

## **Compliance audit program**

### **EL8935 Currajong/Murga North Exploration Projects**

#### **Rimfire Pacific Mining Limited**

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# 1. Introduction

## 1.1. Background

Exploration licence 8935 (1992) (EL8935) was granted to Rimfire Pacific Mining Limited on 3 February 2020. The exploration area was about 9 kilometres south-south-west of Fifield in central New South Wales.

As part of the compliance audit program, an audit of the exploration activities associated with the Currajong/Murga North exploration projects within EL8935 was undertaken on 24 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 Rimfire Pacific 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 Currajong/Murga North exploration projects including:
  - exploration activities within EL8935 including a selected sample of exploration drillholes
  - borehole sealing and rehabilitation activities for selected drilling activities undertaken since October 2021.
- borehole sealing and rehabilitation activities for selected drilling activities undertaken since January 2023
- a review of documents and records pertaining to the exploration activities
- the assessment of compliance for the period commencing 24 September 2023 and ending 24 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 EL8935 (granted 03 February 2020, and last renewed 04 May 2023)
- assessable prospecting operations application dated 08 Apr 2024 for 2DD drill holes, and associated approval dated 09 May 2024 (APO0001745)
- assessable prospecting operations application dated 29 Oct 2024 for 10RC and 2DD drill holes, and associated approval dated 11 Nov 2024 (APO0001898)
- assessable prospecting operations application dated 04 Feb 2025 for 200AC drill holes, and associated approval dated 12 Mar 2025 (APO0001956)
- Exploration code of practice: Environmental management (Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Rehabilitation (Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Community consultation (Version 2.0, October 2022 and Version 2.1, May 2023)
- Exploration code of practice: Produced water management, storage and transfer (Version 3, September 2017, Version 4, June 2021 and Version 5, March 2022)
- Exploration reporting: A guide for reporting on exploration and prospecting in New South Wales (Version 3, October 2021 and Version 4, January 2022)
- Exploration guideline: Annual activity reporting for prospecting titles (Version 3.0, December 2020 and Version 4, October 2022).

## 1.5. Publishing and disclosure of information

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

- Section 365 of the *Mining Act 1992*
- Resources Regulator's [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 24 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. Where documents were unable to be reviewed on the day, they were provided following the audit.

All information obtained during the audit process was verified by the audit team where possible. For example, statements made by site personnel were verified by viewing documentation and records, including site photographs, where possible. Where suitable verification could not be provided, this has been identified in the audit findings as not determined.

#### 2.2.2. Site inspections

A site inspection was undertaken of the following exploration activities on EL8935:

- Air core (AC) drill hole FI2732 – hole drilled March to April 2025 and rehabilitated. No issues were observed.
- AC drill hole FI2734 – hole drilled March to April 2025 and rehabilitated. No issues were observed.
- AC drill hole FI2705 – hole drilled March to April 2025 and rehabilitated. No issues were observed.
- AC drill hole FI2711 – hole drilled March to April 2025 and rehabilitated. No issues were observed.
- Diamond drill (DD) hole FI2678 – hole drilled December 2024 and rehabilitated. Rehabilitation was signed off as satisfactory by the Resources Regulator. No issues were observed.
- DD drill hole FI2679 – hole drilled January 2025 and rehabilitated. Rehabilitation was signed off as satisfactory by the Resources Regulator. No issues were observed.

## 2.3. Closing meeting

A closing meeting was held on site on 24 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
<b>Compliance</b>	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
<b>Non-compliance</b>	<p>Clear evidence has been collected to demonstrate the particular requirement has not been complied with. There are three subcategories of non-compliance reflecting the severity and level of risk associated with the non-compliance:</p> <p>NC1 – the absence of planning or implementation of a required operational element which has the potential to result in a significant risk.</p> <p>NC2 – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk.</p> <p>NC3 – an administrative or reporting non-compliance which does not have a direct environmental or safety significance.</p> <p>Note: The identification of a non-compliance in this audit may or may not constitute a breach of, or offence under, the <i>Mining Act 1992</i>. Non-compliances identified in this audit report may be further investigated by the Regulator and regulatory actions may be undertaken.</p>
<b>Observation of concern</b>	<p>Where an auditee may be compliant at the time of the audit but there are issues that exist that could result in the potential for future non-compliance if not addressed.</p> <p>Observation of concern was also used where an issue may not have particular compliance requirements, but which was not conducive to good management or best practice.</p>
<b>Suggestion for improvement</b>	Where changes in processes or activities inspected or evaluated at the time of the audit could deliver improvement in relation to risk minimisation, sustainable outcomes and management practices.
<b>Not determined</b>	<p>The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit.</p> <p>Reasons why the audit team could not collect the required information include:</p> <ul style="list-style-type: none"> <li>insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion</li> </ul>



