



environmental
engineering &
energy

**Independent Environmental Audit
Hera Resources Pty Limited
Hera Project
NYMAGEE NSW**

Project Approval 10_0191 (MOD 3) *

September 2016




Prepared for
**NSW Government
Department of Planning and Environment**

Report Version: Final

* MOD 4 was issued on 21 September 2016 and is outside the scope of this Audit

Document Control

Project No.	20136		
Report Type:	Independent Environmental Audit		
Report Title:	20136.160905_Aurelia Metals_Hera Project_Independent Audit Report_Final		
Audit Team:	Mr John Hanrahan <i>B.Eng (Chem.)</i> – Lead Auditor Mr Adam Jones <i>BEc/LLB, BComm</i> – Audit Team Member		
	Name	Signed	Date
Approved	John Hanrahan		16 April 2017

Prepared for:	Company
Mr Jonathon Thompson	Aurelia Metals Limited PO Box 7058 ORANGE NSW 2800

Document Status	Revision Date	Description
Draft Report	14 March 2017	Draft for client review
Draft Report	3 April 2017	Draft including client's review
Final Report	16 April 2017	Final report to client

LIMITATION: This report has been prepared on behalf of and for the exclusive use of 3E Environmental Engineering & Energy's Client and is subject to and issued in connection with the provisions of the agreement between 3E Environmental Engineering & Energy and its Client. 3E Environmental Engineering & Energy accepts no liability or responsibility whatsoever for or in respect of any issue of reliance on this report by a third party.

Independent Environmental Audit – Scope and Limitations

The scope of this Independent Environmental Audit was limited to reviewing how Hera Resources Pty Limited (a wholly owned subsidiary of Aurelia Metals Limited) is maintaining environmental compliance against applicable conditions specified in:

- Project Approval 10_0191 MOD 3 (issued by the NSW Government Department of Planning & Environment (DPE) including modifications in July 2013, November 2014 and February 2016) *;
- Environment Protection Licence No. 20179 (licence version date 25 July 2016); and
- Mining Lease No. 1686 granted on 16 May 2013.

*** Project Approval 10_0191 MOD 4 was issued on 21 September 2016 and is outside the scope of this Independent Environment Audit. MOD 4 adds Part Lot 1730 DP 763521 to the Land details in Schedule 1, adds point (d) to the definition of ‘EA’, and substitutes Appendix 1 (Project Layout Plan) and Appendix 4 (Rehabilitation Plan).**

Hera Resources Pty Limited (Hera) is a wholly owned subsidiary of Aurelia Metals Limited (Aurelia). In this audit report, unless otherwise indicated:

- a reference to ‘Aurelia’ is a reference to Aurelia in its capacity as Hera’s agent, and
- a reference to ‘Hera’ includes Aurelia in its capacity as Hera’s agent.

This Independent Environmental Audit was conducted by a) direct verification of compliance against relevant conditions in the field and b) “sampling” a range of the documents, records and data associated with development and operations of the Hera Project near Nymagee in western New South Wales. The nature of sampling during any form of Environmental Audit is such that it may not necessarily identify everything that the project/operation is, or is not doing, in relation to an individual Project Approval Condition or specific environmental requirement.

This independent environmental audit and associated audit report was commissioned by Aurelia Metals Limited (on behalf of Hera Resources Pty Limited) to directly meet Condition 9, Schedule 5 of Project Approval 10_0191 MOD 3. No other warranty, expressed or implied, is made as to the professional advice indicated in this report. Note that it may not contain sufficient information for the purposes of other parties or for other uses.

The content of this report applies only to matters which were available to and/or evident to the auditor at the time of this Independent Environmental Audit and within the scope of the audit. The status of environmental compliance can change in a limited time, which may be important if the report is used after any protracted delay.

The content of this report is based on the observations made during field inspections and the associated documents and records reviewed, that were provided by Hera Resources Pty Limited during the audit. At the Hera Project, field inspection sites were selected at random by the auditor to ensure that a representative sample of Hera Project field activities could be inspected/audited against relevant Project Approval conditions, EPL conditions and Mining Lease conditions. Field inspections were completed at all locations and infrastructure associated with the project (as listed in the Project Approval), with the exception of conducting a formal underground inspection.

No analytical samples were collected during this audit to verify any former or current monitoring programs in place or data collected.

This report does not, and does not purport to, give legal advice on the actual or potential liabilities of the operation, or draw conclusions as to whether any particular circumstances constitute a breach of relevant legislation. Only qualified legal practitioners can provide this advice.

