

Compliance audit program

EL5920 and EL8403 Bowdens Silver Exploration Project

Bowdens Silver Pty Ltd

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1. Introduction

1.1. Background

Exploration licence 5920 (1992) was granted to Silver Standard Australia Pty Ltd on 30 January 2002. The exploration area was about 19 kilometres north-west of Kandos in central NSW. Bowdens Silver Pty Ltd acquired the project in 2016.

Exploration licence 8403 (1992) was granted to Silver Mines Ltd on 4 November 2015. Bowdens Silver acquired the project in 2018. The exploration area was about 21 kilometres south-east of Mudgee in central NSW.

As part of the compliance audit program, an audit of the exploration activities associated with the Bowdens Silver exploration project within EL5920 and EL8403 was undertaken on 23 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 Bowdens Silver Pty Ltd 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 Bowdens Silver exploration project including:
 - exploration activities within EL5920 and EL8403 including a selected sample of exploration drillholes and bulk sample pits
 - borehole sealing and rehabilitation activities for selected drilling or bulk 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 23 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 EL5920 (granted 30 January 2002, last renewed 26 April 2023)
- assessable prospecting operations application dated 24 November 2023 for 3 bulk sample pits, and associated approval dated 30 November 2023 (APO0001623)
- assessable prospecting operations application dated 14 February 2025 for one diamond drill hole with access track, and associated approval dated 19 February 2025 (APO0001963)
- assessable prospecting operations application dated 25 March 2025 for 3 diamond drill holes, and associated approval dated 23 April 2025 (APO0001995)
- conditions attached to EL8403 (granted 4 November 2015, last renewed 6 December 2024)
- assessable prospecting operations application dated 12 August 2024 for 12 diamond drill holes, and associated approval dated 6 September 2024 (APO0001805)
- 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, 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 onsite on 23 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 following 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 has been identified in the audit findings as not determined.

2.2.2. Site inspections

A site inspection was undertaken of the following exploration operations in EL5920 and EL8403:

EL5920

- diamond drill hole BD250021 – converted to a water monitoring bore and partially rehabilitated
- diamond drill hole BD250023 – converted to a water monitoring bore and partially rehabilitated
- diamond drill hole BD25008 – drilled in 2025 and partially rehabilitated
- diamond drill hole BD25024 – drilled in 2025 and rehabilitated
- bulk sample – high grade east - rehabilitated
- bulk sample – low grade east – rehabilitated
- core and sample storage yard and shed.

EL8403

- diamond drill hole BCD24003 – drilled in 2024 and rehabilitated
- diamond drill hole BCD24006 – drilled in 2024 and rehabilitated.

2.3. Closing meeting

A closing meeting was held on site on 23 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

The reporting of results from the compliance audit was determined based on the definitions presented below in Table 1.

Table 1: Compliance assessment definitions

Assessment	Criteria
Compliance	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
Non-compliance	<p>Clear evidence has been collected to demonstrate the particular requirement has not been complied with. There are three subcategories of non-compliance reflecting the severity and level of risk associated with the non-compliance:</p> <p>NC1 – the absence of planning or implementation of a required operational element which has the potential to result in a significant risk.</p> <p>NC2 – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk.</p> <p>NC3 – an administrative or reporting non-compliance which does not have a direct environmental or safety significance.</p> <p>Note: The identification of a non-compliance in this audit may or may not constitute a breach of, or offence under, the <i>Mining Act 1992</i>. Non-compliances identified in this audit report may be further investigated by the Regulator and regulatory actions may be undertaken.</p>
Observation of concern	<p>Where an auditee may be compliant at the time of the audit but there are issues that exist that could result in the potential for future non-compliance if not addressed.</p> <p>Observation of concern was also used where an issue may not have particular compliance requirements, but which was not conducive to good management or best practice.</p>
Suggestion for improvement	Where changes in processes or activities inspected or evaluated at the time of the audit could deliver improvement in relation to risk minimisation, sustainable outcomes and management practices.
Not determined	<p>The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit.</p> <p>Reasons why the audit team could not collect the required information include: 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.
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 Bowdens Silver 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 one of EL5920 and EL8403 required the licence holder to carry out the operations described in the approved work programs. Work programs WP-EL5920-2023-2029 and EL8403-2024-2030 were in force during the audit period. Over the 6-year renewal periods, planned exploration activities were targeting stages one to 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 EL5920. Annual reports for the 2023 and 2024 reporting periods were reviewed for EL8403. Exploration completed included:

EL5920

- Drilling of 59 diamond drill holes
- Bulk sampling
- Regional seismic survey
- Regional gravity survey
- Soil and rock chip sampling
- Geological mapping
- Mineral resource estimate update.

