

## **Compliance audit program**

# EL5760 and EL6111 McPhillamys Gold Exploration Project

**LFB Resources Pty Ltd**

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# 1. Introduction

## 1.1. Background

Exploration licence 5760 (1992) was granted to LFB Resources NL on 10 August 2000. The exploration area was about 7 kilometres east of Blayney in central NSW.

Exploration licence 6111 (1992) was granted to LFB Resources NL on 12 August 2003. The exploration area was about 13 kilometres north-east of Blayney in central NSW.

LFB Resources NL is a wholly owned subsidiary of Regis Resources Ltd who was the operator of the titles.

As part of the compliance audit program, an audit of the exploration activities associated with the McPhillamys Gold exploration project within EL5760 and EL6111 was undertaken on 25 September 2025 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 LFB Resources NL 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 McPhillamys Gold exploration project including:
  - exploration activities within EL5760 and EL6111 including a selected sample of exploration drillholes and Costean sample pits
  - borehole sealing and rehabilitation activities for selected drilling or Costean sampling activities undertaken since January 2023.
- a review of documents and records pertaining to the exploration operations for the period commencing 1 January 2023 and ending 25 September 2025.

## 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 EL5760 (granted 10 August 2000, last renewed 22 September 2022)
- assessable prospecting operations application dated 11 July 2023 for up to 82 boreholes, 85 trenches and 4 diamond drill holes, and associated approval dated 3 August 2023 (APO0001436)
- assessable prospecting operations application dated 22 May 2025 for up to 90 diamond drill holes, 48 costeans and 3 laydown areas and access tracks, and associated approval dated 23 June 2025 (APO0002049)
- conditions attached to EL6111 (granted 12 August 2003, last renewed 7 September 2022)
- assessable prospecting operations application dated 6 June 2025 for up to 6 costeans, and associated approval dated 22 June 2025 (APO0002060)
- Exploration code of practice: Environmental management (Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Rehabilitation (Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Community consultation (Version 2.0, October 2022 and Version 2.1, May 2023)
- Exploration code of practice: Produced water management, storage and transfer (Version 3, September 2017, Version 4, June 2021 and Version 5, March 2022)
- Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales (Version 3, October 2021 and Version 4, January 2022)
- Exploration Guideline: Annual activity reporting for prospecting titles (Version 3.0, December 2020 and Version 4, October 2022) published by Department of Regional NSW.

## 1.5. Publishing and disclosure of information

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

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

## 2. Audit methods

The audit process involved interviewing site personnel, a review of documentation and samples of records provided by the licence holder and/or the 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 onsite on 25 September 2025. 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 interviewing personnel, reviewing documentation, examining 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 after the remote 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 was identified in the audit findings as not determined.

#### 2.2.2. Site inspections

A site inspection was undertaken of the following exploration operations in EL5760 and EL6111:

- core and sample storage at the LFB Resources core warehouse in Blayney
- diamond drill hole X060 drilled September 2025 – cut and fill to create drill pad
- diamond drill hole X059 drilled in August 2025 – rehabilitated
- diamond drill hole Z043 drilled in August 2025 – reshaped and rehabilitation in progress
- diamond drill hole X039 drilled in August 2025 - rehabilitated
- diamond drill hole X046 – drilling in progress
- Costean Y011 dug September 2025 – rehabilitation in progress
- Costean COS029 – excavation in progress.

## 2.3. Closing meeting

A closing meeting was held on site on 25 September 2025. 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

Reporting the results from the compliance audit was determined based on the definitions presented 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> <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>



Assessment	Criteria
	A 'not determined' assessment was also made where the condition was outside the scope of the audit.
<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 LFB Resources for comment. Consideration was given to the representations made while finalising the audit report as discussed in the audit findings.