Hera Project Independent Environmental Audit – Details

Project Audited:	Hera Project, Nymagee, New South Wales
Date(s) of Independent Environmental Audit:	5 th – 9 th September 2016
Audit Contact:	Mr Jonathon Thompson – Environment Advisor – Aurelia Metals Limited
Independent Environmental Audit Team:	<p>Mr John Hanrahan B.Eng. (Chem), <i>MIEAust, MAusIMM</i> Senior Environmental Engineer 3E Environmental Engineering & Energy PO Box 1893, Armidale, New South Wales, 2350 Lead Auditor</p> <p>Mr Adam Jones BEc/LLB, BComm Suite 503, 9-13 Bronte Road, Bondi Junction, New South Wales, 2022 Audit Team Member</p>
Scope of the Audit:	<p>The scope of the audit was to conduct an independent environmental audit and provide a subsequent report of findings pursuant to Condition 9, Schedule 5 of Project Approval 10_0191 MOD 3 * issued by the NSW Department of Planning & Environment to Hera Resources Pty Limited.</p> <p>* Project Approval 10_0191 MOD 4 was issued on 21 September 2016 and is outside the scope of the audit.</p>
Personnel interviewed during this September 2016 Audit:	<p>Mr Scott Ramsay – General Manager Mr Jonathon Thompson – Aurelia Metals Environmental Officer PYBAR (mining contractor) personnel Control room personnel Laboratory personnel Surveying personnel</p>
Hera Project Field Sites Visited/Inspected during this September 2016 Audit:	<p>Processing facilities Smelting facilities Tailings Storage Facility Process ponds and sediment dams Randomly selected groundwater bores and dams Weather station PYBAR maintenance workshop area Village facilities Control room</p>

Executive Summary

Overview

This Independent Environmental Audit of the Hera Project's Project Approval 10_0191 MOD 3 was conducted on-site at the Hera Mine site, Nymagee, approximately 100 km south east of Cobar, New South Wales. Field inspections were conducted across the project from the 5th – 9th September 2016. This Independent Environmental Audit included:

- all relevant conditions specified within the Hera Project's Project Approval 10_0191 MOD 3 *, Environment Protection Licence (EPL) No. 20179 and Mining Lease No. 1686; and
- the sighting of available representative examples of environmental and operational documentation, records, monitoring data and photos etc provided by Aurelia Metals Limited, relating to the design, development and ongoing construction of the Hera Project.

This Independent Environmental Audit did not directly audit any "additional" environmental or regulatory requirements that were not directly included as existing conditions within the Hera Project's Project Approval 10_0191 MOD 3, EPL No. 20179 or Mining Lease No. 1686.

* Project Approval 10_0191 MOD 4 was issued on 21 September 2016 and is outside the scope of this Independent Environmental Audit.

Context

This Independent Environmental Audit is intended to satisfy Conditions 9 and 10 in Schedule 5 of the Project Approval.

This Independent Environmental Audit essentially targeted and audited completed work and field practices associated with the Hera Project since the previous independent environmental compliance audit in July 2013.

This Independent Environmental Audit is the second submission of an independent environmental audit report from Hera Resources Pty Limited to the NSW DPE to demonstrate that the applicable Project Approval conditions, EPL conditions and Mining Lease conditions have been met.

Overall Findings

The overall findings of this Independent Environmental Audit of the Hera Project in September 2016 are as follows:

- A total of 177 conditions across the Project Approval, EPL and Mining Lease were audited. Of these 177 conditions, this audit identified 111 compliances, 41 non-compliances, 7 partial non-compliances, 10 potential non-compliances and 8 not applicable findings.
- Hera's level of compliance with the applicable conditions in each instrument was as follows:
 - Hera was compliant with 40 of the 79 applicable Project Approval conditions;
 - Hera was compliant with 57 of the 72 applicable EPL conditions;
 - Hera was compliant with 14 of the 18 applicable Mining Lease conditions.
- No extensive systematic (i.e. widespread) issues of environmental concern were observed during field inspections conducted during this audit (5th to 9th September 2016).
- This audit report includes 110 observations. Observations are provided for Hera's consideration to maintain higher levels of compliance and enable continuous improvement to be demonstrated in statutory compliance, site environmental management and environmental practices across the operation.