EL8403

- 2D seismic survey and interpretation of seismic data
- Geological mapping and surface sampling
- Gravity survey
- Drilling of 2 diamond drill holes.

Bowdens Silver used the annual activity reporting process to track progress against the approved work programs. Quarterly 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 Bowdens Silver 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.

Bowdens Silver owned the land on which exploration activities were conducted on EL5920. Land access agreements were not required for activities on EL5920.

Evidence was provided to confirm land access agreements were in place for the properties on which exploration operations were occurring in EL8403. The land access agreements reviewed during the audit were generally prepared using a standard template. A detailed description of exploration activities was included in the land access agreements. Landholders were able to negotiate and add any specific requirements for their properties. Bowdens Silver implemented a start-up compliance check process, which confirmed land access agreements were in place before exploration activities commenced.

Bowdens Silver 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 EL5920 and EL8403 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.

In July 2024, Bowdens Silver conducted a review of historical exploration activities and identified some prospecting activities on a small portion of Crown land within EL8403 which was leased to the landholder. A land access agreement was in place with the leaseholder, but native title was unlikely to have been extinguished. Bowdens Silver self-reported the breach which was investigated by the Regulator. The nature of the exploration activity was very low impact on native title rights and involved taking readings from a handheld gravimeter. No further action was taken by the Regulator.

Bowdens Silver completed the right to negotiate process for EL5920 and EL8403 and a section 31 deed agreement was executed between the parties in 2025. Consent under condition 2 was pending. Exploration activities inspected during the audit were on lands on which native title was extinguished where consent under condition 2 was not required.

There were no state conservation areas within the exploration licence areas. No approvals under section 30 of the *Mining Act 1992* were required. No approvals under condition 2 of the licence were required.

Bowdens Silver maintained a mapping layer in its GIS to identify land tenure. Areas of Crown land were mapped. This mapping was used during drill hole planning to avoid areas where further approvals were required.

3.4. Community consultation

Condition 3 of EL5920 and EL8403 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.

Bowdens Silver prepared a risk assessment for its exploration operations which included some risks associated with consultation and engagement. There was scope for the range of risks to be expanded to provide a more robust community consultation risk assessment. As suggestion for improvement one, Bowdens Silver should consider reviewing the community consultation risks with reference to the objectives for consultation (i.e. the risk assessment should focus on what risks need to be managed for effective and inclusive consultation to take place to achieve the objectives for consultation).

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.

Bowdens Silver prepared a project-based community consultation strategy for its Bowdens Silver project which included exploration activities on EL5920 and EL8403. 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 1.
- A description and analysis of stakeholders was documented in section 3.2 – the identification and analysis considered a range of stakeholders including landholders, government agencies and local environmental or action groups.
- Consultation activities were described in section 5.2 – Bowdens Silver community engagement staff said the engagement techniques tried to be proactive and considered the information needs to the community.
- Processes to regularly monitor and respond to feedback and complaints were documented in section 5.6.
- Processes to regularly review the strategy and revise if necessary were documented in section E.

Bowdens Silver exploration staff said the consultation strategy was reviewed annually.

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, a monthly newsletter was distributed to stakeholders, and Bowdens Silver maintained a social media presence.

The annual community consultation reports were prepared, generally in accordance with the reporting guidance in Appendix 2 of the code of practice. The reports were available upon request.

A review of the 2025 community consultation report for EL5920 showed the report included an evaluation of the consultation approach and identified where any objectives were not met and a reason why.

3.5. Exploration activity approvals

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

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

- assessable prospecting operations application dated 24 November 2023 (EL5920) for 3 bulk sample pits, and associated approval dated 30 November 2023 (APO0001623)
- assessable prospecting operations application dated 14 February 2025 (EL5920) for one diamond drill hole with access track, and associated approval dated 19 February 2025 (APO0001963)
- assessable prospecting operations application dated 25 March 2025 (EL5920) for 3 diamond drill holes, and associated approval dated 23 April 2025 (APO0001995)
- assessable prospecting operations application dated 12 August 2024 (EL8403) for 12 diamond drill holes, and associated approval dated 6 September 2024 (APO0001805).

