

## **Compliance audit program**

EL8722 & EL8909

Koonenberry Exploration Project

**Evandale Minerals Pty Ltd**

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# 1. Introduction

## 1.1. Background

### EL8722

Exploration licence 8722 (1992) was granted to Peel Far West Pty Ltd on 29 March 2018. The exploration area was about 60.71km WSW of White Cliffs, NSW.

On 20 July 2021, EL8722 was transferred to the current titleholders, Evandale Minerals Pty Ltd (Evandale).

The last acceptance of renewal for EL8722 was on 31 August 2021 and recorded an expiry date of 29 March 2024. A further application for renewal was received by the Department of Primary Industries and Regional Development during March 2024 with approval being granted for a further 3 year term.

At the time of the audit, the department held \$30,000 in security against this title.

### EL8909

Exploration Licence 8909 (1992) was granted to Peel Far West Pty Ltd on 31 October 2019. The exploration area was about 62 km SW of White Cliffs, NSW.

On 20 July 2021, EL8909 was transferred to titleholders, Evandale.

The last acceptance of renewal for EL8909 was on 13 January 2023 and recorded an expiry date of 31 October 2028.

The department currently holds \$40,000 in security against this title.

G 11 Resources Pty Ltd is the operator for the Koonenberry exploration project acting on behalf of Evandale for both EL8722 and EL8909, as well as 10 other exploration titles in the Koonenberry region (not subject to this audit).

As part of the compliance audit program, an audit of the exploration activities associated with the Koonenberry exploration project within EL8722 and EL8909 was undertaken between 6 and 8 August 2024 by the Resources Regulator.

## 1.2. Audit objectives

The objectives of the audit were to:

- undertake a compliance audit of the Evandale Minerals 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 Koonenberry exploration project including:
  - exploration activities within EL8722 and EL8909 including a selected sample of exploration drill holes
  - borehole sealing and rehabilitation activities for selected drilling activities undertaken since November 2021.
- a review of documents and records pertaining to the exploration operations for the period commencing 1 August 2022 and ending 6 August 2024.

## 1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*,
- Mining Regulation 2016,
- Conditions attached to EL8722 (granted 29 March 2018 and renewed 31 August 2021)
- Conditions attached to EL8909 (granted 31 October 2019 and renewed 13 January 2023)

### EL8722

- Assessable prospecting operations application dated 14 September 2021 for 30 AC or RC drill holes at Wetago West prospect, 6 RC drill holes at the Cymbric North prospect and 40 AC or RC drill holes at the Cymbric Edge prospect, and associated approval date 20 October 2021 (MAAG0012216 (as modified by MAAG0014702))
- Assessable prospecting operations application dated 18 October 2021 for 32 RC or AC drill holes and associated access tracks, and associated approval dated 10 November 2021 (MAAG0012486 (as modified by MAAG0014817))
- Assessable prospecting operations application dated 18 January 2022 for 20 RC drill holes and associated access tracks and sumps, and associated approval dated 22 March 2022. (MAAG0013211)
- Assessable prospecting operations application dated 31 August 2022 for 50 percussion or RC drill holes and 5 kilometres of access tracks, and associated approval dated 27 October 2022 (MAAG0014766).

### EL8909

- Assessable prospecting operations application dated 18 October 2021 for 20 RC or AC drill holes and associated access tracks, and associated approval dated 10 November 2021 (MAAG0012485).
- Assessable prospecting operations application dated 31 August 2023 for 30 RC or diamond drill holes and access tracks, and associated approval dated 20 October 2023 (APO0001534)

- 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).

## 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 [Compliance publications 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 at White Cliffs on 6 August 2024 and was attended by a representative of G 11 Resources, on behalf of the licence holder. 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 on EL8722:

- Reverse circulation (RC) drill hole CV0010 – hole drilled in 2021 to a depth of 114 m. Hole left open for downhole electromagnetic testing to be completed later in 2024.
- RC drill hole CV0013 – hole drilled March 2022 to a depth of 90 m. Hole left open for downhole electromagnetic testing to completed later in 2024.

No site inspection was undertaken of the exploration activities on EL8909.

### 2.3. Closing meeting

A closing meeting was held on site on 8 August 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
<b>Compliance</b>	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
<b>Non-compliance</b>	<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>
<b>Observation of concern</b>	<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>
<b>Suggestion for improvement</b>	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.
<b>Not determined</b>	<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> <ul style="list-style-type: none"> <li>insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion</li> <li>the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence.</li> </ul> <p>A ‘not determined’ assessment was also made where the condition was outside the scope of the audit.</p>
<b>Not applicable</b>	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 Evandale 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

#### EL 8722

Condition 1 of EL8722 required the licence holder to carry out the operations described in the approved work program. Work program WP-EL8722-2021-2024 was in force during the audit period:

Evidence was available to confirm that exploration activities were progressing. Annual reports for the 2023 and 2024 reporting periods were reviewed for EL8722. Exploration completed included:

- **2023** – large scale gridded soil sampling (4403 samples collected)
- 12 reverse circulation (RC) drill holes totalling 1,956m completed at Wertago
- **2024** - soil sampling (302 soil samples collected and submitted for analysis)
- rock sampling (229 rock chip samples collected - 47 samples were submitted for analysis).