Specific Findings

The actual, partial and potential non-compliances identified during this September 2016 audit are as follows (some of these non-compliances below have fuller explanations in Table 2 of this audit report):

Project Approval 10_091 MOD 3

- **Schedule 2 – Condition 2 – Terms of Approval – Minor Non-compliance:** Based on the survey and visual inspection by the auditor, the height of the WRE above the original hill slope exceeded the indicative height of 10 metres referred to in the EA.
- **Schedule 2 – Condition 7 – Limits on Approval – Hours of Operation – Minor Non-compliance:** Hera identified some instances of non-compliance in relation to the transportation times for concentrate trucks (refer to letters of 4 August 2016 from Aurelia to the DPE and RMS).
- **Schedule 2 – Condition 8 – Structural Adequacy – Minor Non-compliance:** Occupation Certificates for Construction Certificates 17.2/2014, 17.3/2014 and 379/2013 (part) were not able to be produced at the time of this audit in September 2016.
- **Schedule 2 – Condition 11 – Operation of Plant and Equipment – Minor Non-compliance (historical):** A cyanide spillage incident in September 2014 (Incident Report 000379 of 27 September 2014 relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) resulted in a clean-up notice from the EPA (health and safety).
- **Schedule 2 – Condition 15 – Road Maintenance Contributions – Potential Non-compliance:** A payment advice of \$10,000 for a Bogan Shire Council (BSC) tax invoice dated 30/6/2015 was sighted. However the reason for the payment could not be verified. Compliance with this condition could not be verified.
- **Schedule 3 – Air Quality and Greenhouse Gas – Condition 14 – Operating Conditions – Potential Non-compliance:** There was no evidence of documented procedures to address paragraph (c) of this condition. For example, the AQGGMP does not describe specific measures to be taken or SWIs to be followed to minimise the air quality impacts of the project during adverse weather conditions and extraordinary events.
- **Schedule 3 – Soil and Water – Condition 18 – Water Discharges – Non-compliance:** Three surface water discharges from the sediment basin (SB1), which exceeded the EPL quality parameters (for Licence Point 3), have occurred in the 12 months prior to this audit. The discharges occurred on the 1-2/11/2015 (incident report 581 sighted), 9/05/2016 (incident report 645 sighted) and 20/07/2016 (incident report 669 sighted).
- **Schedule 3 – Soil and Water – Condition 19 – Water Discharges – Non-compliance:** Exceedences of the 10 mg/l WAD occurred on consecutive days from the 4-9/05/2015. Another exceedence occurred on the 20-21/06/15 (incident reported 000531 sighted as well as email notifying relevant authorities). It was stated that a failsafe system was introduced in the processing plant after last exceedences in 2015 which prevents the discharge of elevated WAD solutions in the event the cyanide destruct process fails. A closed incident report was sighted, however, there was no evidence that recommendations had been undertaken and signed off.
- **Schedule 3 – Soil and Water – Condition 20 – Water Discharges – Non-compliance:** At the time of this audit in September 2016 Hera was non-compliant with this condition in the following respects:
 1. An exceedence of the 20 mg/l WAD occurred on consecutive days from the 4-7/05/2015 (incident reported 000503 sighted as well as email notifying relevant authorities). Preliminary findings indicated that there was a flaw in the control system that could allow barren solution to be discharged to the process water dam. There was no evidence that recommendations had been undertaken and signed off.
 2. Up until the time of this audit in September 2016, an incorrect sampling point had been utilised (i.e. the process water dam instead of the discharge point of the thickener overflow to the process water dam).
- **Schedule 3 – Soil and Water – Condition 22 – Design and Permeability of Storages – Partial Non-compliance:** In relation to paragraph (a) of this condition it was noted the process water dam and leachate management pond were lined with HDPE. A subcontractor's warranty (for the HDPE installation) dated 25 August 2013 was sighted, however, at the time of this audit in September 2016

there was no evidence of permeability testing having been undertaken for either structure (e.g. HDPE weld quality control results).

