

Compliance audit program

EL8957 Bourke Gold Exploration Project

Nimrod Resources Pty Ltd

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1. Introduction

1.1. Background

Exploration licence 88957 (EL8957) was granted to Nimrod Resources Limited (Nimrod) in March 2020. The exploration area is about 60 kilometres north of Bourke in NSW.

Nimrod was successful in being granted funding under round 4 of the NSW Government's New Frontiers Co-operative Drilling Program for a drilling program on EL8957 in January 2022.

As part of the compliance audit program, a desktop audit of the exploration activities associated with the Bourke Gold Project within EL8957 was undertaken on 14 June 2023 by the NSW Resources Regulator.

1.2. Audit objectives

The objectives of the audit were to:

- undertake a compliance audit of the Nimrod exploration activities against the requirements of the *Mining Act 1992* and the conditions of the exploration licence 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 Bourke Gold exploration project including:
 - exploration activities within EL8957 including a selected sample of exploration drillholes
 - borehole sealing and rehabilitation activities for selected drilling activities undertaken since March 2020
- a review of documents and records pertaining to the exploration activities.

The assessment of compliance for the period commencing 1 May 2021 and ending 10 May 2023.

1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*, specifically, Sections 5, 30, 140, 163C to 163E, 163G, 378D
- Mining Regulation 2016, specifically clauses 59 to 68
- conditions attached to EL8957 (granted 31 March 2020 and renewed 15 May 2023)
- exploration activities application dated 27 December 2020 for the Bourke Gold program consisting of up to 100 aircore/reverse circulation drill holes and about 10km of access track clearing, and associated approval dated 25 January 2021 (MAAG0009465)
- exploration activities application dated 31 January 2022 for the Bourke Gold program consisting of up to 50 aircore/reverse circulation drill holes and about 5km of access track clearing, and associated approval dated 21 February 2022 (MAAG0013306)
- Exploration code of practice: Environmental Management (Version 3, September 2017 and Version 4, June 2021)

- Exploration code of practice: Rehabilitation (Version 3, September 2017 and Version 4, June 2021)
- Exploration code of practice: Community consultation (Version 1.1, May 2016 and Version 2.0, October 2022)
- Exploration code of practice: Produced water management, storage and transfer (Version 3, September 2017 and Version 4, June 2021)
- Exploration reporting: A guide for reporting on exploration and prospecting in New South Wales (Version 3, October 2021 and Version 4, January 2022)
- Exploration Guideline: Annual activity reporting for prospecting titles (Version 3.0, December 2020 and Version 4, October 2022) published by Department of Regional NSW

1.5. Publishing and disclosure of information

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

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

2. Audit methods

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

2.1. Opening meeting

An opening meeting was held onsite on 14 June 2023. The audit team was introduced, and the scope of their responsibilities was conveyed to the auditees. The objectives and scope of the audit were outlined. The methods to be used by the team to conduct the audit were explained, including the interview of personnel, review of documentation, examination of records and a site inspection to assess specific compliance requirements.

2.2. Site interviews and inspections

2.2.1. Data collection and verification

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

- General area of drilling on EL8957– due to recent rain, access to specific drill locations was not available.
- Core and sample storage in a shipping container on EL6609.

2.3. Closing meeting

A closing meeting was held on site on 14 June 2023. The objectives of this meeting were to discuss any outstanding matters, present preliminary findings and outline the process for finalising the audit report.

2.4. Compliance assessment definitions

The reporting of results from the compliance audit was determined based on the definitions presented 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.

Assessment	Criteria
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	<p>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.</p>
Not determined	<p>The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit.</p> <p>Reasons why the audit team could not collect the required information include:</p> <p>insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion</p> <p>the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence.</p> <p>A 'not determined' assessment was also made where the condition was outside the scope of the audit.</p>
Not applicable	<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 Nimrod 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 EL8957 required the licence holder to carry out the operations described in the approved work program. Work program WP-EL8957-2020-2023 was approved in March 2020 as part of the granting of EL8957. A revised work program (WP-EL8957-2023-2026) was submitted with the application for renewal in March 2023. This work program was approved in May 2023 when the title was renewed and remains the approved work program for the tenement.

Nimrod was granted funding under Round 4 of the NSW Government's New Frontiers Co-operative Drilling Program for a drilling program within EL8957.