#### EL8909

Condition 1 of EL8909 required the licence holder to carry out the operations described in the approved work program. Work program WP-EL8909-2022-2028 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 EL8909. Exploration completed included:

- **2022** – no drilling occurred on EL8909 for the 2022 reporting period, despite approval for 20 RC or AC holes and associated track clearing
- Large scale gridded soil sampling
- **2023** – soil sampling (88 samples collected across the Willandra corridor)
- **2024** – G 11 Resources have commenced a drilling program within EL8909 in accordance with Activity Approval dated 10 November 2021 (MAAG0012485), to be reported on in the next reporting period.

Tenement operators, G 11 Resources, indicated monitoring of the work programs for both EL8722 and EL8909 was generally by way of the budget review every 3 months to ensure the minimum spend component of the program. A further annual review of their two-year development budget is to be carried out to ensure the work program remains on track. The work program was designed around target generation, drawn from previous exploration data, soil sampling and aeromagnetic surveys, seeking continual assessment of targets, copper, zinc and lead. The annual reporting process was also used to review and monitor the approved work program.

Exploration data was noted to be maintained by G 11 Resources 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 agreements were in place for the exploration activities undertaken on EL8722 and EL8909. G 11 Resources staff reported that any special conditions requested by the landholder are recorded in the land access agreement and relayed to on-ground staff and contractors prior to any exploration activity commencing.

## 3.3. Native title and exempted areas

Condition 2 of EL8722 and EL8909 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.

G 11 Resources staff said exploration activities were generally being conducted in areas of freehold land within EL8722 and EL8909. Mapping confirmed that all exploration activities reported to date were drilled on freehold land. No further approvals under Section 30 of the Mining Act were required.

G 11 Resources staff said most of the licence area was under freehold title where native title had generally been extinguished. Exploration targets were generally prioritised to avoid native title or exempted areas where possible. Although not a compliance requirement, confirmation of extinguishment had not been sought from NSW Resources. No further approvals under condition 2 of the licence were required for EL8722 or EL8909.

## 3.4. Community consultation

Condition 3 of EL8722 and EL8909 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.

G 11 Resources undertook a consolidated community consultation risk assessment for the Koonenberry project, which included EL8722 and EL8909. The risk assessment was documented as

part of the community consultation strategy and covered some risks associated with community consultation. G 11 Resources staff said a review of the risk assessment was generally triggered during an annual technical review process, or where circumstances change for the project. As suggestion for improvement number 1, it was recommended that G 11 Resources conduct a review of each of the risk controls for the project and document the review in an additional column of the risk assessment.

### **3.4.2. Community consultation strategy**

Mandatory requirement 2 of the code of practice 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.

G 11 Resources prepared a consolidated community consultation strategy for the Koonenberry project, which included EL8722 and EL8909. G 11 Resources had conducted an activity impact assessment for the project and documented that in the strategy as being of low impact.

The strategy was noted to follow the guidance material in the code of practice and included:

- objectives for consultation
- a description and analysis of community stakeholders and impacts, consistent with low impact activities
- a description of how consultation would be undertaken
- a process for review and amendment of the strategy when required.

It was noted that an actions register was used to document communications with stakeholders, including complaints and outcomes.

### **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 G 11 Resources 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 as diary notes and in an actions register.

Up until the change to the code of practice in October 2022, annual community consultation reports were prepared and submitted by the previous operators. In 2023 and 2024, community consultation reports were prepared by G 11 Resources, who said they had not received any requests for the reports from members of the community.

As suggestion for improvement number 2, G 11 Resources should consider undertaking an analysis of any community consultation outcomes and complaints to identify any common issues, emerging trends or key outcomes, and document this in the annual reports.

### 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 approvals granted included:

For EL 8722

- Assessable prospecting operations application dated 14 September 2021 for 30 AC or RC drill holes at Wetago West prospect, 6 RC drill holes at the Cymbric North prospect and 40 AC or RC drill holes at the Cymbric Edge prospect, and associated approval date 20 October 2021 (MAAG0012216 (as modified by MAAG0014702)).
- Assessable prospecting operations application dated 18 October 2021 for 32 RC or AC drill holes and associated access tracks, and associated approval dated 10 November 2021 (MAAG0012486 (as modified by MAAG0014817)).
- Assessable prospecting operations application dated 18 January 2022 for 20 RC drill holes and associated access tracks and sumps, and associated approval dated 22 March 2022. (MAAG0013211).
- Assessable prospecting operations application dated 31 August 2022 for 50 percussion or RC drill holes and 5 kilometres of access tracks, and associated approval dated 27 October 2022 (MAAG0014766).

