

Compliance audit program

EL6400 -Koonenberry Exploration Project

Great Western Minerals Pty Ltd

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1. Introduction

1.1. Background

EL6400

Exploration licence 6400 (1992) was granted to Turon Gold on 01 April 2005. The exploration area was about 61.4km SW of White Cliffs, NSW.

On 17 August 2010, EL6400 was transferred to current titleholders, Great Western Minerals Pty Ltd.

The last acceptance of renewal for EL6400 was on 2 June 2023 and recorded an expiry date of 1 April 2029.

G 11 Resources Pty Ltd is the operator for the Koonenberry Exploration Project acting on behalf of GWM for EL6400 and 11 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 EL6400 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 Great Western 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 EL6400 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 7 August 2024.

1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*,

- Mining Regulation 2016,
- Conditions attached to EL6400 (granted 1 April 2005 and renewed 2 June 2023)
- Assessable prospecting operations application dated 31 August 2023 for 24 RC or diamond drill holes with access tracks, and associated approval dated 12 February 2024 (APO0001492)
- Assessable prospecting operations application dated 29 May 2024 for 20 RC or diamond drill holes with access tracks, and associated approval dated 13 June 2024 (APO0001759)
- Exploration code of practice: Environmental management (Version 3, September 2017, Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Rehabilitation (Version 3, September 2017, Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Community consultation (Version 1.1, May 2016, 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 [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 at White Cliffs on 6 August 2024 and was attended by a representative of G 11 Resources. 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

On 8 August 2024, a site inspection was undertaken of the following exploration activities on EL6400:

- Reverse circulation (RC) drill holes GR24RD010 and GR24RC014 inspected. Holes very recently drilled with rehabilitation yet to commence.
- RC drill hole GR24RC015 being prepared for drilling operation.

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
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> <ul style="list-style-type: none"> insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence. <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 GWM 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 EL6400 required the licence holder to carry out the operations described in the approved work program. Work programs WP-EL6400-2021-2023, and WP-EL6400-2023-2029 were 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 EL6400. Exploration completed included:

- **2023** – Brief structural review and mapping over the Grasmere deposit in March 2023
- **2024** – localised structural geological mapping, surface geochemistry sampling (114 samples consisting of 65 soil samples and 49 rock chip samples), RC drilling (13 drill holes to a total of 2660m), down hole electromagnetics survey (7 of the 13 pre-drilled RC holes surveyed within reporting period).

Tenement operators, G 11 Resources, indicated monitoring of the work programs for EL6400 was generally by way of the budget review every three months to ensure the minimum spend component of the program. A further annual review of their two-year development budget is 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 EL6400. G 11 Resources staff said 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 EL6400 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 (Act)* required the consent of the Minister before a licence holder undertook any activities within a State Conservation Area.

G 11 Resources staff said that exploration activities were generally being conducted in areas of freehold land within EL6400. Mapping confirmed that all exploration activities reported to date were drilled on freehold or leasehold land. No further approvals under Section 30 of the Act were required.

G 11 Resources staff said most of the licence area was under freehold or leasehold 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 EL6400.

3.4. Community consultation

Condition 3 of EL6400 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 EL6400. 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 use the objectives for consultation documented in the community consultation strategy to review the site-specific risk assessment to identify any risks that need to be managed to achieve the objectives.

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.

Evidence was available to show that G 11 Resources prepared a consolidated community consultation strategy for the Koonenberry project, which included EL6400. 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 also observed that an actions register was utilised 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 records of consultation activities were maintained as diary notes and in a register of communications and actions.

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:

- assessable prospecting operations application dated 31 August 2023 for 24 RC or diamond drill holes with access tracks, and associated approval dated 12 February 2024 (APO0001492)
- assessable prospecting operations application dated 29 May 2024 for 20 RC or diamond drill holes with access tracks, and associated approval dated 13 June 2024 (APO0001759).

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 EL6400 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.

An assessment against the Exploration code of practice: Environmental management was completed for the exploration activities in progress on EL6400 as documented in the following sections.

A drilling program was in progress, with drilling operations observed at hole GR24RC015 (Figure 1) which involved RC drilling with a diamond drill tail.

Figure 1: Drill rig set up at GR24RC015



No issues of concern were observed on site at the hole being drilled (GR24RD015).

Previously drilled holes GR24RC010 and GR24RC014 were also inspected, with drilling having recently been completed and rehabilitation in the early stages of commencement.

No evidence of environmental harm was observed during the overall site inspection.