- **Schedule 3 – Soil and Water – Condition 23 – Design and Permeability of Storages – Partial Non-compliance:** No evidence was available at the time of this audit in September 2016 to verify that the construction met the design requirements to prevent the probable maximum flood from the catchment upstream of the facility from entering the facility.
- **Schedule 3 – Soil and Water – Condition 24 – Design and Permeability of Storages – Potential Non-compliance:** It could not be verified that the height set control level of 80% relates to a freeboard of 200mm.
- **Schedule 3 – Soil and Water – Condition 25 – Water Management Plan – Minor Non-compliance:** There is no evidence of the WMP having been submitted to the DPE within the required six month timeframe (or at all). In addition, in relation to paragraph (a) of this condition there was no evidence that comparisons of the site water balance for each calendar year are included in reporting.
- **Schedule 3 – Biodiversity – Condition 26 – Biodiversity Offset Strategy – Non-compliance:** At the time of this audit in September 2016 a Biodiversity Offset Strategy for the project had not been prepared to the satisfaction of the Secretary.
- **Schedule 3 – Biodiversity – Condition 27 – Biodiversity Offset Strategy – Potential Non-compliance:** At the time of this audit in September 2016 the draft Biodiversity Offset Strategy had not been approved by the Secretary despite the deadline of 31 July 2016 in Condition 26 of this Schedule. Therefore, satisfactory implementation of a Biodiversity Offset Strategy has potentially been delayed.
- **Schedule 3 – Biodiversity – Condition 28 – Long Term Security – Potential Non-compliance:** At the time of this audit in September 2016 the draft Biodiversity Offset Strategy had not been approved by the Secretary despite the deadline of 31 July 2016 in Condition 26 of this Schedule. Therefore, the making of suitable arrangements to conserve the offset area identified in the draft Biodiversity Offset Strategy in perpetuity has potentially been delayed.
- **Schedule 3 – Biodiversity – Condition 29 – Biodiversity Management Plan – Non-compliance:** At the time of this audit in September 2016 a final Biodiversity Management Plan for the project had not been submitted to the Secretary for approval.
- **Schedule 3 – Biodiversity – Condition 30 – Biodiversity Management Plan – Potential Non-compliance:** At the time of this audit in September 2016 the draft Biodiversity Offset Strategy had not been approved by the Secretary despite the deadline of 31 July 2016 in Condition 26 of this Schedule. Therefore, Hera's submission of an updated Biodiversity Management Plan to the Secretary has potentially been delayed beyond 31 January 2017 (i.e. 6 months after 31 July 2016).
- **Schedule 3 – Biodiversity – Condition 31 – Conservation Bond – Potential Non-compliance:** At the time of this audit in September 2016 the final Biodiversity Management Plan had not been submitted to the Secretary for approval in accordance with Condition 29 of this Schedule. Therefore, lodgement of the required conservation bond with the DPE has potentially been delayed.
- **Schedule 3 – Transport – Condition 34 – Road Upgrades – Non-compliance (historical):** Intersection design and pavement upgrades had not been undertaken in accordance with the recommendations of the review within 6 months of the date of the Project Approval.
- **Schedule 3 – Transport – Condition 35 – Road Upgrades – Non-compliance (historical):** Installation of traffic control devices in accordance with the recommendations of the review in paragraph (a) had not been completed within 6 months of the date of the Project Approval.
- **Schedule 3 – Transport – Condition 35A – Road Upgrades – Minor Non-compliance (historical):** The recommendations in the Geolyse report dated 7 May 2014 had not been implemented prior to commencing the transport of concentrate to the Hermidale rail siding via Nymagee-Hermidale Road in October 2014.
- **Schedule 3 – Transport – Condition 37A – Transport of Concentrate to Hermidale Rail Siding – Minor Non-compliance:** The transport of concentrate to the Hermidale rail siding via the Nymagee-

Hermidale Road was outside of daylight hours on 12 occasions during the period 30/06/2015-20/06/16.