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 EL5920 and EL8403 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approvals required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

An assessment against the Exploration code of practice: Environmental management was completed for the exploration activities completed on EL5920 and EL8403 as documented in the following sections.

The drilling programs and bulk sampling on EL5920 were completed and all plant and equipment were removed from site. The diamond drilling program on EL8403 was completed and all plant and equipment removed from site.

3.6.1. Use of chemicals, fuels and lubricants

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

Bowdens Silver undertook inspections of the drilling sites on a fortnightly basis. Photos attached to the drilling inspection reports in the Coreplan app confirmed rig nappies were in place under the drilling rig. Chemicals, fuels and oils used during the drilling operations were stored on bunded pallets and a spill kit was on site.

3.6.2. Water management

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

Water for the diamond drilling programs was sourced onsite or trucked in and stored in polytanks on site. Above ground sumps were used to manage water throughout the diamond drilling process. At the end of each hole, a waste management contractor used a vacuum truck to remove drilling fluid from the tanks.

3.6.3. Noise and vibration

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

It was observed the drilling was typically conducted in areas remote from sensitive receptors on EL5920. The diamond drilling program on EL8403 was closer to sensitive receptors. Drilling was conducted during dayshift only to minimise the noise impacts to residents. Bowdens Silver exploration staff said the diamond drilling rig was reasonably quiet and no noise complaints were received.

Mandatory requirement 3.2 required the licence holder to notify any potentially affected landholders at least 24 hours before detonating explosives.

Small explosive charges were used for the drill and blast as part of the bulk sample pits on EL5920. The requirement for notification of landholders was observed to be included on the start-up compliance checklist. Landholder consultation records confirmed potentially affected landholders were notified as required. The drill and blast operations for the bulk sampling were conducted on land owned by Bowdens Silver.

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.

It was observed the drilling was typically conducted in areas remote from sensitive receptors on EL5920. The diamond drilling program on EL8403 was closer to sensitive receptors. Water was used during the diamond drilling operations, which typically resulted in minimal dust generated from the drilling program. Dust from vehicle movements along gravel roads was the main source of dust. Limiting speeds on gravel roads 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 that did not, as far as practicable, cause harm to the environment.

The key waste streams from the Bowdens Silver exploration operations included:

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

Bowdens Silver exploration staff said general domestic waste and any waste rags and filters were collected and returned to Mudgee for disposal at the local waste management facility as commercial or industrial waste. Drill cuttings and fluid were captured in aboveground sumps which were pumped out using a vacuum truck and disposed of by a licensed waste management contractor.

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.

Bowdens Silver exploration staff said the key control for vegetation clearance and ground disturbance was drill site planning to minimise disturbance. A series of gated drilling program checklists were used to assess and manage impacts to vegetation and ground disturbance.

For the sites inspected on EL8403, it was observed no mature trees were removed with holes in open paddock areas where vegetation was sparse. Due to the relatively flat nature of the terrain at the sites inspected, formed drill pads were not required, with drive-up access for the drill rig across the paddock. 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.

For the sites inspected on EL5920, minor vegetation clearance of regrowth was undertaken on some holes. This was stockpiled and later respread on the rehabilitated hole. On sloped sites, drill pads were required to be constructed.

No evidence of erosion or sedimentation from drilling activities was observed at any of the drill sites inspected by the audit team. Photos of erosion and sediment controls on drill sites were maintained by Bowdens Silver to confirm implementation of controls where 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 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.

Bowdens Silver was the owner of the land on which the drilling programs and bulk sampling operations were completed on EL5920. 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. Although dusty due to dry conditions, the tracks were observed to be maintained in good condition.

For the drilling program on EL8403, Bowdens Silver upgraded an existing property access track in consultation with the landholder. Records provided by Bowdens Silver confirmed the upgraded track was constructed to the standards described in Managing urban Storm water: Soils and construction – Volume 2C Unsealed roads.

There was no waterway crossings observed during the audit site inspection. Bowdens Silver exploration staff said there were no waterway crossings required to be constructed as part of exploration drilling operations. Any waterways in the area were crossed using existing structures.

During wet weather, Bowdens Silver exploration staff said road and track conditions were monitored, and drilling was paused when required. The need to refrain from using wet roads and tracks was included in the site induction process and reinforced during weekly toolbox talks.

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.

