

Compliance audit program

Appin Colliery

Endeavour Coal Pty Ltd

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1. Introduction

1.1. Background

Appin Colliery is owned and operated by Endeavour Coal Pty Ltd, a subsidiary company of Illawarra Coal Holdings Pty Ltd (ICHPL), which is wholly owned by Gear M Illawarra Met Coal Pty Ltd (GM3). The mining leases granted to Endeavour Coal Pty Ltd associated with Appin Colliery are listed in Table 1 with grant and expiry dates.

Table 1: Tenement Details

Tenement	Grant Date	Expiry Date
CCL724 (1973)	4 July 1991	18 December 2031
CCL767 (1973)	29 October 1991	8 July 2029
CL381 (1973)	24 October 1991	24 October 2033
CL388 (1973)	22 January 1992	22 January 2034
MPL200 (1973)	13 January 1982	13 January 2045
MPL201 (1973)	13 January 1982	13 January 2045
ML1382 (1992)	20 December 1995	20 December 2037
ML1433 (1992)	24 July 1998	20 December 2037
ML1473 (1992)	20 November 2000	19 November 2042
ML1574 (1992)	9 July 2008	30 December 2044
ML1678 (1992)	27 September 2012	26 September 2033
ML1698 (1992)	26 June 2014	25 June 2035
ML1832 (1992)	9 August 2022	9 August 2043
ML1847 (1992)	28 February 2023	28 February 2044
ML1874 (1992)	20 February 2024	20 February 2045
ML1892 (1992)	4 September 2025	4 September 2046

As part of the compliance audit program, an audit of the mining operations associated with the Appin Colliery was undertaken on 10 June 2026 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 Endeavour Coal Pty Ltd mining operations against the requirements of the *Mining Act 1992* and the conditions of the mining leases issued pursuant to that Act
- assess the operational performance of the mining operations 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:

- a review of documents and records pertaining to the mining and exploration activities
- the assessment of compliance for the period commencing 10 June 2024 and ending 10 June 2026.

1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*, specifically Sections 5, 6, 163C to 163E, 163G, 378D
- Mining Regulation 2016, specifically clauses 59 to 68
- general and special conditions for mining leases as include on the mining lease documents
- standard conditions for mining leases outlined in Schedule 8A Part 2 of the Mining Regulation 2016
- Form and Way: Rehabilitation Management Plan (large mines)
- Form and Way: Annual Rehabilitation Report and Forward Program for large mines
- Form and Way: Rehabilitation objectives, rehabilitation completion criteria and final landform and rehabilitation plan for large mines.

1.5. Publishing and disclosure of information

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

- Section 365 of the *Mining Act 1992*
- the Resources Regulator's [Compliance publication policy](#)
- the *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 10 June 2026. The audit team was introduced, and the scope of their responsibilities was conveyed to the auditees. The objectives and scope of the audit were outlined. The methods to be used by the team to conduct the audit were explained, including the interview of personnel, review of documentation, examination of records and a site inspection to assess specific compliance requirements.

2.2. Site interviews and inspections

2.2.1. Data collection and verification

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

The audit team verified all information obtained during the audit process 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 mining operations including exploration activities under various mining leases.

2.3. Closing meeting

A closing meeting was held on site on 10 June 2026. 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 2.

Table 2 Compliance assessment definitions

Assessment	Criteria
Compliance	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
Non-compliance	Clear evidence has been collected to demonstrate the particular requirement has not been complied with. There are 3 subcategories of non-compliance reflecting the severity and level of risk associated with the non-compliance: NC1 – the absence of planning or implementation of a required operational element which has the potential to result in a significant risk. NC2 – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk. NC3 – an administrative or reporting non-compliance which does not have a direct environmental or safety significance. 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.
Observation of concern	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. 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.
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	The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit. 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 - the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence. - a 'not determined' assessment was also made where the condition was outside the scope of the audit.

Assessment	Criteria
Not applicable	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). An invoking element in the criteria was not activated within the scope of the audit.