- **Schedule 3 – Transport – Condition 38 – Traffic Management Plan – Non-compliance:** At the time of this audit in September 2016 the Traffic Management Plan (TMP) had not been updated to include traffic management along Nymagee-Hermidale Road, and there was no evidence that it had been developed in consultation with both BSC and CSC or been submitted to the Secretary for approval prior to carrying out any development on the site.
- **Schedule 3 – Hazardous Materials – Condition 40 – Final Hazard Analysis – Non-compliance:** At the time of this audit in September 2016 a Final Hazards Analysis (FHA) had not been completed.
- **Schedule 3 – Hazardous Materials – Condition 41 – Hazardous Materials Management Plan – Non-compliance:** At the time of this audit in September 2016 the current Hazardous Materials Management Plan (HMMP) (Revision 2 of 9 April 2013) had not been updated to include the observations from the previous July 2013 audit. The HMMP is non-compliant in several respects.
- **Schedule 3 – Waste – Condition 42 – Minor Non-compliance:** At the time of this audit in September 2016 the following issues were identified in relation to the Village Sewage System and the Office Sewage System. In relation to the Village Sewage System, a walkover of the area revealed effluent pooling underfoot in numerous areas, absence of warning signs and delineation and possible recreational use of the area by employees. In relation to the Office Sewage System, effluent runoff was observed at the disposal area in front of the offices, and ponding was evident in the spray irrigation area.
- **Schedule 3 – Waste – Condition 43 – Waste Rock Management Plan – Non-compliance:** The WRMP does not comply with paragraphs (b), (c), (d), (e) and (k) of this condition.
- **Schedule 3 – Rehabilitation – Condition 44 – Rehabilitation Objectives – Non-compliance:** The rehabilitation objectives in section 4.3.4 of the RMP do not correspond with the objectives in Table 7 of this condition. For example, the RMP does not address the third dot point in the Mine Site (as a whole) feature of Table 7.
- **Schedule 3 – Rehabilitation – Condition 46 – Rehabilitation Management Plan – Partial Non-compliance:** The RMP does not comply with paragraphs (b), (d) and (g) of this condition.
- **Schedule 4 – Condition 2 – Notification of Landowners – Minor Non-compliance (historical):** For the period between the compliance audit in July 2013 and December 2014 (when Hera's current Environmental Officer commenced employment), it could not be verified that Hera notified or sent information to affected landholders and tenants under this condition when exceedences occurred (for example, the historical non-compliance for dust deposition referred to in Schedule 3 Condition 12).
- **Schedule 5 – Condition 1 – Environmental Management – Environmental Management Strategy – Partial Non-compliance:** Section 5.2 of the strategy includes a list of strategies, plans and programs approved under the conditions of this approval, however, the plans are not included in the strategy document.
- **Schedule 5 – Condition 3 – Environmental Management – Management Plan Requirements – Partial Non-compliance:** The Management Plans referred to below do not comply with the paragraphs (a) and (g) of this condition.
- **Schedule 5 – Condition 5 – Environmental Management – Revision of Strategies, Plans and Programs – Non-compliance:** Reviews are not being undertaken within three months of the submission of an Annual Review.
- **Schedule 5 – Condition 6 – Environmental Management – Community Consultative Committee – Non-compliance (historical):** The first meeting of the CCC was held on Thursday 14 February 2013 at the Hera Mine, which was just outside the 6 month timeframe after the Project Approval of 31 July 2012.
- **Schedule 5 – Condition 7 – Reporting – Incident Reporting – Minor Non-compliance:** As noted in relation to EPL Condition R2.2, Hera has not complied with the seven day timeframe in relation to all reported incidents.

- **Schedule 5 – Condition 8 – Reporting – Regular Reporting – Minor Non-compliance:** The most recent AEMR (from 16 May 2015 to 15 May 2016) is not Aurelia's website at the time of this audit in September 2016. The link on Aurelia's website to the previous AEMR (from 16 May 2014 to 15 May 2015) cannot be accessed due to a broken link.
- **Schedule 5 – Condition 11 – Access to Information – Partial Non-compliance:** Hera has not complied with aspects of sub-paragraphs (iii), (vi) and (vii) in paragraph (a) of this condition.

Environment Protection Licence as at 25 July 2016

- **Limit Conditions – Concentration Limits – Condition L2.1 – Non-compliance:** Since the previous compliance audit in July 2013 three of the four points in the Table for Condition L2.4 have recorded exceedences.
- **Limit Conditions – Noise Limits – Condition L4.6 – Minor Non-compliance:** Noise monitoring is being conducted closer to the Hera Mine than the R1, R2, R3 and R4 locations.
- **Limit Conditions – Noise Limits – Condition L4.8 – Potential Non-compliance:** The modification factors in Section 4 of the NSW Industrial Noise Policy may not have been applied to data in the Monthly Noise Monitoring spreadsheet since March 2014.
- **Operating Conditions – Activities must be carried out in a competent manner – Condition O1.1 – Minor Non-compliance (historical):** A cyanide spillage incident in September 2014 (Incident Report 000379 of 27 September 2014 relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) resulted in a clean-up notice from the EPA (health and safety).
- **Operating Conditions – Maintenance of plant and equipment – Condition O2.1 – Minor Non-compliance (historical):** A cyanide spillage incident in September 2014 (Incident Report 000379 of 27 September 2014 relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) resulted in a clean-up notice from the EPA (health and safety).
- **Operating Conditions – Other Operating Conditions – Condition O4.1 – Non-compliance:** At the time of this audit in September 2016 Hera was non-compliant with this condition in the following respects: 1. Hera could not verify that the cyanide plant bunding had been built to the AS4452:1997 as per the design. 2. No bunding was observed in the (uncovered) concentrate loading area to ensure any concentrate spillage was returned via a sump to the process or to prevent any concentrate runoff to the surrounding environment.
- **Monitoring and Recording Conditions – Requirement to monitor concentration of pollutants discharged – Condition M2.1 – Minor Non-compliance:** The interval between testing at point 24 (13 November 2014 and 20 January 2016) exceeded the yearly frequency required under this condition and EPL Condition M2.2.
- **Monitoring and Recording Conditions – Requirement to monitor concentration of pollutants discharged – Condition M2.2 – Minor Non-compliance:** The interval between testing at point 24 (13 November 2014 and 20 January 2016) exceeded the yearly frequency required under this condition and EPL Condition M2.1.
- **Monitoring and Recording Conditions – Requirement to monitor concentration of pollutants discharged – Condition M2.3 – Partial Non-compliance:** At the time of this audit in September 2016 the WAD sample for Point 2 (discharge to Process Water Dam (WQTP1)) has been incorrectly sampled from the PWD instead of the discharge point to the PWD.
- **Reporting Conditions – Annual return documents – Condition R1.5 – Minor Non-compliance:** Hera was unable to produce eConnect EPA or registered post receipts for the submission of signed original copies of the Annual Return, supplied to the EPA for any of the reporting periods.
- **Reporting Conditions – Notification of environmental harm – Condition R2.1 – Minor Non-compliance (historical):** At the time of this audit in September 2016, no evidence was available of any earlier notifications to the Environment Line service.