Assessment	Criteria
	<ul style="list-style-type: none"> <li>the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence.</li> </ul> <p>A 'not determined' assessment was also made where the condition was outside the scope of the audit.</p>
<b>Not applicable</b>	<p>The circumstances of the authorisation or licence holder have changed and are no longer relevant ( e.g. no longer mining, mining equipment and plant has been removed).</p> <p>An invoking element in the criteria was not activated within the scope of the audit.</p>

## 2.5. Reporting

Following completion of the audit, the audit checklists were completed, and audit notes were reviewed to compile a list of outstanding matters to be noted in the audit report. This report was prepared to provide an overview of the operational performance of the site in relation to the exploration activities and identify any non-compliances or observations of concern noted by the auditors during the documentation review and interviews.

The draft audit findings were forwarded to Rimfire Pacific for comment. Consideration was given to the representations made during the finalisation of the audit report as discussed in the audit findings.

## 3. Audit findings

### 3.1. Work program

Condition 1 of EL8935 required the licence holder to carry out the operations described in the approved work program. Work program WP-EL8935-2023-2026 was in force during the audit period:

Evidence was available to confirm that exploration activities were progressing. Annual reports for the 2024 and 2025 reporting periods were reviewed for EL8935. Exploration completed included drilling of:

- DD holes totalling 298.7 metres at Murga prospect
- 171 air core (AC) holes totalling 4090 metres at Murga prospect
- 6 AC holes totalling 198 metres at Murga South prospect
- 4 AC holes totalling 133 metres at Forest View prospect
- 5 RC holes totalling 172 metres at Platina Lead prospect
- 2 RC holes totalling 302 metres at Golden Green prospect.

Rimfire Pacific exploration staff said the annual reporting process was used to review and monitor the approved work program. Work programs were also noted to be reviewed ahead of planned expenditure to ensure activities were on track. Exploration data was noted to be maintained by the Rimfire Pacific staff and submitted to NSW Resources with the annual activity reports as required.

### 3.2. Access arrangements

Section 140 of the *Mining Act 1992* stated, 'the holder of a prospecting title must not carry out prospecting operations on any particular area of land except in accordance with an access arrangement or arrangements applying to that area of land'. The access arrangement was required to be agreed in writing between the holder of the prospecting title and each landholder of that area of land.

Evidence was provided to confirm a written land access agreement was in place for the exploration activities undertaken on EL8935. Rimfire Pacific said, in addition to the written land access agreement, there was verbal communication with the land holder to confirm timing of activities. Rimfire Pacific stated in addition to standard land holder agreement the Currajong project had additional conditions for activities carried out on cropping land.

### 3.3. Native title and exempted areas

Condition 2 of EL8935 required the licence holder to obtain the prior written consent of the Minister before carrying out any activities on land on which native title had not been extinguished. Similarly, Section 30 of the *Mining Act 1992* required the consent of the Minister before a licence holder undertook any activities within an exempted area.

Rimfire Pacific staff said exploration activities were generally being conducted in areas of freehold land within EL8935. Rimfire Pacific had previously established whether native title existed, with one area known. No activities were carried out in this area. Mapping confirmed all activities were drilled on freehold land. No further approvals under Section 30 of the Mining Act were required.

Rimfire Pacific staff said exploration targets were generally prioritised to avoid, where possible, the Commons where native title or exempted areas Minister consent may be required. Although not a compliance requirement, confirmation of extinguishment was not sought from NSW Resources. No further approvals under condition 2 of the licence were required for EL8935. Rimfire Pacific staff said they had completed the right to negotiate process on a previous tenement for the same area as the existing tenement, so were familiar with the requirements for prospecting on areas to which native title applied.

## 3.4. Community consultation

Condition 3 of EL8935 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 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.

Rimfire Pacific undertook a community consultation risk assessment for both the Currajong and Murga projects. This was referred to in the community consultation strategy, and an impact rating assessment was included. It was noted the risk assessment was not included in the compliance tracker but was mentioned in the risk rating definitions within the document. As a suggestion for improvement number one, it was recommended that Rimfire Pacific include the risk assessment in the compliance tracker document. This assists in demonstrating compliance with mandatory requirement one.