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 mining operations 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 Endeavour Coal 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. Mining lease conditions

3.1.1. Security deposit

Condition 2 of the mining leases required the lease holder to provide and maintain a security deposit to secure funding for the fulfilment of obligations under the mining leases.

The security amount required for mining leases held under head title CCL724 was \$52,798,000 which department records confirmed was held. The security amount required for head title ML1892 was \$10,000 which department records confirmed was held.

Observations made on site during the site inspection confirmed the security held was adequate for the mining operations in progress.

3.1.2. Co-operation agreement

Condition 3 of the mining leases required the lease holder to make reasonable attempts to enter into a co-operation agreement with the holders of any overlapping titles issued under the *Mining Act 1992* and petroleum titles issued under the *Petroleum (Onshore) Act 1991*.

There were no titles overlapped to any of Endeavour Coal's mining leases for Appin Colliery, therefore condition 3 was not triggered.

3.1.3. Assessable prospecting operations

Condition 4 of the mining leases required the leaseholder to have development consent or the prior written approval of the Minister before carrying out any assessable prospecting operations on the lease area.

Assessable prospecting operations were not undertaken under the mining leases but were approved under separate exploration licences AUTH396 (1973) and AUTH248 (1973) over the last 2 years. The requirements under condition 4 were not triggered.

3.2. Schedule 8A requirements

The Schedule 8A requirements commenced on 2 July 2021. Clause 31A (2) of the Mining Regulation 2016 included transitional arrangements for any mining lease that was in force on the commencement day of the Schedule 8A provisions. For a large mine, the new provisions would not apply until 12 months after the commencement day. For a small mine, the new provisions would not apply until 24 months after the commencement day of the Schedule 8A requirements.

Appin Colliery was a large mine so the requirements of Schedule 8A applied to the mining leases from July 2022. An assessment of compliance against the Schedule 8A requirements was undertaken for the mining leases, as documented in the following sections.

3.2.1. Multiple mining leases

Clause 3 of Schedule 8A allowed a leaseholder to make application to have multiple mining leases relating to the same mine treated as a single lease for the purposes of Part 2 of Schedule 8A.

Endeavour Coal made an application to treat 16 mining leases as a single lease for the purposes of Part 2 of Schedule 8A. This application was approved on 15 December 2025.

3.2.2. Environmental management

Clause 4 of Schedule 8A required a lease holder to prevent, or if that is not reasonably practicable, minimise any harm to the environment arising from activities carried out under the mining leases.

The site audit focussed on areas within CCL724. The site audit involved inspecting surface operations only and did not include inspection of the underground areas of the mine. An assessment against clause 4 environmental management was not fully assessed but the following observations were made:

- The North Cliff vent shaft number 4 was a historical shaft due for rehabilitation, enclosed with a safety fence and signages due to the presence of hazardous and flammable gases such as methane and carbon dioxide (Figure 1).
- Soil and coal stockpiles existed opposite the North Cliff shaft number 4 which will be used for backfilling the hole from the shaft during rehabilitation (Figure 2). It was observed there were no erosion and sediment controls installed in the North Cliff site. According to Endeavour Coal, a site-specific assessment by a suitably qualified practitioner determined that additional controls immediately around the legacy stockpiles were not required. The assessment found that the stockpiles were relatively small, comprised predominantly coarse material with a low erosion hazard, and were located within a flat, bunded area. However, there is a need to monitor and maintain effective erosion and sediment controls at the North Cliff site. As suggestion for improvement one, Endeavour Coal should establish regular site monitoring and installation of sediment and erosion control structures at the North Cliff site when required to prevent materials eroding downstream the area during heavy rainfall.
- The boundaries between the mining leases and Dharawal National Park were separated by steel fencing (Figure 3).
- A sediment pond with discharge point existed downstream the North Cliff site (Figure 4). According to Endeavour Coal, the pond captured mostly rainwater and no discharge from the pond occurred for several years. Quarterly water quality monitoring is undertaken at this location, and recent monitoring results have been within the applicable pH range of 6.5–8.5.
- The North Cliff shaft number 3, enclosed with a safety fence was a historical shaft with no existing issues that would prevent completion of rehabilitation (Figure 5).
- Three decommissioned concrete tanks opposite North Cliff shaft number 3 will be crushed as part of the North Cliff site rehabilitation (Figure 6).
- An onsite continuous gas monitoring analyser monitored concentrations of underground gases from the North Cliff shafts (Figure 7).
- Powerline easement rehabilitation works were completed at the North Cliff site. Vegetation was cleared and piles of organic materials were placed at the side of the road access point to deter