## 3. Audit findings

### 3.1. Work program

Condition one of EL5760 and EL6111 required the licence holder to carry out the operations described in the approved work programs. Work programs WP-EL5760-2022-2028 and EL6111-2022-2028 were in force during the audit period. During the 6-year renewal periods, planned exploration activities were targeting stages 4 and 5 of the exploration process. These activities included mapping, sampling and drilling across various prospects within the exploration licence areas.

Evidence was available to confirm exploration activities were progressing. Annual reports for the 2024 and 2025 reporting periods were reviewed for EL5760. Annual reports for the 2024 and 2025 reporting periods were reviewed for EL6111. Exploration completed included:

#### EL5760

- Diamond drilling programs totalling 94 holes.
- Feasibility studies for McPhillamys project.

#### EL6111

- Soil sampling program.
- Feasibility and development studies.

Regis Resources used the annual activity reporting process to track progress against the approved work programs. Monthly tenement obligations reports prepared by a consulting titles agent were also used to track progress with work programs.

Exploration data was noted to be maintained by the Regis Resources 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.

Regis Resources owned the land on which exploration activities were conducted on EL5760. Land access agreements were not required for exploration activities on EL5760.

Regis Resources developed a land access strategy to negotiate land access agreements over a 6-month period for land within the licence areas not owned by Regis Resources. The agreements were to be negotiated using a standard template. Landholders were able to negotiate additional conditions to be added to the land access agreement template.

Regis Resources maintained a layer in its geographic information system (GIS) identifying land ownership and the status of land access agreements.

### 3.3. Native title and exempted areas

Condition 2 of EL5760 and EL6111 required the licence holder to obtain the prior written consent of the Minister before carrying out any activities on land on which native title was not 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.

LFB Resources completed the right to negotiate process for the parts of EL5760 and EL611 subject to native title. Consent under condition 2 was granted in September 2023.

There were no state conservation areas within the exploration licence areas. No approvals under section 30 of the *Mining Act 1992* were required.

Regis Resources maintained a mapping layer in its GIS to identify land tenure.

### 3.4. Community consultation

Condition 3 of EL5760 and EL6111 required the licence holder to carry out community consultation in relation to planning and conducting 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 one 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.

Regis Resources prepared a consolidated risk assessment for its exploration operations that included risks associated with consultation and engagement. The risks were categorised by stakeholder type and included a range of management controls. The Regis Resources exploration staff reviewed the risk assessment quarterly to check it remained relevant for the exploration activities in progress.

#### 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.

Regis Resources prepared a project-based community consultation strategy for its McPhillamys Gold project that included exploration activities on EL5760 and EL6111. A review of the strategy confirmed it addressed the mandatory requirements of the code of practice. For example:

- Objectives for the strategy were documented in section 5.1.
- A description and analysis of stakeholders was documented in section 5.3. The identification and analysis considered a range of stakeholders including landholders, government agencies and other community groups.

- Consultation activities were described in section 5.4 – included a range of techniques such as letters, community consultative committee meetings, letterbox drops for fact sheets and flyers, and email updates to stakeholders.
- Processes to regularly monitor and respond to feedback and complaints were documented in section 6.
- Processes to regularly review the strategy and revise if necessary were documented in section 7 – Regis Resources exploration staff said the consultation strategy was reviewed quarterly.

### 3.4.3. Implementation and reporting

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

Records were available to confirm implementation of the consultation strategy. For example, a community consultative committee was established for the mine development,

The annual community consultation reports were prepared for each exploration licence, generally in accordance with the reporting guidance in Appendix 2 of the code of practice. The reports were available upon request, but Regis Resources did not receive any requests for community consultation reports to be provided.

A review of the 2025 community consultation report for EL5760 showed the report included an evaluation of the consultation approach and identified trends and themes in the consultation data.

