

**Compliance audit program**  
**EL8615 Myamley Exploration Project**  
**Haverford Holdings Pty Ltd**

*November 2024*

Published by the Department of Primary Industries and Regional Development

Title: EL8615 Myamley Exploration Project,  
Subtitle: Haverford Holdings Pty Ltd  
First published: November 2024  
Department reference number: RDOC24/207356

Amendment schedule		
Date	Version	Amendment
November 2024	1.0	First published

© State of New South Wales through the Department of Primary Industries and Regional Development 2024. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, provided that you attribute the Department of Primary Industries and Regional Development 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 departmental website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (November 2024) and may not be accurate, current or complete. The State of New South Wales (including Department of Primary Industries and Regional Development), 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 .....	7
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 .....	11
3.4.3. Implementation and reporting.....	12
3.5. Exploration activity approvals.....	12
3.6. Environmental management .....	12
3.6.1 Risk assessment .....	14
3.7. Security deposit .....	14
3.8. Rehabilitation .....	14
3.8.1. Risk assessment .....	14
3.8.2. Rehabilitation objectives and completion criteria.....	15
3.8.3. Rehabilitation program .....	15
3.9 Reporting.....	16

3.9.1 Annual activity reporting.....	16
3.9.2 Environmental incident reporting.....	17
3.9. Core and sample storage.....	17
3.10. Record keeping.....	18
4. Compliance management.....	19
4.1. Identifying compliance obligations.....	19
4.2. Contractor management.....	19
4.3. Inspections, monitoring and evaluation.....	20
5. Audit conclusions.....	21

# 1. Introduction

## 1.1. Background

Exploration licence 8615 (1992) (EL8615) was granted to Haverford Holdings Pty Ltd in July 2017 and renewed in September 2023. Haverford Holdings is a wholly owned subsidiary of Talisman Mining Pty Ltd which is the operator of the title. The exploration area is south-west of Tottenham in central NSW.

As part of the compliance audit program, an audit of the exploration activities associated with the exploration projects within EL8965 was undertaken on 23 May 2024 by the Resources Regulator within the Department of Primary Industries and Regional Development.

## 1.2. Audit objectives

The objectives of the audit were to:

- undertake a compliance audit of the Haverford Holdings Pty Ltd 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 Myamley exploration projects including:
  - exploration activities within EL8615 including a selected sample of exploration drillholes
  - borehole sealing and rehabilitation activities for selected drilling activities undertaken since May 2022.
- a review of documents and records pertaining to the exploration operations for the period commencing 20 May 2022 and ending 23 May 2024.

## 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 EL8615 (granted 7 July 2017 and renewed 15 September 2023)
- Assessable prospecting operations application dated 10 August 2023 for up to 16 RC percussion drill holes for the Phase 1 drill program as part of the Myamley project, and associated approval dated 29 August 2023 (APO0001507) as amended by APO0001557.

- Assessable prospecting operations application dated 23 October 2023 for up to 6 diamond drill holes to tail 6 previously drilled RC holes as part of the Myamley project, and associated approval dated 13 February 2024 (APO0001582)
- Assessable prospecting operations application dated 19 January 2024 for up to 7 diamond drill holes as part of the Myamley project Phase 2 diamond drill program, and associated approval dated 2 February 2024 (APO0001622)
- Assessable prospecting operations application dated 28 February 2024 for up to 8 new drill holes (either diamond or RC) as part of the Myamley project, and associated approval dated 22 March 2024 (APO0001707)
- *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 the interview of site personnel, a review of 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 offsite on 23 May 2024. 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.

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 operation on EL8615:

- Hole MRYCDD0008 drilled February 2024 and rehabilitation commenced April 2024
- Hole MRYCDD0010 drilled December 2023 and rehabilitation commenced April 2024
- Hole MYRCDD0016 drilled March 2024 and rehabilitation commenced April 2024.

### 2.3. Closing meeting

A closing meeting was held on site on 23 May 2024. 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>



Assessment	Criteria
	<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	<p>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).</p> <p>An invoking element in the criteria was not activated within the scope of the audit.</p>

## 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 Haverford Holdings 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 EL8615 required the licence holder to carry out the operations described in the approved work program. Work program WP-EL8615-2017-2023 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 EL8615. Exploration completed included:

- desktop studies to assess prospectivity and enable targeted drilling
- data review and compilation
- geophysical surveys and remote sensing
- ground geophysics survey
- auger geochemistry
- RC/diamond drilling done in late 2023/early 2024.