motorbike riders from entering the easement area. Endeavour Coal requested final sign-off from the National Parks and Wildlife Service (NPWS) (Figure 8).

- The roofed chemical storage area was on a concrete hardstand. Chemicals stored in the area were all bunded (Figure 9). The diesel storage was a double lined self-bunded storage tank (Figure 10).
- There was a meteorological monitoring station operated by Rural Fire Service (RFS) near stage 1 rehabilitated area (Figure 11). African lovegrass was observed in the area. As suggestion for improvement 2, African lovegrass should be managed to control the spread of the highly invasive weed species.
- Emplacement areas at different stages of operation were inspected. Emplacement areas which had not reached the design height for capping appeared stable (Figure 12). Some emplacement areas which had reached the design height were due for capping (Figure 13).
- A clean water diversion channel which released water to Brennans Creek was opposite the emplacement areas. The vegetated berm on the side of the channel prevented any dirty water runoff from entering the clean water diversion channel (Figure 14).

Figure 1 North Cliff shaft number 4



Figure 2 Soil stockpiles opposite North Cliff shaft



Figure 3 Steel fencing between North Cliff shaft boundary and Dharawal National Park



Figure 4 North Cliff sediment pond downstream



Figure 5 North Cliff shaft number 3



Figure 6 Decommissioned concrete tanks at North Cliff site



Figure 7 Continuous gas monitoring analyser



Figure 8 Vegetation clearing at powerline easement



Figure 9 Chemical storage



Figure 10 Self-bunded diesel storage



Figure 11 RFS MET monitor near stage 1 rehabilitated area



Figure 12 Emplacement area



Figure 13 Emplacement area for capping



Figure 14 Clean water diversion channel discharging to Brennans Creek



3.2.3. Rehabilitation

Clause 5 of Schedule 8A required rehabilitation to occur as soon as reasonably practicable after disturbance. Various stages of rehabilitation were observed during the audit. The rehabilitation process involved spreading of coal wash to final landform design, capping with 50 cm subsoil material from stockpiles and distribution of topsoil from stockpiles and salvaged organic materials. Figure 15 shows an actual site overview of the various rehabilitation stages at Appin Colliery.

It was noted implementation of a Rehabilitation Execution Plan for the North Cliff site developed in consultation with the NPWS had started. Rehabilitation works were estimated to be completed in 2027.

Figure 13 Overview of rehabilitation stages



3.2.4. Final land use

Clause 6 of Schedule 8A required the lease holder to ensure that rehabilitation of the mining area achieves the final land use.

The Appin North site and West Cliff Coal Preparation Plant were located on leased Crown land adjacent to Woronora Dam, a Water NSW Special Area and the Dharawal National Park. It was identified in the Rehabilitation Management Plan (RMP) the final land use proposed for these sites was bushland while the Appin East and West Pit Tops were proposed to be residential development areas. As no development consent was in place for residential sub-divisions at this stage, the final land use defaulted to agricultural-grazing or native ecosystem until an alternative land use is approved. It was noted the proposed final land uses will be reviewed over the mine life in consultation with government agencies and community stakeholders.

Rehabilitation and monitoring of disturbed areas were undertaken during the audit period, and rehabilitation was observed to be progressing well.

3.2.5. Rehabilitation risk assessment

Clause 7 of Schedule 8A required the lease holder to conduct a rehabilitation risk assessment that identified, assessed and evaluated the risks that need to be addressed to achieve the rehabilitation objectives and completion criteria for the mine.