Bowdens Silver established and implemented a weed and seed protocol for exploration activities. An equipment onboarding checklist was used to document inspection of light vehicles arriving to site. A pre-site drill rig inspection checklist was used to document the inspection of drill rigs before the start of drilling programs. Photos were maintained as part of the inspection checklists. Each of the vehicle checklists included a check for the presence of dirt or vegetative material. Vehicles were required to be cleaned if dirt or vegetative material was found.

3.6.9. Livestock protection

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

It was observed there were no livestock in the paddock during the site inspection where drilling was completed. Bowdens Silver exploration staff said occasionally landholders left livestock in the paddocks during drilling but typically, livestock was moved to other paddocks to minimise the impacts. Above ground sumps were used for the drilling programs, which minimised the risk of livestock falling into inground sumps.

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. Known sites were fenced off and requirements to avoid them were included in the site induction for all personnel.

A possible artefact was identified on EL8403 during the 2024 drilling program. The hole was moved to a position that minimised impacts to the possible artefact.

Bowdens Silver mapped all cultural heritage sites 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. Checking for the presence of artefacts was included as part of the start-up compliance checklist used during the planning and preparation for exploration programs.

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.

Bowdens Silver exploration staff advised that fire weather was monitored during the bushfire danger period. Where required, exploration activities were amended depending on the weather forecasts. Fire prevention and management was discussed during weekly toolbox talks during fire danger periods.

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 changed, revised environmental management controls were implemented.

Bowdens Silver 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. A series of inspection checklists were used to monitor the implementation of controls.

3.7. Security deposit

Condition 5 of EL5920 and EL8403 required the licence holder to provide a security deposit to secure funding for fulfilling obligations under the licence.

The security amount required for EL5920 was \$481,000, which department records confirmed was held. The diamond drilling and bulk sampling programs on EL5920 triggered the increase in security from the minimum.

The security amount required for EL8403 was \$10,000, which department records confirmed was held. The diamond drilling program on EL8403 did not trigger an increase in security from the minimum.

3.8. Rehabilitation

Condition 6 of EL5920 and EL8403 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.

Bowdens Silver prepared a comprehensive rehabilitation risk assessment for exploration operations. The risk assessment was documented in the rehabilitation management plan and included a range of risks associated with rehabilitation of exploration activities. Examples of risks identified included:

- weed establishment in rehabilitated areas.
- inadequate or incomplete decommissioning of site.
- extreme rainfall event.
- animal ingress into rehabilitated areas.

Controls were documented for the risks identified and included:

- use of proper rehabilitation tools and machinery.
- stock to be kept off rehabilitated areas.
- implementing effective erosion and sediment controls.

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 Bowdens Silver (APO0001623, APO0001963 and APO0001995) for EL5920 indicated the surface disturbance area for each application was less than the 5-hectare threshold for a higher risk prospecting operation. The cumulative surface disturbance for all applications for assessable prospecting operations was below the 5-hectare threshold.

The cumulative volume of excavations for the applications for EL5920 exceeded the threshold of 60 cubic metres. The drilling and bulk sampling programs on EL5920 fell within the definition of a higher-risk prospecting operation under the code of practice and a rehabilitation management plan was required.

The exploration activity approval application lodged by Bowdens Silver for the drilling program on EL8403 indicated the surface disturbance area for the application was less than the 5-hectare threshold for a higher-risk prospecting operation. The cumulative surface disturbance for all applications for assessable prospecting operations was below 5-hectare threshold. Based on the surface disturbance, the drilling program on EL8403 did not fall within the definition of a higher-risk prospecting operation and a rehabilitation management plan was not required.

Bowdens Silver prepared a rehabilitation management plan for the Bowdens Silver 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 programs to be 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, on sites where drill pads were constructed, cleared vegetation was retained and respread over the area during rehabilitation (see Figure 1).

Figure 1: Cleared vegetation retained and respread on hole BD25024



Rehabilitation monitoring was generally done using a photographic record. Photographs before, during, and after drilling were noted to be maintained electronically for each site. Rehabilitation monitoring checklists (Gate 5: Rehabilitation) documented the rehabilitation inspections completed at regular intervals including:

- initial inspection immediately after rehabilitation earthworks.
- inspection at one to 3 months after rehabilitation.
- inspections at 6 to 12 months after rehabilitation.