- **Reporting Conditions – Notification of environmental harm – Condition R2.2 – Minor Non-compliance:** Written details of four incidents were not notified to the EPA within the required period of 7 days.
- **Reporting Conditions – Written report – Condition R3.1 – Minor Non-compliance:** It could not be verified during this audit of September 2016 that Hera sent the validation report (*Hera Project, Effectiveness of Clean-Up Report Stage 2 and 3, Electrical Conduit and Bund 50 Area*) dated 27 October 2014 to the EPA by the EPA's deadline of COB 6 November 2014.
- **General Conditions – Signage – Condition G2.1 – Non-compliance:** Hera was not able to demonstrate that each monitoring and discharge point was marked by a sign that indicates the EPA point identification number.
- **Pollution Studies and Reduction Programs – Rehabilitation Plan – Minor Non-compliance:** Hera's proposal does not address various requirements of this condition.

Mining Lease No. 1686 granted on 16 May 2013

- **1. Notice to Landholders – Minor Non-compliance (historical):** Although Hera Resources Pty Ltd is a wholly owned subsidiary of Aurelia Metals Limited, a literal reading of this condition required Hera to have served a notice in writing on Aurelia regarding the grant of the lease.
- **2. Environmental Harm – Minor Non-compliance (historical):** As noted in relation to Conditions R3.1, R3.2 and R3.3 of the EPL, since the previous audit in July 2013 there has been an incident which could have caused harm to the environment.
- **3. Mining Operations Plan – Potential Non-compliance:** The current approved MOP does not include the area approved for mining operations in Project Approval MOD 3. The carrying out of mining operations in the MOD 3 approved disturbed area would mean Hera is non-compliant with the current approved MOP, which limits mining operations to the DRE approved area.
- **5. Environment Incident Report – Potential Non-compliance:** Hera's incident report form does not have a field to record any actions that have, or will be, taken to prevent similar incidents from occurring in the future. Incident Report 000379 refers to a detailed investigation report, which may or may not contain this information.

Summary of Compliance Status

The following table provides a summary of the number of compliances, non-compliances and observations that were identified in this September 2016 audit against the Project Approval conditions, EPL conditions and Mining Lease conditions.

Table 1: Summary Status of the Hera Resources Pty Limited Hera Project

Conditions	Compliances	Non-Compliances (including Historical and Minor)	Partial Non-Compliances	Potential Non-Compliances	Not Applicable at the time of this audit in September 2016	Observations
Project Approval 10_0191 MOD 3 Schedule 2 – Administrative Conditions (15 conditions)	10	4	0	1	0	6
Project Approval 10_0191 MOD 3 Schedule 3 – Environmental Performance Conditions (50 conditions)	23	18	3	6	1	58
Project Approval 10_0191 MOD 3 Schedule 4 – Additional Resources (5 conditions)	4	1	0	0	0	2
Project Approval 10_0191 MOD 3 Schedule 5 – Environmental Management Reporting and Auditing (11 conditions)	3	4	3	0	1	5
Environment Protection Licence No. 20179 (76 conditions)	57	13	1	1	4	25
Mining Lease No. 1686 (20 conditions)	14	2	0	2	2	14
Total (177 Conditions)	111	41	7	10	8	110

Details of Compliance Status

This section of the report provides information relating to the status of compliance and non-compliance against each of the individual conditions that are listed in the Hera Resources Pty Limited Hera Project. Observations are provided for consideration by Hera Resources Pty Limited to enable continuous improvement to be demonstrated in statutory compliance, site environmental management and environmental practices across the operation. Auditor's Notes in this section of the report are included for interpretation purposes.