Haverford Holdings used the annual reporting process and annual technical reviews to review and monitor the work programs on the tenement. A title agent provided a monthly tenement obligation report.

Exploration data was noted to be maintained by the Haverford Holdings geologists and submitted to NSW Resources 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 agreement was in place for the exploration activities undertaken on EL8615. The land access agreement reviewed during the audit were generally noted to be prepared using the standard AMEC template.

### 3.3. Native title and exempted areas

Condition 2 of EL8615 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 a State Conservation Area.

Haverford Holdings exploration staff advised that exploration activities were generally being conducted in areas of freehold land within EL8615. A review of mapping data showed that no recent holes had been drilled in any exempted areas within EL8615. No further approvals under section 30 of the *Mining Act 1992* were required. It was noted that Haverford Holdings was maintaining a Crown

Lands layer in its geographic information system (GIS) to identify where further approvals may be required.

HVERFORD HOLDINGS staff advised that their APO's excluded any crown or native title area.

### 3.4. Community consultation

Condition 3 of EL8615 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.

Haverford Holdings prepared a comprehensive risk assessment for its exploration operations that included risks associated with consultation and engagement. This consultation strategy was a combined strategy across multiple tenements including EL8615. Risks and controls identified included:

- The APO triggers a review of the consultation risk register and a review of feedback was used to monitor the effectiveness of the risk controls.

As suggestion for improvement 1, Haverford Holdings should consider reviewing the community consultation risks with reference to the objectives for consultation (ie 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.

HVERFORD HOLDINGS prepared a community consultation strategy for EL8615. Review of the strategy confirmed it addressed the mandatory requirements of the code of practice. For example:

- objectives for the strategy were documented. A key objective of the strategy was to support effective, accessible, and timely communication with the project stakeholders.
- a description and analysis of stakeholders was documented
- consultation activities were described
- processes for feedback and response were described
- mechanisms for review and amendment of the strategy were included.

### 3.4.3. Implementation and reporting

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

Records were available to confirm implementation of the consultation strategy. Haverford Holdings maintains a consultation register that included objectives and trends. The register was reviewed weekly. The register was monitored in which analysis was drawn from. This also occurred in an annual report.

Up until the change to the code of practice in October 2022, annual community consultation reports were prepared and submitted by Haverford Holdings, generally in accordance with the reporting guidance in Appendix 2 of the code of practice. Since October 2022, annual community consultation reports were prepared and were available, however, Haverford Holdings had not received any requests for community consultation reports to be provided.

## 3.5. Exploration activity approvals

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

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

- assessable prospecting operations application dated 10 August 2023 for up to 16 RC percussion drill holes for the Phase 1 drill program as part of the Myamley project, and associated approval dated 29 August 2023 (APO0001507) as amended by APO0001557
- assessable prospecting operations application dated 23 October 2023 for up to 6 diamond drill holes to tail 6 previously drilled RC holes as part of the Myamley project, and associated approval dated 13 February 2024 (APO0001582)
- assessable prospecting operations application dated 19 January 2024 for up to 7 diamond drill holes as part of the Myamley project Phase 2 diamond drill program, and associated approval dated 2 February 2024 (APO0001622)
- assessable prospecting operations application dated 28 February 2024 for up to 8 new drill holes (either diamond or RC) as part of the Myamley project, and associated approval dated 22 March 2024 (APO0001707).

Generally, evidence was provided to indicate that the exploration activities were carried out in accordance with the description provided in the applications and in accordance with the approvals given. It was noted that Haverford Holdings staff could access APOs online in the field. APO polygons were included in a GIS mapping layer that could be used in the field to determine boundaries of the polygon should drill sites need to be moved.

## 3.6. Environmental management

Condition 4 of EL8615 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.