## 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:

- assessable prospecting operations application dated 11 July 2023 for up to 82 boreholes, 85 trenches and 4 diamond drill holes on EL5760, and associated approval dated 3 August 2023 (APO0001436)
- assessable prospecting operations application dated 22 May 2025 for up to 90 diamond drill holes, 48 costeans and 3 laydown areas and access tracks on EL5760, and associated approval dated 23 June 2025 (APO0002049)
- assessable prospecting operations application dated 6 June 2025 for up to 6 costeans on EL6111, and associated approval dated 22 June 2025 (APO0002060).

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. The drill hole instructions to the driller for each hole included a requirement to confirm the activity approvals were valid and the ground disturbance permit was signed off by Regis Resources exploration staff.

The Costeans on EL6111 had not commenced at the time of the audit.

### 3.6. Environmental management

Condition 4 of EL5760 and EL6111 required the licence holder to prevent or minimise so far as was reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approvals required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

An assessment against the Exploration code of practice: Environmental management was undertaken for the exploration activities completed on EL5760 and EL6111 as documented in the following sections.

Diamond drilling was in progress on hole X046 (Figure 1). Costeaming was in progress on COS029 (Figure 2).

Figure 1: Diamond drilling on hole X046



Figure 2: Costeaming on site COS029



#### 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.

A rig nappy was placed under the drill rig to catch any leaks or spills (Figure 3). Chemicals, fuels and oils used during the drilling operations were stored in a bunded crate on the rod sloop (Figure 4) and a fully stocked spill kit was observed next to the driller's caravan (Figure 5). Safety data sheets were available electronically and in hard copy.



Figure 3: Rig nappy under drilling rig at hole X046



Figure 4: Chemicals, fuels and oils in a bunded crate



Figure 5: Spill kit on site at hole X046



### 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 was reasonably practicable, causing adverse impacts on water quality and quantity, including groundwater levels and pressure.

Water for the diamond drilling programs was sourced onsite from farm dams. Regis Resources mapped the harvestable rights for each dam to identify dams suitable for use as a drilling water source.

Above ground sumps were used to manage water throughout the diamond drilling process (Figure 6). At the end of each hole, a portable vacuum truck was used to remove drilling fluids from the tanks.

Figure 6: Above ground sumps for water management during diamond drilling



### 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 met acceptable noise criteria for sensitive receivers.

Regis Resources mapped sensitive receptors in the drilling program area and nearby. The sound power levels of the rig were known allowing for noise levels to be calculated at each sensitive receptor. Where drill sites were closer to sensitive receptors, the drilling program was scheduled so the drilling was undertaken during day shifts Monday to Friday to limit noise impacts. A noise monitor was observed in the drilling program area to monitor noise levels (Figure 7). Noise abatement measures were to be considered if noise levels were above criteria.

Figure 7: Noise monitor on site on EL5760



### 3.6.4. Air quality

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

Water was used during diamond drilling operations, which typically resulted in minimal dust generated from the drilling program. No dust was observed from either the diamond drilling

program or the Costeaning. Vehicle movements along gravel roads and tracks was the main source of dust. Limiting speeds on gravel roads and tracks was the key control for dust generation.

### 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 was practicable, cause harm to the environment.

The key waste streams from the Regis Resources exploration operations included:

- drill cuttings and fluids from the diamond drilling process
- green sample bags from the Costeaning operations
- domestic waste from the drilling and Costeaning crews.

Regis Resources exploration staff said general domestic waste was collected and returned to Blayney for disposal at the local waste management facility. Drill cuttings and fluids were captured in above ground sumps that were pumped out using a small vacuum truck. The small vacuum truck transported the drill cuttings and fluids to a central tank in a laydown area on EL5760 for collection by a licensed waste management contractor.

A skip bin for any contaminated soil material was at the laydown area in EL5760.

No waste was observed at any of the completed drill sites inspected by the audit team. Waste records were collated and maintained to confirm disposal.

### 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.

Regis Resources exploration staff said the key control for vegetation clearance and ground disturbance was drill site planning to minimise disturbance. A ground disturbance permitting process was used to assess and manage impacts to vegetation and ground disturbance.