### 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.

Rimfire Pacific prepared a community consultation strategy for both the Currajong and Murga projects. The consultation strategy was updated and revised on a regular basis; the last revision date was in 2025. The strategy states it will be reviewed before any additional activities.

The strategy was noted to follow the guidance material in the code of practice and included:

- objectives for consultation

- a description of community stakeholders and impacts
- a description of how consultation would be undertaken
- a process for review and amendment of the strategy when required.
- copy of risk rating for completed activities.

### 3.4.3. Implementation and reporting

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

Evidence was available to confirm Rimfire Pacific was undertaking community consultation generally in accordance with the methods outlined in the community consultation strategy. Given the location of exploration activities remote from sensitive receptors, liaison with landholders was the key consultation undertaken.

It was noted records of consultation activities were maintained in a stakeholders communication record. Rimfire Pacific intermittently attended the Fifield Hotel for a relaxed interaction with residents and regional landowners and sponsors local events.

A community consultation report was prepared in 2024 and 2025 and was available on request. Rimfire Pacific received no requests for the report from members of the community.

## 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 08 Apr 2024 for 2DD drill holes, and associated approval dated 09 May 2024 (APO0001745)
- assessable prospecting operations application dated 29 Oct 2024 for 10RC and 2DD drill holes, and associated approval dated 11 Nov 2024 (APO0001898)
- assessable prospecting operations application dated 04 Feb 2025 for 200AC drill holes, and associated approval dated 12 Mar 2025 (APO0001956).

Generally, evidence was provided to indicate the exploration activities were carried out in accordance with the description provided in the applications and in accordance with the approvals given.

## 3.6. Environmental management

Condition 4 of EL8935 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approval required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

No evidence of environmental harm was observed at the sites visited during the site inspection. Both the DD and AC drilling programs were completed at the time of the audit, and all plant and equipment were removed from site. All holes were rehabilitated. An assessment against the Exploration code of practice: Environmental management was not completed but the following observations were made:

- No evidence of drilling was observed at any of the drill hole sites.
- No waste was observed at any of the sites inspected. Rimfire Pacific staff said all core was taken to the core storage, and all waste sent to appropriate facilities for disposal.
- AC holes inspected were in cropping fields or along roadside.
- Generally existing tracks were used, or landholder-approved access was across fields.
- Generally, drill sites were chosen for minimal vegetation disturbance and clearance.
- Drilling activities stopped during times when tracks were too wet.
- Vehicles were washed before going to site, with vehicle inspections recorded, to prevent spreading weeds and pests.

### **3.6.1. Risk assessment**

Mandatory requirement 12.1 required the licence holder to monitor the risks associated with activities and, if the risk associated with an activity change, implement revised environmental management controls.

Rimfire Pacific undertook an assessment of the impacts of its exploration operations as part of its application for assessable prospecting operations. Risk controls were included in the assessment. It was noted additional review of risks and controls was carried out throughout the activity, with a final review completed after all exploration activities were completed. A new risk assessment was completed for each of the programs.

## **3.7. Security deposit**

Condition 5 of EL8935 required the licence holder to provide a security deposit to secure funding to fulfil obligations under the licence.

The security amount required for EL8935 was \$70,000, which department records confirmed was held. It was noted the drilling program approval in 2022 on EL8935 was the trigger for an increase in security.

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

## **3.8. Rehabilitation**

Condition 6 of EL8935 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.

Rimfire Pacific undertook an assessment of the impacts of its exploration operations as part of its application for assessable prospecting operations, which included rehabilitation of the exploration activities. Risk controls were included in the assessment.

A risk assessment was completed for both Currajong and Murgu exploration programs. Both provided a comprehensive assessment. Each was reviewed upon completion of the activities. There was a clear relationship between the risks identified and the rehabilitation objectives and completion criteria.

### 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 Rimfire Pacific indicated the total surface disturbance area was less than 5 hectares, with no excavations. The drilling programs did not fall within the definition of a higher-risk activity under the code of practice, and a rehabilitation management plan was not required.

Evidence was available in department records to confirm that ROCCs were submitted for the drilling program as part of the application for assessable prospecting operations. It was noted that the ROCCs submitted were generally based on the template provided in Appendix 2 of the code of practice.