Drilling on EL8615 was completed and all plant and equipment was removed from site

An assessment against the Exploration code of practice: Environmental management was not completed for the exploration activities on EL8615 but the following observations were made:

- Haverford Holdings developed and implemented comprehensive environmental management procedures. These included:
  - a tracking spreadsheet which tracked each hole against its exploration activity approval and its subsequent rehabilitation and sign-off.
  - pre drill inspections documented in Coreplan.
  - environmental requirements were detailed in the tender documents for drilling.
  - drill pad, sumps and hole locations were set out by Talisman exploration staff.
  - regular meetings between Haverford Holdings exploration staff and the drilling company representatives
  - end of hole inspections documented in Coreplan.
- water required for drilling operations or encountered during drilling was managed by either above ground tanks or inground sumps.
- Haverford Holdings identified the proposed drill locations as being isolated and having a low risk for noise impacts.
- sound power levels were available for plant and equipment and noise attenuation was calculated to determine where noise mitigation may be required.
- records were reviewed to confirm the waste management practices, for example, waste register, Coreplan and receipts from the local waste management facility. No waste was observed at any of the completed drill sites inspected by the audit team.
- due to the flat nature of the terrain, formed drill pads were not required, with drive up access for the drill rig across the paddock. No significant vegetation clearance other than some minor ground cover disturbance (mostly grass) was observed at any of the holes inspected during the site inspection.
- the key control for vegetation clearance and ground disturbance was drill site planning to minimise disturbance. Various environmental layers were observed in Haverford Holdings GIS to demonstrate the drill planning approach.
- vehicle hygiene procedures were the primary control to avoid the introduction of weeds and diseases into the site. Haverford Holdings procedure was observed to be implemented for the drill program. Records of vehicle washdown and weed and seed inspections were noted to be captured electronically by Haverford Holdings staff using the Coreplan app (for example, records for light vehicle inspection on 23 May 2024).
- Haverford Holdings exploration staff said landholders were typically requested to move livestock from the paddocks required for drilling. Where livestock were left in the paddocks,

an electric fence was used around the drill site to deter livestock from entering. Typically, drilling is planned to avoid lambing season.

### 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 change, implement revised environmental management controls.

Haverford Holdings prepared a comprehensive environmental risk assessment for its exploration programs. Where required, environmental controls were identified to mitigate any high and medium risks. The environmental risk assessment was noted to address the mandatory requirements of the code of practice.

Evidence was available to demonstrate implementation of the required controls.

A post-drilling review of the risk assessment was completed to assess the performance of the controls and identify any changes required. It was noted that an incident with a sump bund wall triggered the review of the risk assessment and further controls were proposed to be added.

## 3.7. Security deposit

Condition 5 of EL8615 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 EL8615 was \$131,000 which department records confirmed was held. In June 2024, the security required was increased to \$199,000. The outstanding \$68,000 is due by 22 July 2024.

Observations made on site during the site inspection confirmed that the security held was adequate for the drilling programs in progress.

## 3.8. Rehabilitation

Condition 6 of EL8615 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.

Haverford Holdings identified and assessed a range of risks to successful rehabilitation as part of its comprehensive risk assessment for exploration operations. Risk controls were documented for each risk assessed. The risk assessment included performance criteria to allow assessment of the effectiveness of the controls.

Evidence was available to confirm implementation of required risk controls. Drill holes inspected were located in agricultural areas. Given the reasonably small disturbance footprint, rehabilitation typically involved scarifying or ripping of the area with natural regeneration of vegetation.

### 3.8.2. Rehabilitation objectives and completion criteria

Mandatory requirement 2 required the licence holder, not later than 14 days prior to 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 Haverford Holdings indicated the total surface disturbance area was less than 5 hectares for each application. The cumulative surface disturbance from the combined applications for each licence area was also 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.

Evidence was available in department records to confirm that ROCCs were submitted for each drilling program 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.

### 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.

Haverford Holdings aimed to commence rehabilitation of drill holes within 4 weeks of the completion of drilling. Drilling records reviewed during the audit demonstrated that, typically, holes were rehabilitated within 6 months of the completion of drilling.

Rehabilitation monitoring was generally done using a photographic record with details recorded on the rehabilitation and site monitoring sheet. Photographs before, during, and after drilling were noted to be maintained electronically for each site.

Examples of drill sites where rehabilitation was completed were inspected during the audit site inspection. Figure 1, Figure 2 and Figure 3 show the rehabilitated sites. It was noted that rehabilitation was not final and no application for rehabilitation sign-off was submitted to the Regulator for the sites inspected.