Generally, holes were rehabilitated soon after completion. For example, the holes drilled in May 2025 were partially rehabilitated at the time of the audit in October 2025. The Bowdens Silver drilling database included details for each hole including the date each hole was drilled and relating each hole to its exploration activity approval. As a suggestion for improvement 2, Bowdens Silver should consider including the date rehabilitation was commenced and/or completed as evidence of rehabilitating as soon as reasonably practicable after the completion of the exploration activities.

Rehabilitation performance outcomes were monitored by the Bowdens Silver environmental officer. The rehabilitation management plan included a process for corrective action if monitoring showed planned outcomes were not achieved. As suggestion for improvement 3, Bowdens Silver should consider the development and implementation of a process or checklist to assess the rehabilitation performance against the nominated rehabilitation objectives and completion criteria.

It was noted the rehabilitation inspected during the audit was not final and no application for rehabilitation sign-off was submitted to the Regulator. Bowdens Silver exploration staff said applications for sign-off were to be prepared once rehabilitation monitoring confirmed the rehabilitation objectives and completion criteria were met.

Figures 2 to 7 show examples of the rehabilitation of exploration activities on EL5920 and EL8403.

Figure 2: Initial rehabilitation of BCD24003 on EL8403



Figure 4: Partial rehabilitation of BD25023 converted to water monitoring bore on EL5920



Figure 6: Reshaping and initial rehabilitation of low grade east bulk sample pit on EL5920



Figure 3: Initial rehabilitation of BCD24006 on EL8403



Figure 5: Partial rehabilitation of BD25021 converted to water monitoring bore on EL5920



Figure 7: Reshaping and initial rehabilitation of high grade east bulk sample pit on EL5920



3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the *Mining Regulation 2016* and condition 8 of EL5920 and EL8403 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, Bowdens Silver submitted annual activity reports for EL5920 and EL8403 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 was 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 Bowdens Silver core yard on EL5920.

The core trays were labelled and stacked on pallets by hole number (Figure 8). The pallets of core trays were stored in an open core yard (Figure 9). Chip samples were stored in labelled chip sample boxes and stacked on shelves in a shed (Figure 10 and Figure 11).

Figure 8: Core tray labelling and storage



Figure 9: Core trays stacked by hole in open core yard



Figure 10: Chip tray labelling



Figure 11: 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 Bowdens Silver 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
- GIS system
- Coreplan system
- environmental and rehabilitation risk assessments
- quarterly tenement obligations reports
- examples of compliance start-up checklists
- examples of Gate 1: Pre-inspection checklists
- examples of Gate 2: Ecology checklists
- examples of Gate 5: Rehabilitation checklists
- examples of equipment onboarding checklists and pre-site drill rig inspection checklists
- pre, during and post drilling photos
- 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.

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 Bowdens Silver 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:

- compliance start-up checklist process
- examples of the implementation of the gateway process, for example:
 - Gate 1 – Pre-site inspection
 - Gate 2 – Ecology
 - Gate 4 – Drilling operations
 - Gate 5 – Rehabilitation
- rehabilitation management plan.

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 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.

Bowdens Silver used contract drillers for the diamond drilling programs. Systems and processes for monitoring the contracted works were established and implemented. For example:

- A documented scope of works was prepared for each contract.

- The drilling crews were given a site induction which went through the requirements of the contract, and any controls required to be implemented.
- The driller was provided with a copy of the drill plan for each hole.
- Toolbox meetings were held throughout the drilling programs to discuss any issues arising or any changes in requirements.
- Auditing of contracted services.

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.

Bowdens Silver 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 are completed in accordance with the controls identified in the risk assessments. The checklists used during the gateway process were comprehensive and well documented.

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 Bowdens Silver were well managed. Evidence was available to demonstrate that comprehensive and robust systems and processes had been developed to identify and manage compliance requirements. It was observed that records were being maintained as required to demonstrate compliance.

Bowdens Silver 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.

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

Table 2: Summary of suggestions for improvement

Suggestion for improvement number	Description of issue
1	Bowdens Silver should consider reviewing the community consultation risks with reference to the objectives for consultation (i.e. the risk assessment should focus on what risks need to be managed for effective and inclusive consultation to take place to achieve the objectives for consultation).
2	Bowdens Silver should consider including the date rehabilitation was commenced and/or completed as evidence of rehabilitating as soon as reasonably practicable after the completion of the exploration activities.
3	Bowdens Silver should consider the development and implementation of a process or checklist to assess the rehabilitation performance against the nominated rehabilitation objectives and completion criteria.