3.6.1. Use of chemicals, fuels and lubricants

Mandatory requirements 1.1 to 1.4 identified the requirements for the management of chemicals, fuels and lubricants used during exploration activities.

It was observed that rig nappy was in place under the drill rig (figure 2), as well as under a nearby lighting plant (Figure 4). Diesel fuel, oil and greases were stored on a bunded spill pallet (Figure 3). Safety data sheets were available in hard copy and electronically and drilling staff were familiar with their locations.

A fully stocked spill kit was located nearby the drill rig (Figure 5). The driller said all drilling staff were trained in the use of the spill kits. No spills were observed at the drill site and appropriate

controls were in place to manage chemicals, fuels and lubricants associated with the drilling program.

Figure 2: Spill protection under the drill rig at EL6400 hole GR24RC015



Figure 3: Spill pallet with drilling fluids, fuels and lubricants at EL6400 hole GR24RD015



Figure 4: Spill protection under the drill rig at EL6400 hole GR24RC015



Figure 5: Spill kit adjacent to drill rig EL6400 hole GR24RD015



3.6.2. Water management

Mandatory requirements 2.1 and 2.2 required the licence holder to implement all measures to prevent, so far as reasonably practicable, causing adverse impacts on water quality and quantity, including groundwater levels and pressure.

Diamond drilling requires the use of water and drilling fluids as part of the drilling process, which needs to be managed to minimise the risk of environmental impacts. Inground sumps were utilised during drilling operations on EL6400. Excavation of the sumps was undertaken by the landowner, with sumps being lined with black builder's plastic (observed at hole GR24RC015). No groundwater was intersected during the drilling operation.

G 11 Resources staff and contracted drillers assessed the risks to surface and groundwater for the drilling program and put in place controls to manage those risks, including:

- Water was being used from site sources (landowners storage/dam).

- Water from drilling operations was contained in inground sumps, drill cuttings filtered out and water recycled as part of the drilling process.

Figure 6: Inground sump at EL6400 hole GR24RC015



3.6.3. Noise and vibration

Mandatory requirement 3.1 required the licence holder to implement all practicable noise management measures to ensure that noise levels meet acceptable noise criteria for sensitive receivers.

It was noted that the drilling was being conducted in sparse, open country and at great distance from any residential or community activity. There was minimal faunal activity in the area of operations. Noise was assessed by G 11 Resources staff as part of the environmental risk assessment and the risk of adverse impacts was assessed as low with controls in place. Controls included:

- lighting to deter native fauna during night-time drilling
- drill sites selected to be remote from sensitive receptors.

Implementation of controls was confirmed by the audit team during the site inspection.

3.6.4. Air quality

Mandatory requirement 4.1 required the licence holder to implement all measures to prevent, so far as practicable, pollution caused by dust and other air pollutants.

It was noted air quality impacts were assessed by contracted drillers routinely as part of the drilling operations. Recent rainfall had minimised the amount of dust encountered during the drilling process. Controls identified included:

- site traffic management - establish and enforce vehicular speed limits
- consideration to the use of water trucks to dampen dust if required
- pollution control equipment (e.g. fitting bag filters or a cyclone to dust-generating equipment)
- revegetating disturbed areas as soon as practicable
- maintenance of machinery and equipment to minimise diesel particulate emissions
- sample bags secured and removed from site.

Observations made by the audit team on site confirmed that minimal dust was generated from the RC drilling process and no further controls were required.

3.6.5. Waste management

Mandatory requirement 5.1 required the licence holder to manage all waste in a manner which did not, as far as practicable, cause harm to the environment.

The key waste streams from the G 11 Resources exploration operations included:

- drilling fluids from the diamond drilling process
- drill cuttings
- domestic waste from the drilling crew.

G 11 Resources developed a waste management procedure to address the risks associated with wastes from the exploration programs. Drilling fluids were managed using the inground sumps. Drill cuttings were collected at each drill site (Figure 7) and predominantly used to backfill drill holes or used by the landowner for road base on existing tracks. The G11 geologist on-site assessed drill cuttings to ensure no acid sulphate composition before use by landowner. Drill sample piles were ripped and scarified with the surface soils to promote growth of native vegetation. Domestic waste was collected in appropriate receptacles at the drill site and removed to the local waste management facility at either Broken Hill or Wilcania in regular intervals.

Figure 7: Drill cuttings from GR24RC010 – awaiting collection from land owner



Observations made by the audit team confirmed that appropriate procedures were in place for the management of waste materials.