Annual reporting for the 2021-2022 and 2022-2023 periods showed that Nimrod had completed the following exploration activities:

- 71 aircore holes drilled and samples analysed
- 321 soil samples collected and analysed
- 7 air core and reverse circulation (AC/RC) drilled, and samples analysed.

Evidence was available to confirm that exploration activities were progressing. Exploration data was maintained by the Nimrod geologists and submitted to Mining Exploration and Geoscience (MEG) with the annual activity reports as required.

The Nimrod exploration manager advised Nimrod had a program of reporting to the company board against the exploration objectives in the work program every 2 to 3 months. Using this approach, Nimrod was identifying areas of prospectivity to be retained for further exploration and areas which could be relinquished.

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 EL8957. The land access agreements reviewed during the audit were generally noted to be prepared using a standard template. It was noted that the rural access and compensation agreement clearly identified the land parcels affected by lot and deposited plan (DP) number, and a map. An access code of conduct was also observed to be included as part of the agreement. Nimrod staff advised landholders had not requested any specific additional conditions during land access agreement negotiations, and no additional conditions were noted on the agreements sighted.

3.3. Native title and exempted areas

Condition 2 of EL8957 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.

Published mapping identified Crown roads existed within the exploration licence area. The Nimrod exploration manager advised exploration activities were being conducted in areas under western lands leases where native title was extinguished. Nimrod provided evidence of extinguishment

through a report prepared by a titles agent. No further approvals under condition 2 of the licence were required.

A review of the mapped drill holes showed that no holes had been drilled in any exempted areas within the licence area. No further approvals under section 30 of the *Mining Act 1992* were required.

3.4. Community consultation

Condition 3 of EL8957 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.

Nimrod undertook an assessment of the activity impact level in accordance with the guidance material in the code of practice. The activity impact level was assessed as low. The auditor concurred with this assessment. A community consultation risk assessment was noted to be documented in section 1 of the community consultation strategy.

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.

Nimrod prepared a combined community consultation strategy for the Bourke project, which covered 4 of the company's exploration licences. The strategy included EL8957 and was noted to include:

- objectives for community consultation
- identification of stakeholders
- community consultation risk assessment
- mechanisms for consultation
- processes for responding to community enquiries and complaints
- monitoring, evaluation, and revision of the consultation strategy.

The community consultation strategy prepared by Nimrod was noted to address the mandatory requirements of the code of practice and was generally appropriate for the nature and scale of the exploration activities undertaken. The primary consultation activity was liaison with landholders, which reflected the remote nature of the exploration program.

The Exploration code of practice: Community consultation was updated following industry consultation with changes effective from 7 October 2022. Nimrod should review the consultation strategy to ensure it reflects the requirements of the amended code of practice. This was raised as suggested improvement number 1.

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 implementation of the community consultation strategy. Nimrod was maintaining records of landholder consultation that were documented in an Excel spreadsheet with a separate tab for consultation with each different landholder. The company advised that no complaints or enquiries were received for the Bourke project.

Annual community consultation reports were prepared and submitted (up to October 2022), generally in accordance with the reporting guidance in Appendix 2 of the code of practice.

3.5. Exploration activity approvals

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

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

- exploration activities application dated 27 December 2020 for the Bourke Gold program consisting of up to 100 aircore/reverse circulation drill holes and about 10km of access track clearing, and associated approval dated 25 January 2021 (MAAG0009465)
- exploration activities application dated 31 January 2022 for the Bourke Gold program consisting of up to 50 aircore/reverse circulation drill holes and about 5km of access track clearing, and associated approval dated 21 February 2022 (MAAG0013306).

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 EL8957 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approval required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

Drilling was completed with 108 aircore holes drilled over the 2 approved drilling programs. An onsite assessment against the Exploration code of practice: Environmental management was not completed but evidence in the form of records and photographs was used to undertake a desktop assessment as documented in the following sections.

3.6.1. Use of chemicals, fuels and lubricants

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

The Nimrod exploration manager advised a comprehensive inspection of the drill rig was undertaken by Nimrod staff when the rig arrived on site. Nimrod staff attended weekly toolbox meetings with the drillers and raised any issues of concern.

3.6.2. Water

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.

The Nimrod exploration manager advised that only one diamond core hole was drilled for which water was required. Above ground sumps were used for the diamond drilling to manage water used in the drilling process.