For EL 8909

- Assessable prospecting operations application dated 18 October 2021 for 20 RC or AC drill holes and associated access tracks, and associated approval dated 10 November 2021 (MAAG0012485).
- Assessable prospecting operations application dated 31 August 2023 for 30 RC or diamond drill holes and access tracks, and associated approval dated 20 October 2023 (APO0001534).

Generally, evidence was provided to indicate the exploration activities were carried out in accordance with the description provided in the applications and in accordance with the approvals given.

### 3.6. Environmental management

Condition 4 of EL8722 and EL8909 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 approvals 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 on EL8722 during the site inspection.

No drill site locations were inspected during this audit for EL8909.

For EL8722, the RC drilling program was completed at the time of the audit and all plant and equipment had been removed from site. Two drill hole locations were inspected (CV0010 and CV0013), which had been partially rehabilitated. G 11 Resources staff said the drill collars remained in place as they intended to conduct further down hole electro-magnetic surveys at these sites.

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

- Rehabilitated holes were said to be backfilled with drill cuttings.
- Some evidence of drill cuttings was observed on the surface at site CV0010 and CV0013, which was not expected to adversely affect rehabilitation of the sites.
- The drill pads were scarified and there was evidence of native vegetation regrowth.
- The landowner was involved in rehabilitation and was satisfied with the rehabilitation conducted to date.
- No waste was observed at any of the sites inspected. G 11 Resources staff said RC sample bags were collected and sent to the local landfill for disposal and or utilised by the landowner as road base for neighbouring tracks.
- Generally, existing tracks were used wherever possible, with all access points and tracks agreed with the landowner before commencement of drilling.
- Drilling activities stopped during heavy rain and site access was restricted to minimise the risk of damage to farm roads and tracks.

### **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.

G 11 Resources undertook an assessment of the impacts of its exploration operations as part of its application for assessable prospecting operations. Appropriate risk controls were included in the assessment.

## **3.7. Security deposit**

Condition 5 of EL8722 and EL8909 required the licence holder to provide a security deposit to secure funding for the fulfilment of obligations under the licence.

At the time of the audit, the security amount required for EL8722 was \$30,000 which department records confirmed was held. Following approval of an application for assessable prospecting operations, the security amount was increased to \$81,000.00. G 11 Resources report that they are in the process of meeting that security amount prior to the due date.

The security amount required for EL8909 was \$40,000, which department records confirmed has held. The last security review was conducted during November 2023.

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

## 3.8. Rehabilitation

Condition 6 of EL8722 and EL8909 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.

G 11 Resources undertook an assessment of the impacts of its exploration operations as part of its application for assessable prospecting operations, which included rehabilitation of the exploration activities. Risk controls were included in the assessment. It was noted that G 11 Resources had an individual Risk assessment document and Rehabilitation Management Plan (RMP) for each activity approval.

### 3.8.2. Rehabilitation objectives and completion criteria

Mandatory requirement 2 required the licence holder, not 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 G 11 Resources indicated the total surface disturbance area less than 5 hectares, however, total excavations were recorded as 400 cubic metres, more than the threshold amount for the definition of a higher risk activity. As such, an RMP was required to be prepared and submitted in accordance with code of practice for rehabilitation. It was observed that a RMP was prepared and submitted for current activities. G 11 Resources staff indicated that it is their usual practice for a RMP to be developed for all activity approvals.

G 11 Resources staff further indicated that rehabilitation objectives and completion criteria (ROCCs) were also submitted with every activity approval application. Evidence was available in department records to confirm that ROCCs were prepared and submitted for the drilling program as part of the applications for assessable prospecting operations. The ROCCs were found to be clear, specific, achievable and measurable. The ROCCs were proportionate to the activities to be undertaken.

### 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.



G 11 Resources exploration staff said rehabilitation of drill sites generally included:

- The site was cleaned of all remaining rubbish and drill samples.
- All drill samples were either backfilled down the drillhole in the sequence in which they were drilled, or utilised by the landholder as road base for existing tracks.
- Some sample piles had been left with the intention of ripping them with the top soil as part of the rehabilitation process. This was done only after confirmation from the geologist on-site that the subsurface material was benign and conducive to plant growth.
- Rehabilitation of each drill site involved ripping and scarification to promote vegetative growth.
- Drill collars were removed, and topsoil was returned to drill collar. It was observed some drill collars remained in place pending further electromagnetic survey exploration of those particular holes.
- Photos were taken before the site was distributed and after the site was rehabilitated.
- Rehabilitation progress was generally monitored every six months or more frequently when staff were carrying out exploration works nearby.