An updated copy of the mine rehabilitation risk assessment dated 16 September 2024 was sighted in Appendix 6 of the RMP during the audit. The risk assessment covered key risks and controls associated with active mining, decommissioning and landform establishment, which was aligned to the current operational status. The assessment provided actions to address deficient risk controls/knowledge gaps. If issues were identified regarding the applied risk controls, actions were raised through the G360 system.

3.2.6. Rehabilitation documents

Under clause 8 of Schedule 8A Division 3, clauses 9 to 16 did not apply where the security deposit required under the mining lease is less than or equal to the minimum deposit prescribed by the Act. It was noted the security required for various mining leases under head title CCL724 was \$52,798,000 and the security amount required for mining leases under ML1892 was \$10,000. As such, the provisions of clauses 9 to 16 of Schedule 8A applied to Appin Colliery and rehabilitation documents were required to be prepared.

Further assessment was undertaken against clauses 9 to 16 of Schedule 8A for the mining leases.

3.2.7. General requirements for documents

Under clause 9 of Schedule 8A, the lease holder was required to prepare documents in a form approved by the Secretary, and include any matter required to be included in the form and, where a document was required to be given to the Secretary, be submitted in a manner approved by the Secretary.

The RMP, annual rehabilitation reports (ARRs) for 2024 and 2025 and forward programs for 2024 and 2025 were all prepared and submitted in the approved form and way.

3.2.8. Rehabilitation Management Plan

Clause 10(1) of Schedule 8A required the lease holder of a large mine to prepare a RMP for the mining leases that include the following:

- a) A description of how the holder proposes to manage all aspects of the rehabilitation of the mining area.
- b) A description of the steps and actions the holder proposes to take to comply with the conditions of the mining lease that relate to rehabilitation.
- c) A summary of rehabilitation risk assessments conducted by the holder.
- d) The risk control measures identified in the rehabilitation risk assessments.
- e) The rehabilitation outcome documents for the mining lease.
- f) A statement of the performance outcomes for the matters addressed by the rehabilitation outcome documents and the ways in which those outcomes are to be measured and monitored.

The RMP prepared by Endeavour Coal contained all the elements required by Clause 10 (1)a to f.

Clause 10(2) of Schedule 8A required the lease holder to include a proposed version of a rehabilitation outcome document to the RMP if the rehabilitation outcome document had not been approved by the Secretary.

The proposed completion criteria statement was with the Resources Regulator for approval (RCC0001063). An independent environmental audit conducted in October 2025 as part of project approval MP08_0150 found the proposed completion criteria statement was not appended to the RMP. This was identified as non-compliance one. It was noted the non-compliance was rectified following the independent environmental audit. Further investigation was conducted by the Resources Regulator, and an official caution was issued to Endeavour Coal for this non-compliance.

Clause 11 of Schedule 8A required the lease holder to amend the RMP to reflect any changes to the risk control measures in the prepared plan that were identified in a rehabilitation risk assessment as soon as practicable after the rehabilitation risk assessment was conducted. The RMP originally prepared on 30 June 2022, was most recently updated in November 2025 to reflect revised plans for stage 3 rehabilitation. The update was required due to a material change of use being triggered under the Environmental Planning and Biodiversity Conservation (EPBC) approval, specifically relating to revisions to the coal washing area management plan.

3.2.9. Rehabilitation outcome documents

Clause 12 (1) of schedule 8A required the lease holder to prepare the following rehabilitation outcome documents and give them to the Secretary for approval:

- a) The rehabilitation objectives statement, which sets out the rehabilitation objectives (ROBJ) required to achieve the final land use for the mining area.
- b) The rehabilitation completion criteria (RCC) statement, which sets out criteria, the completion of which will demonstrate the achievement of the rehabilitation objectives.
- c) For a large mine, the final landform and rehabilitation plan (FLRP), showing a spatial depiction of the final land use.

ROBJ0001518 for Appin Colliery was submitted on 29 October 2024 and approval was endorsed by the Regulator.

FLRP0001341 for Appin Colliery was submitted and approved by the Regulator on 19 June 2025. The RCC statement submitted on 11 September 2025 was under review by the Regulator.