Table 2: Detailed Status of the Hera Resources Pty Limited Hera Project

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 2 – Condition 1 – Obligation to minimise harm to the Environment</p> <p>In addition to meeting the specific performance criteria established under this approval, the Proponent shall implement all reasonable and feasible measures to prevent and/or minimise any material harm to the environment that may result from the construction, operation or rehabilitation of the project.</p>	<p>Compliant Observation</p>	<p>It is the Lead Auditor's professional opinion that Hera has met the requirement to "implement all reasonable and feasible measures to prevent and/or minimise any material harm to the environment" in the 3 years preceding this audit.</p> <p>PA Observation 1 – The Project Approval defines "material harm to the environment" as "Actual or potential harm to the health or safety of human beings or to ecosystems that is not trivial". The EPL defines "environment" as having the same meaning as in the Protection of the Environment Operations Act 1997 and "material harm" as having the same meaning as in section 147 of the Protection of the Environment Operations Act 1997. Conditions 2 and 5 of Mining Lease No. 1686 respectively define "environment" and "material harm" substantially the same as in the EPL. Hera should note the definition of "material harm to the environment" in the Project Approval differs from the definitions of "environment" and "material harm" in the EPL and Mining Lease.</p>	<p>PA Observation 1 – Noted.</p>
<p>Schedule 2 – Condition 2 – Terms of Approval</p> <p>The Proponent shall carry out the development:</p> <p>(a) In general accordance with the EA; and</p> <p>(b) In accordance with the conditions of this approval.</p> <p>Notes:</p>	<p>Minor non-compliance</p>	<p>There was evidence that Hera carried out development of the Hera Project generally in accordance with the requirements specified in the conditions of this Project Approval, subject to the two non-compliances identified by the EPA.</p> <p>Minor non-compliance – Hera received a warning</p>	<ol style="list-style-type: none"> 1. The new TSF layout has been included in MOD4 which was approved on 21 September 2016 2. The current height of the WRE continues to be reduced as waste rock is used to backfill empty

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<ul style="list-style-type: none"> The general layout of the project is shown in Appendix 1; and The Statement of Commitments is reproduced in Appendix 5. 		<p>letter (dated 2/03/16) from the DPE detailing its identification of two non-compliances with this condition:</p> <ol style="list-style-type: none"> The Tailings Storage Facility (TSF) was 1.3 hectares larger than the approved layout for the facility. <p>The DPE's letter noted the final design of the TSF was included in MOD 3 which was approved on 26 February 2016.</p> <ol style="list-style-type: none"> The bench heights of the Waste Rock Emplacement (WRE) ranged from 13 metres to 18 metres which was not considered generally in accordance with the indicative height of 10 metres referred to in the EA (section 2.7.3). <p>Minor non-compliance – It was stated that the current height of the WRE is being reduced as material is relocated back into voids underground. At the time of this audit in September 2016, it was stated that the surveyed height of the WRE was 8.5 metres above the highest point (see Figure 1). However, based on the survey and visual inspection by the auditor, the height of the WRE above the original hill slope exceeded the indicative height of 10 metres referred to in the EA.</p>	<p>stopes.</p> <p>Cross section of waste rock emplacement on 17/03/2017</p>

Figure 1 Surveyed cross-section view of the WRE

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 2 – Condition 3 – Terms of Approval</p> <p>If there is any inconsistency between the above documents, the most recent document shall prevail to the extent of the inconsistency. However, the conditions of this approval shall prevail to the extent of any inconsistency.</p>	Compliant	The Statement of Commitments has been deleted from Schedule 2 Condition 2 of the Project Approval. This condition appears to now only apply to the relationship between the EA and this Project Approval.	
<p>Schedule 2 – Condition 4 – Terms of Approval</p> <p>The Proponent shall comply with any reasonable requirement/s of the Secretary arising from the Department's assessment of:</p> <p>(a) any strategies, plans, programs, reviews, audits, reports or correspondence that are submitted in accordance with this approval; and</p> <p>(b) the implementation of any actions or measures contained in these documents.</p>	Compliant Observation	<p>Hera's Environmental Officer understands he must comply with the reasonable requirements of relevant NSW Government Departments including the DPE.</p> <p>Monthly environment reports are developed and utilised to track any requests, directives or actions received from Government Departments.</p> <p>(a) Hera has complied with the requirements of the Director-General arising from the DPE's assessment of strategies, plans, programs, reviews, audits, reports or correspondence that have been submitted in accordance with this approval. At the time of this audit in September 2016 some plans (for example, the Biodiversity Management Plan/Biodiversity Offset Strategy) were still in consultation with the DPE.</p> <p>(b) Hera advised that the DPE has not requested any changes or followed up (either in writing or verbally) to any plans. The DPE visited the site on 21 September 2015 (email sighted) to inspect the WRE and the TSF and subsequently issued a warning letter as described in Schedule 2 Condition 2.</p> <p>PA Observation 2 – Hera could consider centralising all correspondence with the relevant Government Departments (DPE, EPA and DRE) in a correspondence folder in Aurelia's computer system, to facilitate access by personnel in addition to the Environmental Officer.</p>	PA Observation 2 – Noted.