All other holes were RC or aircore holes for which water was not required. The exploration manager advised that no significant volumes were intersected during drilling and no specific water management controls were required for the aircore and RC drilling program.

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.

During the audit site inspection, it was observed that drilling was undertaken in a sparsely populated area where noise was a low risk. Nimrod advised that no specific controls were required.

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.

During the audit site inspection, it was observed that drilling was undertaken in a sparsely populated area where air quality impact was a low risk. Nimrod advised no specific controls were required.

3.6.5. Waste management

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

Waste streams generated from the exploration activities included:

- general domestic waste
- sample bags
- drill cuttings and fluids.

Generally, domestic waste was removed from the drill sites for disposal at the local waste management facility in Bourke.

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 sulfate soils.

Some vegetation clearance was required for the drilling programs. This involved clearing an access track 3 to 4 metres wide and a 15 metre by 15 metre drill pad. This work was carried out by the landholder using a tractor. The Nimrod exploration manager said flagging tape was used to mark out the areas and calculate the clearance for the assessable prospecting operations application.

The terrain in which drilling was conducted was flat. Specific controls for erosion and sedimentation were not required.

3.6.7. Roads and tracks

Mandatory requirements 7.1 to 7.5 required the licence holder to:

- consult with relevant landholders before establishing any new roads or tracks
- plan, design, construct and use roads and tracks in a manner that minimised the area and duration of disturbance
- construct any river crossing, permanent and intermittent water land 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.

For the completed drilling programs, no formed new roads were required. Access to the area of drilling was achieved using existing farm tracks. Where additional tracks were required to access specific drilling locations, these were put in by the landholder using a tractor. The landholder requested tracks were left open to facilitate access around the property.

The Nimrod exploration manager advised the landholders generally restricted access to the site when it was wet. Due to rain in the days before the audit, access to the drill sites was restricted.

3.6.8. Weeds, pest animals and disease

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

As documented in the Nimrod exploration activity risk assessment, vehicle hygiene procedures were the primary control to avoid introducing weeds into the site. This an informal process and was not 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.

The Nimrod exploration manager said goats and sheep were typically in the paddocks where drilling took place. Given that the paddocks were very large, there were no specific issues or risks identified by the Nimrod exploration personnel and no controls were required.

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 in preparing applications for exploration activity approvals. No items of cultural heritage were identified within the areas proposed for drilling. No controls were identified as being required.

Nimrod developed a standard operating procedure (SOP) for the protecting Aboriginal objects and sensitive places. This SOP was based on the due diligence code of practice for the protection of Aboriginal objects in NSW.

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.

The Nimrod exploration manager said checking for fire protection equipment was included in the drill rig audit. Nimrod maintained liaison with landholders to monitor fire weather conditions and information was passed to the drillers through toolbox talks.

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.

Nimrod prepared a comprehensive exploration activity risk assessment that was observed to be documented. Controls were proposed for each risk identified, and residual risks calculated with controls in place. The risk assessment formed the basis for the environmental management strategy prepared by Nimrod to manage the environmental aspects of the Bourke drilling program.

3.7. Security deposit

Condition 5 of EL8957 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 EL8957 was \$74,000, which department records confirmed was held. Although drilling was completed, the Nimrod exploration manager said rehabilitation was not at a stage to allow for application to reduce security, having been delayed due to wet weather and flooding in 2022.

3.8. Rehabilitation

Condition 6 of EL8957 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.

Nimrod prepared a comprehensive risk assessment that assessed risks to achieving successful rehabilitation outcomes and identified controls to mitigate the risk. Records were available to confirm that the risk assessment was typically reviewed for each drilling program.

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 application lodged by Nimrod 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 each drilling program. 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.

Rehabilitation monitoring was generally done using photographs with details recorded on the rehabilitation and monitoring checklists. Photographs before, during, and after drilling were to be maintained for each site.

The Nimrod exploration manager said rehabilitation of the drill sites was not completed because of wet weather and flooding in 2022 restricting access to the sites. Because of wet weather in the days before the audit, the audit team was unable to access the drill sites to assess rehabilitation progress.

3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL8957 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, Nimrod submitted annual activity reports comprising:

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

Generally, reports were found to be in accordance with the MEG and/or Resources Regulator templates and guidance material. The Nimrod exploration manager said Nimrod used the services of a tenement manager, who assisted with the reporting obligations and advised in advance when reports were due to be submitted.

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.