3.2.10. Forward program and annual rehabilitation report

Clause 13 (1) of Schedule 8A required the lease holder to prepare a forward program that included the schedule of mining activities for the next 3 years, a summary of spatial progression of rehabilitation and the rehabilitation of disturbed areas as soon as reasonably practicable after the disturbance occurs.

Endeavour Coal submitted the forward programs for Appin Colliery for 2024 and 2025. Plans showing a summary of the spatial progression of rehabilitation were included.

Clause 13(2) of Schedule 8A required the lease holder to prepare an ARR which included a description of the rehabilitation undertaken, the progress made through the phases of rehabilitation provided for in the forward program, and a report demonstrating progress made towards achievement of the following:

- a) The objectives set out in the rehabilitation objectives statement.
- b) The criteria set out in the rehabilitation completion criteria statement.
- c) For large mines- the final land use as spatially depicted in the FLRP.

Endeavour Coal submitted ARRs for 1 July 2023 to 30 June 2024 and 1 July 2024 to 30 June 2025 respectively. The spatial depictions of the final land use were provided with the ARRs.

3.2.11. Times of document preparation and submission

Clause 15 required the preparation and submission of the following documents in a timely manner as prescribed by the Secretary:

- RMP
- updated rehabilitation outcome documents
- forward program
- ARR
- RCC statement.

The ARR and forward program for Appin Colliery were due for submission annually by 30 September. Review of departmental records indicated the ARRs for 2024 and 2025 were submitted by the due date. The forward programs for 2024 and 2025 were also submitted by the due date.

3.2.12. Documents to be publicly available

Clause 16 required the lease holder to make the RMP, forward program and ARR publicly available by publishing it on the website and/or providing a copy upon written request without charge to a person within 14 days after the request was received.

The independent environmental audit conducted in October 2025 found that the forward program was not published on 2 December 2022. The non-publication of the forward program within 14 days

of being provided to the Resources Regulator was an issue that was rectified and dealt with previously by the Resources Regulator. No further action was required.

The RMP and ARRs for 2024 and 2025 for Appin Colliery were published on the website at [Appin Mine - GM3](#).

3.2.13. Records management

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. Clause 17 required the lease holder to create and maintain records to demonstrate compliance with the requirements of Schedule 8A, Part 2.

Generally, Endeavour Coal maintained records for Appin Colliery to demonstrate compliance with relevant requirements. Records reviewed during the audit included:

- RMP
- risk assessments
- forward programs
- annual rehabilitation reports
- partial relinquishment report
- development consents.

3.2.14. Annual rental fee and administrative levy

Section 292E of the *Mining Act 1992* required the lease holder to pay an annual rental fee on each grant anniversary date that occurs during the term of the authorisation. Section 292I required the lease holder to pay administrative levy on each grant anniversary date that occurs during the term of the authorisation. The annual rental fee and administrative levy must be paid within the period of not less than 7 days.

During the independent environmental audit conducted in October 2025, it was found that in March 2025 annual rent and levy notices for CL388 and MPL201 were not paid within the allocated timeframe due to administrative error. CL388 rents and levies amounted to \$29,034.30 was due on 12 March 2025 and was paid 9 April 2025. MPL201 rents and levies amounted to \$72,230.00 was due on 12 March 2025 and was paid 10 April 2025. This was identified as non-compliance 2. Further investigation was conducted by the Resources Regulator and two official cautions for late payments of rents and levies for CL388 and MPL201 were issued to Endeavour Coal for this non-compliance.

3.2.15. Reporting on non-compliance

Clause 18 required the lease holder to provide the Minister with a written report detailing any non-compliance with any conditions of the mining lease, or a requirement of the Act or Regulation, relating to the mining activities.