Figure 1 Rehabilitation of drill hole MRYCDD0008 on EL8615



Figure 2 Rehabilitation of drill hole MRYCDD0010 on EL8615



Figure 3 Drill hole MRYCDD0016 on EL8615, this hole is an example of rehabilitation in progress.



## 3.9 Reporting

### 3.9.1 Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL8615 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, Haverford Holdings submitted annual activity reports comprising:

- annual geological report
- environmental rehabilitation and compliance report



- community consultation report.

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

### 3.9.2 Environmental incident reporting

Condition 7 of EL8615 required the licence holder to provide environmental incident notifications and reports to the Secretary no later than 7 days after those notifications and reports are provided to relevant authorities under the *Protection of the Environment Operations Act 1997*.

Haverford Holdings self-reported to the Regulator an incident involving the partial removal of a bund wall of an inground sump which allowed sump water to escape onto the land holder’s property. Haverford Holdings demonstrated that their procedures dealt with the incident within a timely matter and ensured the protection of the environment.

There was no evidence of significant harm to the environment.

Figure 1 Sump where bund wall was removed



Figure 2 Remedial action taken at sump



### 3.9. Core and sample storage

Clause 65 of the Mining Regulation 2016 required the holder of an authority to, so far as is 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.

Haverford Holdings staff advised core and sample storage was maintained in an industrial shed at Condobolin which was inspected as part of an exploration audit in 2023. No issues of concern were identified. No core had been disposed and Haverford Holdings received no requests for core from the department. The core shed was not inspected as part of the 2024 audit.

## 3.10. 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 Haverford Holdings had generally maintained records as required by the licence conditions and the exploration codes of practice. It was noted that relevant documents and records were readily retrievable upon request.

Examples of records reviewed included:

- land access agreements
- GIS mapping
- drilling records, including an exploration activity register which related drilled holes to relevant activity approval and rehabilitation signoff
- environmental risk assessment
- pre, during and post drilling photos
- waste management records
- weed hygiene inspection records in Coreplan
- drill hole checklists in Coreplan (e.g. Pre-spud inspection checklist, end of hole inspection checklist, and rehabilitation monitoring checklist)
- rehabilitation objectives and completion criteria
- rehabilitation risk assessment
- community consultation risk assessment
- community consultation strategy
- community consultation records
- community consultation reports
- annual activity reporting.

## 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 Haverford Holdings exploration staff generally had a good understanding of the compliance requirements for exploration. Comprehensive and robust systems and processes for managing compliance requirements had been developed and implemented. Haverford Holdings prepared a standard work practice (SWP) for exploration operations to document the processes and controls to be used to minimise impacts.

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

### 4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. Whilst 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.

Haverford Holdings used contract drillers to complete the exploration drilling programs. Haverford Holdings detailed environmental requirements for drilling in the tender documents and Haverford Holdings exploration staff were on site during drilling to supervise the program. Given that drilling was completed, no further assessment of contractor management was undertaken.

During the audit, Haverford Holdings self-reported a contractor removed a section of an inground sump's bunding wall which allowed small volume of sump water to flow onto the surrounding land. No material harm was caused by the incident and corrective actions to reinstate the bund wall and put-up sediment fencing below the breach were immediately implemented by Haverford Holdings.

Haverford Holdings had some controls in place for contractor management and water management, but the incident occurred due to a failure of the controls. As suggestion for improvement 2, Haverford Holdings should consider reviewing the risk controls for contractor management to ensure adequate management and supervision of contracted activities.

# 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 shows that controls may be ineffective.

Haverford Holdings exploration staff established an inspection and monitoring process that was suitable for the nature of the exploration activities being conducted. These processes were noted to include monitoring of contract drilling works, inspection of drill sites and rehabilitation to confirm works are completed in accordance with the controls identified in the risk assessments.

## 5. Audit conclusions

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

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

The one suggestion for improvement is identified as summarised in Table 2.

Table 2 Summary of suggestions for improvement

Suggestion for Improvement No.	Description of Issue
1	Haverford Holdings should consider reviewing the community consultation risks with reference to the objectives for consultation (i.e. the risk assessment should focus on what risks need to be managed for effective and inclusive consultation to take place to achieve the objectives for consultation).
2	As suggestion for improvement 2, Haverford Holdings should consider reviewing the risk controls for contractor management to ensure adequate management and supervision of contracted activities.