

## **Compliance audit program**

# EL8245 and EL8706 Koonenberry Exploration Project

**Lasseter Gold Pty Ltd**

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# 1. Introduction

## 1.1. Background

Exploration licence 8245 (1992) was granted to EMX Exploration Pty Ltd on 11 March 2014. EMX Exploration changed its name to Lassetter Gold Pty Ltd in October 2017. The exploration area was about 35 kilometres west of White Cliffs in north-western NSW.

Exploration licence 8706 (1992) was granted to Lassetter Gold Pty Ltd on 5 March 2018. The exploration area was about 45 kilometres north-west of White Cliffs in north-western NSW.

As part of the compliance audit program, an audit of the exploration activities associated with the Koonenberry gold exploration project within EL8245 and EL8706 was undertaken on 7 August 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 Lassetter Gold 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 Gold exploration project including:
  - exploration activities within EL8245 and EL8706 including a selected sample of exploration drillholes
  - 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*, specifically, Sections 5, 30, 140, 163C to 163E, 163G, 378D
- Mining Regulation 2016, specifically clauses 59 to 68
- conditions attached to EL8245 (granted 11 March 2014, last renewed 15 May 2023)

- conditions attached to EL8706 (granted 5 March 2018, last renewed 6 August 2021)
- assessable prospecting operations application dated 18 July 2023 for up to 300 AC drill holes, and associated approval dated 27 July 2023 (APO0001408)
- assessable prospecting operations application dated 17 June 2022 for up to 13 RC drill holes, and associated approval dated 25 July 2022 (APO0001220)
- assessable prospecting operations application dated 18 July 2023 for up to 175 AC drill holes, and associated approval dated 27 July 2023 (APO0001397)
- 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 Publication 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 on 7 August 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. 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 EL8245 and EL8706:

- Core and sample storage at Morambie Station

##### EL8245

- Reverse circulation (RC) drill hole LK7RC2022002 drilled in 2022 and rehabilitated.
- RC drill hole LK7RC2022003 drilled in 2022 and rehabilitated.
- RC drill hole LK7RC2022004 drilled in 2022 and rehabilitated.

##### EL8706

- Aircore (AC) hole 23BEAC001 drilled in September 2023 and rehabilitated.
- AC hole 23BEAC002 drilled in September 2023 and rehabilitated.
- AC hole 23BEAC075 drilled in September 2023 and rehabilitated.
- AC hole 23BEAC0?? drilled in September 2023 and rehabilitated.

## 2.3. Closing meeting

A closing meeting was held on site on 7 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> </ul>   |



| Assessment            | Criteria  |
|-----------------------|---|
|                       | <ul style="list-style-type: none"> <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> | <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 Lasseter Gold for comment. No response was received.

## 3. Audit findings

### 3.1. Work program

Condition 1 of EL8245 and EL8706 required the licence holder to carry out the operations described in the approved work program. Work programs WP-EL8245-2023-2029 and WP-EL8796-2021-2027 were in force during the audit period:

Evidence was available to confirm that exploration activities were progressing, generally in line with stages of exploration described in the work programs. Annual reports for the 2023 and 2024 reporting periods were reviewed for EL8245 and EL8706. Exploration completed included:

#### EL8245

- 11 RC drill holes
- soil sampling
- soil pulp multi-element analysis
- rock chipping
- structural mapping
- completion of rehabilitation of RC drill holes.

#### EL8706

- soil sampling
- soil pulp multi-element analysis
- rock chipping
- structural mapping
- IP geophysics
- two phases of air core drilling
- petrography
- structural setting and seismic interpretation.

Lasseter Gold exploration staff said the annual reporting process was used to review and monitor the approved work program. Lasseter Gold also used internal monthly reporting and budgeting processes to monitor the progress of the exploration projects. Exploration data was noted to be maintained by the Lasseter Gold 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 agreements were in place for the exploration activities undertaken on EL8245 and EL8706. As part of the land access agreement, Lasseter Gold exploration staff communicated the forward work program monthly and annually to the landowner.

### 3.3. Native title and exempted areas

Condition 2 of EL8245 and EL8706 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 (SCA).

Reservation of the Mutawintji SCA was gazetted in August 2019. Mapping showed the Mutawintji SCA extended into part of EL8245. Lasseter Gold drilled 3 holes within the SCA area in March 2020, under an exploration activity approval dated 1 May 2019 (before the reservation of the SCA). Section 47H of the *National Parks and Wildlife Act 1974* provided for existing interests at the time of reservation of a state conservation area. An existing interest was defined to mean any authority, authorisation, permit, lease, licence or occupancy. The activity approval in force for EL8245 at that time in August 2019 constituted an existing interest under the NPWS Act. Further approval under section 30 of the Mining Act was not required for the 3 holes drilled in March 2020.