### 3.8.3. Rehabilitation program

Mandatory requirement 3 required the licence holder to develop, implement and complete a rehabilitation program (which includes a monitoring program) to rehabilitate disturbed areas to a condition that could support the intended final land use. Mandatory requirement 4 required the licence holder to commence rehabilitation of a site as soon as reasonably practicable following the completion of activities on that site.

Rimfire Pacific exploration staff said rehabilitation of drill sites generally included:

- The site was cleaned of all remaining rubbish and drill samples.
- All AC drill holes were rehabilitated as soon as drilling was completed.
- All DD holes were rehabilitated within one week, plugged one metre below surface.
- Drill collars were removed, and topsoil was returned to drill collar.

- Photos were taken before the site was distributed and after the site was rehabilitated.
- Rehabilitation activities were monitored, with monitoring visits recorded.

Rimfire Pacific exploration staff said rehabilitation monitoring involved a site inspection and photographs between 3-9 months after activity ended. Monitoring visits were recorded.

Figure 1, Figure 2, Figure 3, Figure 4, Figure 5, and Figure 6 show examples of the rehabilitation of 6 drill holes. The area of all 6 holes was safe and stable, and landholders had planted crops. No impact to agricultural land use was observed.



Figure 1: AC hole FI2734 - drilled and rehabilitated



Figure 2: AC hole FI2732 - drilled and rehabilitated



Figure 3: AC hole FI2705 - drilled and rehabilitated



Figure 4: AC hole FI2711 - drilled and rehabilitated



Figure 5: DD hole FI2678 - drilled and rehabilitated



Figure 6: DD hole FI2679 - drilled and rehabilitated





### 3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL8935 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, Rimfire Pacific submitted annual activity reports comprising:

- annual geological report
- environmental rehabilitation and compliance report.

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.

The drilling programs conducted by Rimfire Pacific on EL8935 were a combination of DD and AC drilling that resulted in the generation of chip samples and core samples. All samples were kept on site at the office yard. The storage facility was inspected during the audit, noting all samples, both chips and core, were kept and maintained as per the guidelines. Rimfire Pacific advised that the chip trays are photographed and catalogued.

### 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 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 Rimfire Pacific generally maintained records as required by the licence conditions and the exploration codes of practice.

Examples of records reviewed included:

- land access agreements
- compliance tracking list
- waste management tracker
- licence schedule tracker
- worksite induction records
- rehabilitation objectives and completion criteria
- pre, during and post drilling photos
- photos of chip sample storage
- community consultation strategy
- community consultation records
- annual activity reporting.

## 4. Compliance management

### 4.1. Identifying compliance obligations

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

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

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

The Rimfire Pacific exploration staff generally had a good understanding of the compliance requirements for exploration. Systems and processes for managing compliance requirements were developed and implemented. Both Rimfire Pacific and their consultants have systems in place to ensure compliance with requirements.

It was noted that records were generally being maintained to demonstrate compliance.

### 4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. While the responsibility for compliance or the implementation of environmental controls is often passed to the contractor, the licence holder will retain accountability for compliance with its licence conditions and other compliance obligations. It is important that the licence holder exercises management control of its contractors by specifying contract requirements, providing oversight of contracted works, and evaluating the performance of the contractor during the contracted works.

Rimfire Pacific used contract machine operators to complete the exploration drilling program. Drilling was completed at the time of the audit, and a review of contractor management activities was not undertaken. Rimfire Pacific advised all contractors were required to complete an onboarding process, which included an induction, with Rimfire staff maintaining all required documentation.

### 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.

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

The impact assessment prepared by Rimfire Pacific for the exploration drilling program included risks related to environmental management and rehabilitation. Controls were identified and implemented to manage the risks. Observations made on site during the audit confirmed no evidence of erosion or environmental harm.

Exploration staff advised the process for checking the implementation and effectiveness of controls was documented in the compliance tracker for each new program.

# 5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that the exploration operations undertaken by Rimfire Pacific were well managed. Evidence was available to demonstrate that basic systems and processes were developed to identify and manage compliance requirements. It was observed that records were being maintained as required to demonstrate compliance.

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

One suggestion for improvement was, as summarised in Table 2.

Table 2: Summary of suggestions for improvement

Suggestion for improvement number	Description of issue
1	It was recommended that Rimfire Pacific include the risk assessment for community consultation in the compliance tracker document. This assists in demonstrating compliance with mandatory requirement 1 of the Exploration code of practice: Community consultation.