental and rehabilitation risk assessments prepared by Newmont were noted to include risks related to exploration activities and environmental management controls were in place.

Exploration staff advised that the process for checking the implementation and effectiveness of controls was informal and not documented. As suggestion for improvement number 4, Newmont should consider the development of a process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being ineffective.

5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that the exploration operations undertaken by Newmont were well managed. Evidence was available to demonstrate that systems and processes were developed to identify and manage compliance requirements. It was observed that records were being maintained as required to demonstrate compliance.

Newmont was compliant with the requirements of the exploration licence, exploration activity approvals and the environmental management, rehabilitation, and community consultation exploration codes of practice, for the elements reviewed during the audit. No non-compliances were identified during the audit.

Four suggestions for improvement were identified as summarised in Table 2.

Table 2 Summary of suggestions for improvement

Suggestion for improvement No.	Description of issue
1	It was suggested the community consultation risk assessment be completed with reference to the objectives for consultation (i.e. the risk assessment needs to focus on what risks need to be managed for effective and inclusive consultation to take place to achieve the objectives for consultation).
2	Newmont should consider undertaking an analysis of any community consultation outcomes and complaints to identify any common issues or emerging trends, and document this in the annual reports.
3	It was noted there appeared to be some discrepancies in the drilling co-ordinates where the planned hole co-ordinates for some holes were different to the co-ordinates of the drilled hole. This was investigated by the Regulator and found to be related to errors in the database, where the drilled holes were related to different planned holes than that originally proposed. No further action was taken by the Regulator. Newmont should review the process for entering planned hole and drilled hole data into the database to ensure that the hole numbers and co-ordinates align with the approved hole numbers and co-ordinates.
4	Newmont should consider the development of a process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being ineffective.