It was noted Ministerial consent under Section 30 of the Act was sought and granted for exploration works within a travelling stock reserve in both EL8245 and EL8706 in 2019.

In 2022, Lasseter Gold applied for and was granted Ministerial consent under Section 30 to prospect within the areas of the SCA.

Lasseter Gold exploration staff said most of the licence areas were under crown pastoral leases (western lands leases) where native title was extinguished. Confirmation of native title extinguishment on the western lands leases was provided. No approvals under Condition 2 of the licence were required for EL8245 or EL8706.

### 3.4. Community consultation

Condition 3 of EL8245 and EL8706 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.

Lasseter Gold undertook a community consultation risk assessment for the Koonenberry project, which was documented as part of the community consultation strategy. The risk assessment included a range of risks to be managed to ensure an inclusive and effective consultation program.

### **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.

Lasseter Gold prepared a community consultation strategy for the Koonenberry project across multiple exploration licences including both EL8245 and EL8706.

The strategy was noted to be comprehensive and included the elements required under mandatory requirement 3 as follows:

- objectives for consultation (section 2)
- risk assessment (section 3)
- a description and analysis of community stakeholders and impacts (section 3.1.4)
- a description of how consultation would be undertaken (section 3.1.5)
- auditing and reporting against the strategy (section 5)
- monitoring of the implementation of the strategy (section 6)
- a process for review and amendment of the strategy when required (section 1.3 and section 7).

The strategy included a discussion of known issues in the area, so that consultation could be targeted to address the issues.

### **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 Lasseter Gold 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 in a consultation register using an Excel spreadsheet.

Up until the change to the code of practice in October 2022, annual community consultation reports were prepared and submitted by Lasseter Gold, generally in accordance with the reporting guidance in Appendix 2 of the code of practice. In 2023, community consultation reports were prepared but Lasseter Gold received no requests for the report from members of the community.

The 2023 annual report was noted to be based on the consultation register providing details of the consultation activities undertaken. There was no analysis of the consultation activities and/or outcomes against the strategy. As suggestion for improvement number 1, Lasseter Gold 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. This analysis could also be used to determine if any changes were needed to either the consultation strategy or the exploration activities because of the consultation undertaken.

### 3.5. Exploration activity approvals

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

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

- assessable prospecting operations application dated 18 July 2023 for up to 300 AC drill holes, and associated approval dated 27 July 2023 (APO0001408)
- assessable prospecting operations application dated 17 June 2022 for up to 13 RC drill holes, and associated approval dated 25 July 2022 (APO0001220)
- assessable prospecting operations application dated 18 July 2023 for up to 175 AC drill holes, and associated approval dated 27 July 2023 (APO0001397).

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.

### 3.6. Environmental management

Condition 4 of EL8245 and EL8706 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approval required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

No evidence of environmental harm was observed at the sites visited during the site inspection. The RC drilling program and the air core drilling programs were completed at the time of the audit and all plant and equipment had been removed from site. An assessment against the Exploration code of practice: Environmental management was not completed but the following observations were made:

- Lasseter Gold had an exploration geologist on site for most of the duration of the drilling programs.
- Clearing of vegetation was generally not required and no clearing was observed at any of the drill sites inspected during the audit.
- Lasseter Gold engaged ecological consultants to undertake bird surveys targeting the Thick-billed Grass Wren, mapping suitable landforms and vegetation within the lease areas.
- Drill hole planning was used to avoid the need for vegetation clearance.
- Lasseter Gold engaged an ecologist to provide training for all staff on the ecological sensitivities of the area.
- Both the Lasseter Gold light vehicle and the Regulator's light vehicle were cleaned and inspected for weeds and soil before entry into the drilling areas on private property.

- Chemical analysis of the drill cuttings showed no heavy metals, and the material was not acid forming.
- Typically, drill cuttings were returned down hole with excess cuttings removed from site or buried in a pit dug for the purposes of disposing of excess cuttings.
- New roads or tracks were not required with existing roads and station tracks used to access drill sites.
- During wet weather, Lasseter Gold exploration staff monitored the Livetraffic website for road closures and maintained contact with landholders to monitor site conditions before accessing sites.

### **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.

Lasseter Gold prepared an environmental risk assessment which was documented as part of an environmental management plan for the Koonenberry project. Risk controls were included in the assessment to manage the risks identified. It was noted the risk assessment was comprehensive and addressed the elements of the mandatory requirements of the code of practice.

### **3.7. Security deposit**

Condition 5 of EL8245 and EL8706 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 EL8245 was \$10,000. Department records showed the security deposit held was \$43,000. This was reduced to \$10,000 following approval of successful completion of rehabilitation.