For the sites inspected on EL5760, it was observed no mature trees were removed with drill holes and costeans generally in open pasture areas where trees were sparse. At most sites, drive-up access for the drill rig or excavator across the paddock was available. No significant vegetation clearance other than some minor ground cover disturbance (mostly pasture grass) was observed at any of the holes inspected during the site inspection (Figure 8).

Due to the undulating nature of the terrain, formed drill pads were required at some sites.

Environmental management controls implemented for constructed drill pads included:

- topsoil stripped and stockpiled separately in a bund above the drill pad (Figure 9). This acted as a clean water diversion around the drill site.



- erosion and sediment control fencing on the downslope side of the drill pad (Figure 10)
- erosion and sediment control fencing remained in place throughout the reshaping and rehabilitation process (Figure 11).

Figure 8: Drill hole X039 drilled in August 2025, typical of surface disturbance for drive-up access for drill rig



Figure 9: Drill pad constructed for hole X060, topsoil stockpiled around top of pad for clean water diversion



Figure 10: Sediment fencing downslope of hole X060 drilled in September 2025



Figure 11: Sediment fencing downslope of reshaped drill pad for hole X043 drilled in August 2025



For the Costeaning operations, surface disturbance was generally restricted to the pit and adjacent stockpiles. Topsoil was stockpiled separately for each pit (Figure12).



Figure 12: Typical surface disturbance associated with costeaning operations



### 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 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.

Regis Resources was the owner of the land on which the drilling programs and Costeaning operations were completed on EL5760. Tracks used to access the drill sites inspected during the audit were a combination of existing property roads and tracks approved as part of assessable prospecting operation approvals. The tracks were observed to be maintained in good condition.

The tracks used to access each drill hole or Costean were mapped and provided to the driller and excavator operator as part of the information package for each program.

There were no waterway crossings observed during the audit site inspection. Regis Resources exploration staff said there no waterway crossings required to be constructed as part of exploration drilling operations.

Regis Resources exploration staff said road and track conditions were monitored during wet weather. A weather station was maintained on site and daily weather checks were undertaken. The exploration sites had multiple access options. Where access from one direction needed to be restricted due to wet weather, alternative access points were used. If all access points were restricted, the exploration programs were suspended until conditions improved.

### 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.

Regis Resources established and implemented a weed and seed protocol for exploration activities. Vehicle cleaning and weed and seed sign-off was documented in a checklist with records retained.

### 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.

No livestock was observed in the paddocks during the site inspection where drilling was in progress or completed. Livestock could be moved between paddocks. Electric fencing was used around each of the excavated drill pads to discourage animal ingress (Figure 13). The electric fencing remained in place throughout the reshaping and rehabilitation process to minimise impacts to rehabilitation from grazing animals. Above ground sumps were used for the drilling programs that eliminated the risk of livestock falling into inground sumps.

Figure 13: Electric fencing around drill pad X060



### 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. Regis Resources used a heritage consultant to undertake heritage clearance surveys in an area of 50 metres by 50 metres around each planned drill hole site. Known sites were fenced off (Figure 14). The site induction and drillers instructions identified known artefacts as no-go zones.

Regis Resources mapped all cultural heritage sites and the section 10 area in its GIS and established a buffer zone around the sites. The GIS cultural heritage layer was used during exploration planning to identify exclusion zones for exploration drilling.

Figure 14: Fencing of a heritage artefact near hole X043



### 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.

Regis Resources exploration staff advised fire weather was monitored during the bushfire danger period. Where required, exploration activities were amended depending on the weather forecasts. Fire extinguishers were maintained on the drill rig and in all light vehicles.

### 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.

Regis Resources prepared a comprehensive environmental risk assessment for its exploration operations. Examples of risks assessed included:

- less than adequate management of wastes
- unauthorised land or vegetation disturbance causing environmental harm
- poor sediment control associated with water movement.