The Resources Regulator conducted investigation on notifying and reporting non-compliance. The independent environmental audit conducted in October 2025 identified 4 administrative non-compliances relating to mining leases CL388, MPL201, ML1698 and standard conditions of

Schedule 8A, Part 2. The non-compliances were rectified immediately following the independent environmental audit. The non-compliances identified were:

- Gas extracted from ML1698 on 30 September 2024 when petroleum was not listed as mineral of interest. Records from the Resources Regulator showed that this issue has been dealt with and resolved.
- Non-publication of the forward program happened on 2 December 2022. This was discussed in section 3.2.12. Endeavour Coal responded on the notification provided by the Resources Regulator within 4 days after becoming aware of the issue. Records from the Resources Regulator showed that this issue has been dealt with and resolved.
- In March 2025 it was determined that annual rent and levy notices for CL388 and MPL201 were not paid within the allocated timeframe due to administrative error. This was discussed in section 3.2.14. NSW Resources rents and levies team notified Endeavour Coal of the overdue payments on 25 March 2025. As Endeavour Coal responded to the notification on the same day and took steps to investigate the error, the Resources Regulator recommended no further action be taken.
- The proposed completion criteria statement (RCC0001063) was not appended to the RMP at the time of the independent environmental audit. This was discussed in section 3.2.8. Endeavour Coal notified the Resources Regulator via email on 20 November 2025 of the failure to append the completion criteria statement to the RMP and advised that the rehabilitation completion criteria will be appended to the RMP once approval is received. No further action is required.

3.2.16. Nominated contact person

Clause 19 required the lease holder to nominate a contact person for the mining lease and provide contact details for that person.

Endeavour Coal nominated a contact person (NCP) for the mining leases using the forms provided in the Regulator portal and was confirmed 18 October 2024.

3.2.17. Modification of development consent

Clause 20 required the lease holder to give written notice to the Secretary within 10 days after making an application for modification of a development consent except if the development is State significant development.

Modifications to project approval MP08_0150 MOD 4, MOD 5 and MOD 6 in relation to transport and receipt of coal wash and blasting hours including frequency were submitted during the audit period. These modifications were considered state significant developments, therefore written notifications to the Secretary were not required.

3.3. Reporting

3.3.1. Annual exploration reporting

Section 163C of the *Mining Act 1992* and clause 59 of the Mining Regulation 2016 required the preparation and submission of an annual report which provided full particulars of all exploration and other operations or activities conducted during the 12-month period.

A combined grouped annual report for the mining leases for 2024 and 2025 were submitted. The latest work undertaken on the mining leases included exploration drilling as follows:

- completion of one standard coal quality exploration borehole that was in progress during the previous reporting period (under EL4470);
- completion of two standard coal quality exploration boreholes (under EL4470 and AUTH248); and
- one surface to in-seam (STIS) hole-dyke definition for mine planning (under AUTH396).

It was noted boreholes were drilled within the boundaries of CCL767 or other grouped mining leases. However, all prospecting approvals for the boreholes were granted via the overlying exploration title. It was noted depth restrictions applied to various areas of CCL767 and must be adhered to during drilling activities at the overlying exploration titles.

3.3.2. Annual rehabilitation reporting

Clause 13 of Schedule 8A required the lease holder to prepare and submit a rehabilitation report annually.

Annual rehabilitation reports for 2023 and 2024 were submitted for the mining leases.

Rehabilitation activities undertaken included:

- progressive rehabilitation of the coal wash emplacement area in accordance with the approved management plan
- additional landform establishment of 1.7 ha
- seeding of 1.5 ha completed during spring in the 2025 financial year
- monitoring of revegetation at the biobanking and offset sites.

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).

Endeavour Coal representatives said they had a 'tick it' database system to help manage their compliance submission requirements. Analysis of compliance risks in relation to possible causes and sources of non-compliance were recorded in the assets and impacts register. If there were any changes to compliance requirements, these were communicated via starter shift briefs, email distribution list and SMS. However, administrative non-compliances and suggestions for improvement were identified during the audit because there is a need to strengthen the allocation and verification of certain administrative compliance obligations for the mining leases. This was raised as an observation of concern one. Endeavour Coal should improve processes for managing compliance requirements to fulfil its obligations for the mining leases.

4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. Whilst 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.