3.6.6. Vegetation clearance and surface disturbance

Mandatory requirements 6.1 to 6.4 required the licence holder to:

- minimise the extent of any vegetation clearing and surface disturbance to as low as practicable
- implement all measures to prevent, so far as practicable:
 - adverse impacts to fauna caused by vegetation clearing or surface disturbance
 - causing any land degradation or pollution of land and water
 - harm to the environment when disturbing land in areas of potential or actual acid sulphate soils.

The G 11 Resources environmental risk assessment identified the risk to vegetation clearance and surface disturbance as low. The key control for vegetation clearance and ground disturbance to be drill site planning in consultation with the landholder to minimise disturbance. It was observed that drill site selections were generally in areas of low natural vegetation. G 11 staff supervised any surface disturbance conducted during drilling operations.

Due to the flat nature of the terrain, formed drill pads were not required, with drive-up access for the drill rig along existing tracks. No significant vegetation clearance other than some minor ground cover disturbance was observed at any of the holes inspected during the site inspection.

The terrain in which drilling was conducted was reasonably flat and at low risk of erosion or sedimentation arising from drilling activities.

3.6.7. Roads and tracks

Mandatory requirements 7.1 to 7.5 required the licence holder to:

- consult with relevant landholders prior to establishing any new roads or tracks
- plan, design, construct and use roads and tracks in a manner which minimises the area and duration of disturbance
- construct any crossing of rivers, permanent and intermittent water lands and wetlands to prevent impacts on fish habitats
- refrain from using any unsealed road or track during wet conditions to prevent damage to that road or track
- repair all damage to existing roads and tracks resulting from exploration activities.

Risks associated with ground disturbance from vehicular movements were included in the G 11 Resources environmental risk assessment and were assessed as medium risk based on the requirement to establish some new tracks in consultation with the landholder. Evidence was provided to support that suitable controls were in place to address the risk. Controls included:

- access via existing tracks/edges of paddocks where possible
- drill sites selected by geologist in consultation with landholder to minimise environmental impact, vegetation clearance and creation of new tracks
- new tracks required to be created, done in consultation with the landholder with a focus on avoiding erosion
- monitor local conditions and cease operations as required
- approval sought from landholder prior to accessing site after rain
- use of existing crossings for named creeks
- where tracks were degraded during the drilling program, the landholder was consulted and engaged to grade and repair tracks to ensure tracks are restored to the standard existing prior to works.

G 11 Resources exploration staff said station tracks proposed to be used to access drill sites were included in the land access agreements with landholders. Liaison was maintained with the landholder during the drilling program.

Tracks used to access the drill sites inspected during the audit were predominantly existing property roads and tracks.

G 11 Resources staff said there had been a recent shut down of operations while drilling GR24RC015 due to a rain event, with recommencement of drilling taking place only once the ground surface was dry enough to avoid unnecessary environmental impact. Drilling staff remained on site to prevent damage to existing access tracks. Changes to the drill program were adopted to allow time for the wetter areas to dry.

3.6.8. Weeds, pest animals and disease

Mandatory requirement 8.1 required the licence holder to implement all practicable measures to prevent the introduction and spread of weeds, pest animals and animal and plant diseases.

Vehicle hygiene procedures were the primary control identified in the G 11 Resources environmental risk assessment to avoid the introduction of weeds and diseases into the site. It was also noted the contracted driller had their own risk assessment and protocols for the washdown and maintenance of drill rigs and associated vehicles accessing drill sites. Records of vehicle washdown and weed and seed inspections were documented.

3.6.9. Livestock protection

Mandatory requirement 9.1 required the licence holder to implement all measures to prevent, as far as practicable, causing adverse impacts to livestock.

It was observed there were no livestock in the paddock during the site inspection at GR24RD015 where drilling was in progress. G 11 Resource staff reported that the landowner had relocated stock (sheep) to neighbouring paddocks while drilling occurred.

3.6.10. Cultural heritage

Mandatory requirement 10.1 required the licence holder to implement all measures to prevent, so far as practicable, harm to Aboriginal cultural heritage and non-indigenous cultural heritage.

Searches of the aboriginal heritage information system (AHIMS) were conducted as part of the preparation of applications for exploration activity approvals. No items of cultural heritage were identified within the areas proposed for drilling. G 11 Resources staff said in the event any heritage items were located or identified, it was their usual practice to avoid any exploration activity in those areas.

Observations made during the site inspection confirmed drilling was conducted in open and cleared paddocks, utilised for grazing.