Controls were identified to mitigate the identified risks. Evidence was available to demonstrate the documented controls were implemented.

## 3.7. Security deposit

Condition 5 of EL5760 and EL6111 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 EL5760 was \$400,000, which department records confirmed was held. The security amount required for EL6111 was \$106,700, which department records confirmed was held.

The diamond drilling and Costeaning programs triggered the increase in security from the minimum security required for an exploration licence. Rehabilitation cost estimates were submitted with each application for assessable prospecting operations to confirm rehabilitation costs.

## 3.8. Rehabilitation

Condition 6 of EL5760 and EL6111 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 one 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.

Regis Resources prepared a comprehensive rehabilitation risk assessment for exploration operations. The risk assessment was documented as part of the combined environmental rehabilitation and community consultation risk assessment prepared for the McPhillamys Gold project. A summary of the risk assessment was included in the rehabilitation management plan. The risk assessment included a range of risks associated with rehabilitating exploration activities including:

- insufficient establishment of vegetation post-seeding
- drill rig or excavator oil spills or hydraulic leaks
- bushfires
- introduction of plant disease and/or weed infestation following activities.

Controls were documented for the risks identified. Observations made on site during the audit confirmed the controls were implemented.

### 3.8.2. Rehabilitation objectives and completion criteria

Mandatory requirement 2 required the licence holder, no 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 Regis Resources for EL5760 and EL6111 indicated the cumulative surface disturbance area and/or cumulative volume of excavations exceeded the thresholds for a higher risk prospecting activity.

The drilling and bulk sampling programs on EL5760 and EL6111 fell within the definition of a higher risk prospecting operation under the code of practice, and a rehabilitation management plan was required.



Regis Resources prepared a rehabilitation management plan for the McPhillamys Gold project exploration activities, which was submitted to the Regulator with each application for assessable prospecting activities. Evidence was available to demonstrate the plan was implemented for the drilling and Costeaning programs completed.

ROCCs were documented as part of the applications for assessable prospecting operations. It was noted that the ROCCs 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 included 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.

Evidence was sighted to demonstrate the rehabilitation management plan was implemented on the rehabilitated sites inspected. For example:

- erosion and sediment control was left in place on reshaped drill pads until vegetation re-established.
- rig nappies were in place under drill rigs to avoid contamination of soil from oil spills or hydraulic leaks.

Rehabilitation monitoring was generally done using a photographic record. Photographs before, during, and after drilling were maintained electronically for each site. A drilling program checklist was maintained for each hole, effectively providing a lifecycle record. The drilling program checklist contained details of seed mixes used in rehabilitation, and documented rehabilitation inspections at 3 months, 6 months and 12 months after initial rehabilitation.

Generally, holes were rehabilitated soon after completion. For example, initial rehabilitation of the holes drilled in August 2025 was completed at the time of the audit in October 2025. For the Costeaning operations, each Costean was rehabilitated as soon as the excavation of the pit and associated sampling was complete. Costeans were typically excavated and rehabilitated the same day.

Department records confirmed rehabilitation of the previous drilling programs on EL5760 and EL6111 were signed off as satisfactory. The rehabilitation inspected during the audit for the 2025 drilling programs was not final and no application for rehabilitation sign-off was submitted to the Regulator. Regis Resources exploration staff said applications for sign-off were to be prepared once rehabilitation monitoring confirmed the rehabilitation objectives and completion criteria were met.

Figures 15 to 18 show examples of the rehabilitation of exploration activities on EL5760 and EL6111.

Figure 15: Initial infill, reshaping and rehabilitation of costean Y011 excavated in October 2025



Figure 16: Initial reshaping and rehabilitation of diamond drill hole Z043 drilled in August 2025



Figure 17: Initial rehabilitation of diamond drill hole Z025 drilled in July 2025



Figure 18: Initial rehabilitation of diamond drill hole X059 drilled in August 2025



### 3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL5760 and EL6111 required the licence holder to submit an activity report annually within one calendar month following the 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, Regis Resources submitted annual activity reports for EL5760 and EL6111 comprising an:

- 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.