Endeavour Coal staff said contractors were used for drilling, waste management, water monitoring, ecological and biodiversity monitoring and studies. These contractors were all inducted via the mine's site induction process. Contractors work activities were monitored through preparation of safe work method statement, ground disturbance permit and onsite monitoring of work outputs.

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.

According to Endeavour Coal, the 'safety culture system' was the platform in place for the inspection, monitoring and evaluation of key risk controls. A schedule reminder containing the frequency, duration of actions and inspection records were sighted through the system. Relevant staff were notified via email and SMS on issues identified during site inspections and were discussed on weekly team meetings.

5. Audit conclusions

From the evidence reviewed during the audit and observations made during the site inspection, it was concluded that the mining operations undertaken by Endeavour Coal at Appin Colliery were fairly managed. Rehabilitation at various stages had progressed well during the audit reporting period. Endeavour Coal have systems in place to manage their compliance obligations, however non-compliances, observation of concern and suggestions for improvement were identified because there is a need to strengthen the allocation and verification of certain administrative compliance obligations for the mining leases. The non-compliances were of administrative nature and do not pose environmental and rehabilitation risks for the site.

Two non-compliances, one observation of concern and 2 suggestions for improvement were identified as summarised in Table 3, Table 4 and Table 5.

Table 3 Summary of non-compliances

Non-compliance number	Description of Issue	Recommendation
1	Clause 10(2) of Schedule 8A required the lease holder to include a proposed version of a rehabilitation outcome document to the RMP if the rehabilitation outcome document had not been approved by the Secretary. The proposed completion criteria statement was with the Resources Regulator for approval (RCC0001063). An independent environmental audit conducted in October 2025 as part of project approval MP08_0150 found the proposed completion criteria statement was not appended to the RMP. This was identified as non-compliance one. It was noted the non-compliance was rectified following the independent environmental audit.	Further investigation was conducted by the Resources Regulator and an official caution was issued to Endeavour Coal for this non-compliance.
2	During the independent environmental audit conducted in October 2025, it was found that in March 2025 annual rent and levy	Further investigation was conducted by the Resources Regulator and two official cautions for late payments of

Non-compliance number	Description of Issue	Recommendation
	notices for CL388 and MPL201 were not paid within the allocated timeframe due to administrative error. CL388 rents and levies amounted to \$29,034.30 was due on 12 March 2025 and was paid 9 April 2025. MPL201 rents and levies amounted to \$72,230.00 was due on 12 March 2025 and was paid 10 April 2025. This was identified as non-compliance 2.	rents and levies for CL388 and MPL201 were issued to Endeavour Coal for this non-compliance.

Table 4 Summary of observation of concern

Observation of concern number	Description of Issue	Recommendation
1	Administrative non-compliances and suggestions for improvement were identified during the audit because there is a need to strengthen the allocation and verification of certain administrative compliance obligations for the mining leases. This was raised as an observation of concern one.	Endeavour Coal should improve processes for managing compliance requirements to fulfil its obligations for the mining leases.

Table 5 Summary of suggestions for improvement

Suggestion for Improvement No.	Description of Issue
1	Soil and coal stockpiles existed opposite the North Cliff shaft number 4 which will be used for backfilling the hole from the shaft during rehabilitation. It was observed there were no erosion and sediment controls installed in the North Cliff site. According to Endeavour Coal, a site- specific assessment by a suitably qualified practitioner determined that additional controls immediately around the legacy stockpiles were not required as the stockpiles were relatively small, comprised predominantly coarse material with a low erosion hazard, and located within a flat bunded area. However, there is a need to monitor and maintain effective erosion and sediment controls at the North Cliff site. As suggestion for improvement one, Endeavour Coal should establish regular site monitoring and installation of sediment and erosion control structures at the North Cliff site when required to prevent materials eroding downstream the area during heavy rainfall.
2	There was a meteorological monitoring station operated by Rural Fire Service (RFS) near stage 1 rehabilitated area. African lovegrass was observed in the area. As suggestion for improvement 2, African lovegrass should be managed to control the spread of the highly invasive weed species.