Core and samples from the exploration drilling program were observed to be stored in a locked shipping container (Figure 1) on a property within the EL6607, also held by Nimrod. Limited core was generated because only one diamond hole was drilled, and this was pulled up short due to poor ground conditions. The core trays for the diamond hole were stacked in a locked shipping container. The core trays were observed to be labelled with hole number and depth (Figure 2)

Aircore drilling resulted in the collection of chip samples which were stored in plastic chip trays, labelled with hole number and depth (Figure 3). Samples were stored in hole number order in labelled sample bags (Figure 4) in the locked shipping container.

Figure 1 Locked shipping container on EL6607 used for core and sample storage



Figure 2 Example of chip samples

Figure 3 Core tray for hole BDD001



Figure 4 Example of chip sample 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 Nimrod had generally maintained records as required by the licence conditions and the exploration codes of practice. It was noted that relevant documents and records were readily retrievable upon request.

Examples of records reviewed included:

- land access agreements
- drill rig inspection checklists
- incident/accident report form
- tenement obligations reports
- drilling database
- standard operating procedures
- environmental management strategy
- rehabilitation objectives and completion criteria
- pre, during and post drilling photos
- rehabilitation and monitoring checklists
- core storage records and photos
- community consultation register
- community consultation strategy
- annual activity reporting.

4. Compliance management

4.1. Identifying compliance obligations

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

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

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

The Nimrod exploration manager generally had a good understanding of the compliance requirements for exploration. Comprehensive systems and processes for managing compliance requirements were developed and evidence was available to confirm implementation. It was noted records were generally being maintained to demonstrate compliance. It was observed Nimrod developed a series of standard operating procedures (SOPs) to document the activities required to maintain compliance during exploration operations.

Nimrod was using the services of a tenement manager who provided a monthly tenement obligations report to assist in managing compliance requirements.

4.2. Subcontractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. While the responsibility for compliance or the implementation of environmental controls was 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.

Nimrod used contract drillers to complete the exploration drilling program. Given that the drilling was completed, a detailed review of the subcontractor management arrangements was not undertaken as part of the audit.

Nimrod exploration staff advised that all drillers completed a site specific induction for each drilling program. The Nimrod SOP-General Exploration was communicated to the drillers during the induction. This procedure outlined the expectation of drillers whilst on site. Nimrod held weekly toolbox meetings with the drillers and any issues of concern were raised and addressed at the meetings.

Weekly inspections of the drill rig were completed, and Nimrod exploration staff were on site during drilling to supervise the program. Nimrod undertook a review of the drilling contractor performance during and after the contracts and as a result had established an informal preferred supplier list.

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.

The Nimrod exploration manager said inspection or monitoring processes were in place for most exploration activities, however some of them were noted to be informal. For example, weekly drill rig audits were documented on a checklist, rehabilitation and monitoring checklists were completed for each drill hole, and photos were taken and maintained for pre-drilling, during drilling, and post-drilling. Informal processes included the vehicle hygiene protocols that required vehicles to be washed down between properties.

Nimrod prepared an exploration risk assessment that assessed the environmental, rehabilitation, and community consultation risks associated with the exploration program. The risk assessment was noted to include required risk controls. Exploration staff advised that the process for checking the implementation and effectiveness of controls was informal and not documented. As suggestion for improvement no. 2, Nimrod should consider the development of a process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being ineffective.

5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that Nimrod had achieved a high level of compliance with the requirements of the exploration licence, exploration activity approvals and the exploration codes of practice, for the elements reviewed during the audit. No non-compliances were identified during the audit.

Evidence was available to demonstrate that comprehensive systems and processes had been developed to identify and manage compliance requirements. Evidence was available to confirm implementation of the systems. It was observed that records were being maintained as required to demonstrate compliance.

Two suggestions for improvement were identified as documented in Table 2.

Table 2 Summary of suggestions for improvement

Suggestion for Improvement No.	Description of Issue
1	The Exploration code of practice: Community consultation was updated following industry consultation with changes effective from 7 October 2022. Nimrod should review the consultation strategy to ensure it reflects the requirements of the amended code of practice.
2	Nimrod prepared an exploration risk assessment that assessed the environmental, rehabilitation, and community consultation risks associated with the exploration program. The risk assessment was noted to include required risk controls. Exploration staff advised that the process for checking the implementation and effectiveness of controls was informal and not documented. Nimrod should consider the development of a process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being ineffective.