Regis Resources used the Landtracker system to track reporting dates and send reminder emails to staff. The monthly tenement obligations reports prepared by a consultant titles agent also tracked reporting dates.

### 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 chip sample storage was maintained at the Regis Resources core warehouse in Blayney. The storage was very well organised and mapped so any hole could be located if required.

The core trays were labelled on site (Figure 19) and transferred to the core warehouse for further analysis and sampling. In the core warehouse, the core trays were stacked on pallets and stored on pallet racking (Figure 20).

Figure 19: c



Figure 20: Storage of core trays by hole on pallet racking



### 3.11. Record keeping

Sections 163D and 163E of the *Mining Act 1992* related to creating and maintaining records required under the Act, the Regulations, or a condition of title. Records must be kept in a legible form for production to any inspector and must be maintained for a period of 4 years after the expiry or cancellation of the title. Specific requirements for the types of records to be maintained for exploration activities were detailed in the mandatory requirements of the exploration codes of practice as follows:

- mandatory requirement 6 of the rehabilitation code of practice



- mandatory requirement 13.1 of the environmental management code of practice
- mandatory requirement 5 of the community consultation code of practice.

Records reviewed during the audit demonstrated that Regis Resources generally maintained records as required by the licence conditions and the exploration codes of practice.

Examples of records reviewed included:

- land access agreements
- GIS system
- environmental and rehabilitation risk assessments
- monthly tenement obligations reports
- pre, during and post drilling photos
- examples of drill hole instructions
- examples of weekly inspection – diamond drilling checklists
- examples of ground disturbance permitting process for the 3 stages of exploration
- examples of drilling program checklists
- exploration environmental management plan
- waste management records
- rehabilitation objectives and completion criteria
- rehabilitation management plan
- community consultation risk assessment
- community consultation strategy
- community consultation records
- community consultation reports
- annual activity reporting.

Data, documents and records were well managed electronically using a shared drive. Records requested during the audit were readily retrievable by the exploration staff.

## 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 Regis Resources exploration staff had a good understanding of the compliance requirements for exploration. Comprehensive and robust systems and processes for managing compliance requirements were developed and implemented. Examples of processes and procedures reviewed during the audit included:

- ground disturbance permitting process
- weekly inspection processes
- site induction process
- rehabilitation management plan
- drilling program checklists
- drill hole instructions.

It was noted records were generally maintained to demonstrate compliance.

### 4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. While the responsibility for complying or implementing 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.

Regis Resources used contract drillers for the diamond drilling programs and Costeaning operations. Systems and processes for monitoring the contracted works were established and implemented. For example:

- the drilling crews were given a site induction that included any controls required to be implemented

- the driller was provided with a copy of the drill hole instructions for each hole
- daily pre-start meetings were held throughout the drilling programs to discuss any issues arising or any changes in requirements.

### 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 controls may be ineffective.

Regis Resources exploration staff established an inspection and monitoring process that was suitable for the nature of the exploration operations being conducted. These processes were noted to include inspection of drill sites and rehabilitation to confirm works were completed in accordance with the controls identified in the risk assessments. The risk assessments included a column for assessment of the effectiveness of the risk controls and allowed for changes to be made to improve the effectiveness for future programs.

## 5. Audit conclusions

From the evidence reviewed during the audit and observations made on site during the site inspection, it was concluded the exploration operations undertaken by Regis Resources on EL5760 and EL6111 were very well managed. Evidence was available to demonstrate comprehensive and robust systems and processes were developed to identify and manage compliance requirements. It was observed records were being maintained as required to demonstrate compliance.

Regis Resources was compliant 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 or observations of concern were identified during the audit.

There were no recommendations arising from the audit.