3.6.11. Fire prevention

Mandatory requirement 11.1 required the licence holder to implement all measures to prevent, as far as practicable, the ignition and spread of fire.

G 11 Resources staff advised that drilling locations were generally in areas of low vegetation with minimal clearing required and minimal fire risk. G 11 Resources staff said they regularly liaise with local Rural Fire Service before any proposed drilling operations and all staff vehicles are equipped with fire extinguishers. Drill rigs were fitted with fire suppression equipment, which was regularly

maintained and checked fit-for-purpose against drillers checklists prior to the commencement of any drilling. Weather was monitored during the bushfire danger periods with operations not conducted during days of extreme heat. Fire control and evacuation procedures were documented in the driller's site induction.

3.6.12. 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 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.

3.7. Security deposit

Condition 5 of EL6400 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, there was an increase in security from the \$61,000 held by the Department of Primary Industries and Regional Development to \$85,000, which was due to be paid by the end of August 2024.

An application for further assessable prospecting operations triggered the security review. G 11 Resources report that they are in the process of meeting that security amount prior to the due date.

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

3.8. Rehabilitation

Condition 6 of EL6400 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.

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 more than 600 cubic metres, in excess of the threshold amount for the definition of a higher risk activity. As such, a RMP was required to be prepared in accordance with the code of practice for rehabilitation. It was observed that a RMP existed 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 ROCCs were also submitted with every activity approval application. Evidence was available in departmental records to confirm that ROCCs were submitted for the drilling program as part of the applications for assessable prospecting operations.

3.8.2. 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:

- site 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
- any remaining drill sample piles were ripped and scarified into the existing top soils to promote native vegetative growth
- drill collars were removed, and topsoil was returned to drill collar. Noting; some drill collars remain in place pending further EM survey exploration of those particular holes.
- photos were taken before the site is distributed and after the site was rehabilitated
- rehabilitation progress was generally monitored every six months or more frequently when available staff are carrying out further works nearby.

Two recently drilled holes were inspected as part of the audit. It was observed these holes had not been backfilled and capped for rehabilitation to commence. G 11 Resources staff said capping and rehabilitation of these holes is scheduled to commence once the drilling program in that area is completed.

Figure 8 shows drill hole awaiting rehabilitation with cuttings bagged awaiting collection by the landholder as road base for existing tracks. Figure 9 shows an example of expected partial rehabilitation based on previous drill operations conducted by G 11 on a neighbouring EL.

Figure 8: RC hole GR24RC014 awaiting rehabilitation



Figure 9: Neighbouring partially rehabilitated drill hole



3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the *Mining Regulation 2016* and condition 8 of EL6400 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 EL6400 was a combination of RC and diamond core drilling. Rock chip and core samples were inspected at a nearby temporary storage facility on-site before being stored at G 11's storage facilities in Ballarat (RC chips) and Broken Hill (core). The temporary storage facility within EL6400 was inspected and found to be well organised, with samples appropriately labelled for identification.

Figure 10: Core storage – labelled and stacked



Figure 11: Core storage tray



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 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
- checklist against thick-billed grass wren
- rehabilitation management plan
- rehabilitation objectives and completion criteria
- 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 and 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 being undertaken at the time of the audit and a review of contractor activities was observed to be well managed.

It was noted that G 11 Resources staff provided the driller with a drill request sheet before the commencement of drilling, which included drilling instructions and specific landowner instructions for each hole to be drilled. A senior geologist remains on site for the majority of the drilling process to manage and oversee the activities of the drillers, ensure compliance with the driller request sheet, and immediately address any issues that may arise.

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 impact assessment prepared by G 11 Resources for the exploration drilling program was 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 erosion or 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 3, it was recommended that G 11 Resources include an additional column in their risk assessments for the review of controls against their respective risk, as a documented method of re-evaluating the effectiveness of those controls.

5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that the exploration operations undertaken by G 11 Resources Pty Ltd as operators for Great Western 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. No non-compliances were identified during the audit.

There were no observations of concern arising from the audit. There were 3 suggestions for improvement were noted during the audit, as summarised in Table 2.

Table 2 Summary of suggestions for improvement

Suggestion for Improvement No.	Description of Issue
1	It was recommended that G 11 Resources use the objectives for consultation in the community consultation strategy to review the site specific risk assessment to identify any risks that need to be managed to achieve the objectives.
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.
3	G 11 Resources should consider the addition of an additional column within their risk assessments to record a review of existing controls and their respective effectiveness.