The security amount required for EL8706 was \$10,000 which department records confirmed was held.

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

### **3.8. Rehabilitation**

Condition 6 of EL8245 and EL8706 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.

Lasseter Gold included rehabilitation risks as part of its environmental risk assessment. Risk controls were included in the assessment to manage the identified rehabilitation risks. A range of risks was noted to be included in the assessment but as suggestion for improvement 2, Lasseter Gold should consider reviewing the rehabilitation aspects of the risk assessment by identifying and relating rehabilitation risks to the rehabilitation objectives and completion criteria. This would provide a more robust framework for managing rehabilitation risks.

### 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 Lasseter Gold indicated the total surface disturbance area was less than 5 hectares. The drilling programs did not fall within the definition of a higher risk activity under the code of practice and a rehabilitation management plan was not required to be developed.

Evidence was available in department records to confirm that ROCCs were submitted for the drilling program as part of the applications 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.

Lasseter Gold exploration staff said rehabilitation for RC holes generally commenced as soon as possible after the completion of drilling. For the air core programs, given the small scale of the disturbance, rehabilitation was completed by returning cuttings downhole as each hole was drilled.

Typically, rehabilitation of the RC drill holes, included:

- all RC holes were plugged and rehabilitated
- all waste and RC spoils in green UV bags were removed from site and disposed appropriately
- the site was scarified by the landowner with his loader across the topography to minimise erosion
- tracks were closed and scarified by the landowner as necessary.

Rehabilitation monitoring included taking photos of the site at regular intervals and maintaining these photos with the drill hole records. Rehabilitation of the RC holes drilled under APO0001220 on EL8245 was completed by Lasseter Gold, and approved by the Regulator, in July 2024. Lasseter Gold included an assessment against the rehabilitation objectives and completion criteria as part of the application for satisfactory completion of rehabilitation.

Lasseter had not yet submitted the application for rehabilitation approval for the air core drilling programs on EL8245 or EL8706.

Figure 1, Figure 2, Figure 3 and Figure 4 show examples of the rehabilitation of the RC and air core drilling programs.

Figure 1: Rehabilitation of RC hole LK7RC2022002 on EL8245



Figure 2: Rehabilitation of RC hole LK7RC2002003 on EL8245



Figure 3: Air core hole 23BEAC002 on EL8706



Figure 4: Air core hole 23BEAC075 on EL8706



### 3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the *Mining Regulation 2016* and condition 8 of EL8245 and EL8706 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, Lasseter Gold submitted annual activity reports comprising:

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

Generally, reports were found to be in accordance with the 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 programs conducted by Lasseter Gold on EL8245 and EL8706 and inspected during the audit were RC and air core drilling that resulted in the generation of chip samples. The chip sample storage was located off-site in metal shipping containers on the Morambie Station property. It was noted diamond drilling was previously undertaken on the tenements with diamond core also stored at the Morambie storage area.

Storage of both chip samples and core was observed to be well managed. Figures 5 and 6 show core stray storage. Figures 7 and 8 show chip tray storage.

### 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 Lasseter Gold had generally maintained records as required by the licence conditions and the exploration codes of practice.

Examples of records reviewed included:

- site induction presentation and records

- records from National Native Title Register confirming extinguishment of native title
- environmental management plan
- GoCanvas records for weed and seed inspection
- rehabilitation objectives and completion criteria
- pre, during and post drilling photos
- community consultation strategy and records
- annual activity reporting.

Figure 5: Storage of core samples at Morambie Station



Figure 6: Core tray labelling



Figure 7: Chip sample storage in plastic chip trays



Figure 8: Example of chip storage and labelling



## 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 Lasseter Gold exploration staff generally had a good understanding of the compliance requirements for exploration. Systems and processes for managing compliance requirements were developed and implemented. 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.

Lasseter Gold 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.

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

Exploration staff advised the process for checking the implementation and effectiveness of controls was informal and not documented. As suggestion for improvement 3, Lasseter Gold 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 ineffective.

## 5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that the exploration operations undertaken by Lasseter Gold were well managed. Evidence was available to demonstrate that 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.

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

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

Table 2 Summary of suggestions for improvement

| <b>Suggestion for Improvement No.</b> | <b>Description of Issue</b>   |
|---------------------------------------|---|
| <b>1</b>                              | Lasseter Gold 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. This analysis could also be used to determine if any changes were needed to either the consultation strategy or the exploration activities because of the consultation undertaken. |
| <b>2</b>                              | Lasseter Gold should consider reviewing the rehabilitation aspects of the risk assessment by identifying and relating rehabilitation risks to the rehabilitation objectives and completion criteria. This would provide a more robust framework for managing rehabilitation risks.  |
| <b>3</b>                              | Lasseter Gold 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 ineffective.   |