G 11 Resources staff self-reported some issues with rehabilitation for several holes drilled at the Wertago prospect further north within EL8722. G 11 drilled 12 RC holes at Wertago in December 2022, which were yet to be rehabilitated. These holes were not observed during the audit. Given the period of time elapsed since drilling was completed, this was raised as non-compliance 1. Mandatory requirement 4 of the Exploration code of practice; Rehabilitation required commencement of rehabilitation of a site as soon as reasonably practicable following the completion of exploration activities.

Figure 1, and Figure 2 show typical examples of the rehabilitation or partial rehabilitation of the drill holes inspected.

Figure 1: RC hole CV0010 - partial rehabilitation, hole left open for further testing



Figure 2: Scarified drill pad location (CV0010) showing regrowth of native vegetation



### 3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL8722 and EL8909 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, G 11 Resources submitted annual activity reports comprising:

- annual exploration report
- environmental rehabilitation and compliance report
- community consultation report (up to October 2022).

Generally, reports were found to be in accordance with the NSW Resources and/or Resources 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 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.

The drilling program conducted by G 11 Resources on EL8722 and EL8909 was RC drilling that resulted in the generation of chip samples. G 11 Resources said chip samples were taken off site and stored in a facility in Ballarat (Victoria) which was not inspected as part of the audit. G 11 Resources developed a database to record the type and location of all samples generated during the exploration programs.

### 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 4 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 that G 11 Resources had generally maintained records as required by the licence conditions and the exploration codes of practice.

Examples of records reviewed included:

- land access agreements
- worksite induction records, pre and post drill inspections/checklists
- drill instruction sheets for each hole (given to drillers)
- risk assessments
- checklist against thick-billed grass wren
- rehabilitation objectives and completion criteria
- rehabilitation management plan
- community consultation strategy
- community consultation records
- 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).

G 11 Resources exploration staff generally had a good understanding of the compliance requirements for exploration. G 11 Resources used a tenement manager to assist with compliance tracking to ensure compliance with due dates for reporting and associated tenement obligations. G 11 Resources staff provided monthly feedback on the progress of exploration activities to the tenement manager to ensure up-to-date information and compliance monitoring.

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.

G 11 Resources used contract drillers to complete the exploration drilling program. Drilling was completed at the time of the audit and a review of contractor management activities 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 shows that controls may be ineffective.

G 11 Resources 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 on-site inspection of drill sites and rehabilitation to confirm works are completed in accordance with the controls identified in the risk assessments.

The risk assessments prepared by G 11 Resources for the exploration drilling program were noted to include risks related to environmental management and rehabilitation. Controls were identified and implemented to manage the risks. Observations made on site during the audit confirmed no evidence of environmental harm.

Exploration staff advised that the process for checking the implementation and effectiveness of controls was informal and not documented. As suggestion for improvement number 3, G 11 Resources should consider the development of a documented process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being inadequate or ineffective.

## 5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that the exploration operations undertaken by G 11 Resources as operators for Evandale Minerals Pty Ltd were well managed. Evidence was available to demonstrate that basic systems and processes were developed to identify and manage compliance requirements. Further development of these systems would be beneficial to ensure comprehensive and robust management systems were in place. It was observed that records were being maintained as required to demonstrate compliance.

G 11 Resources were 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.

One non-compliance and 3 suggestions for improvement were noted during the audit, as summarised in Table 2 and Table 3.

Table 2 Summary of non-compliances

Non – compliance No.	Description of Issue	Recommendation
1	G 11 Resources conducted drilling within EL8722 in accordance with an activity approval. Some holes drilled are yet to be rehabilitated. In accordance with Mandatory Requirement 4 of the Exploration code of practice: Rehabilitation, the rehabilitation of the site must commence as soon as practicable after completion of exploration activities. G 11 Resources staff are aware that this obligation falls on the titleholder to ensure compliance.	It was recommended that G 11 Resources commence rehabilitation of the affected areas. Consideration should also be given to including late rehabilitation as a risk in their rehabilitation risk assessment document, with control measures put in place to address the risk and ensure compliance with mandatory requirement 4.

Table 3 Summary of suggestions for improvement

Suggestion for Improvement No.	Description of Issue
1	It was recommended that an additional column be added to the risk assessment document to record an assessment of the effectiveness of each risk control and any changes to those controls to be considered.
2	G 11 Resources should consider undertaking an analysis of any community consultation outcomes and complaints to identify any common issues or emerging trends that may affect future exploration activities, documenting this assessment in their annual reports.

Suggestion for Improvement No.	Description of Issue
<b>3</b>	Similar to suggestion for improvement 1, G 11 Resources should consider the development of a documented process to evaluate the effectiveness of the risk controls generally. Continued re-evaluation of controls should be documented where previous controls have been identified as inadequate or ineffective.