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 2 – Condition 5 – Limits on Approval – Mining Operations</p> <p>The Proponent may carry out mining operations on the site until 31 December 2022.</p> <p><i>Note: Under this approval, the Proponent is required to rehabilitate the site and perform additional undertakings to the satisfaction of both the Secretary and the Executive Director Mineral Resources. Consequently, this approval will continue to apply in all other respects other than the right to conduct mining operations until the rehabilitation of the site and these additional undertakings have been carried out satisfactorily.</i></p>	Compliant Observation	<p>The 31 December 2022 date in this condition is acknowledged by Hera.</p> <p>PA Observation 3 – The current MOP dated May 2013 refers to the mine having an operational life to 2020.</p>	PA Observation 3 – Noted.
<p>Schedule 2 – Condition 6 – Limits on Approval – Ore Extraction and Processing</p> <p>The Proponent shall not:</p> <p>(a) process more than 505,000 tonnes of ore on the site in a calendar year;</p> <p>(b) DELETED</p> <p>(c) transport more than 50,000 tonnes of concentrate from the site in a calendar year.</p>	Compliant	<p>The following production figures were supplied by Hera's Commercial Department:</p> <p>(a) Hera's ore processing figures (i.e. dry metric tonnes milled) on a calendar year basis since 2013 were:</p> <ul style="list-style-type: none"> • 2013 – 0 dry metric tonnes • 2014 – 74,205 dry metric tonnes • 2015 – 298,942 dry metric tonnes • 2016 YTD – 119,799 dry metric tonnes. <p>(b) This paragraph is deleted from this condition.</p> <p>(c) Hera's figures for concentrate transported on a calendar year basis since 2013 were:</p> <ul style="list-style-type: none"> • 2013 – 0 dry metric tonnes • 2014 – 7,976 dry metric tonnes • 2015 – 26,982 dry metric tonnes • 2016 YTD – 9,848 dry metric tonnes. <p>Year to date (YTD) figures were up to and including production on 4/09/2016.</p>	
<p>Schedule 2 – Condition 7 – Limits on Approval – Hours</p>	Minor Non-	It was stated (audit interview) that:	Hera is now of the understanding that if conditions are in conflict with each

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions															
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan												
<p>of Operation</p> <p>The Proponent shall comply with the operating hours in Table 1.</p> <table border="1"> <thead> <tr> <th>Activity</th> <th>Operating Hours</th> </tr> </thead> <tbody> <tr> <td>Vegetation clearing and topsoil stripping</td> <td>7am to 6pm, 7 days per week</td> </tr> <tr> <td>Construction</td> <td>24 hours, 7 days per week</td> </tr> <tr> <td>Mining, maintenance and processing operations</td> <td>Day / Evening</td> </tr> <tr> <td>Rehabilitation</td> <td>Day / Evening</td> </tr> <tr> <td>Transportation of lead and zinc concentrate and gold doré from the site</td> <td>7am to 10pm, 7 days per week</td> </tr> </tbody> </table> <p>Note: Conditions 5 and 6 of Schedule 3 include restrictions on blasting times.</p>	Activity	Operating Hours	Vegetation clearing and topsoil stripping	7am to 6pm, 7 days per week	Construction	24 hours, 7 days per week	Mining, maintenance and processing operations	Day / Evening	Rehabilitation	Day / Evening	Transportation of lead and zinc concentrate and gold doré from the site	7am to 10pm, 7 days per week	<p>compliance Observation</p>	<ul style="list-style-type: none"> Hera is complying with the operating hours in Table 1 with regard to vegetation clearing and topsoil stripping during the audit period (July 2013 to September 2016); there was no construction during the audit period; Hera is complying with the operating hours in Table 1 with regard to mining, maintenance and processing operations; there was no rehabilitation during the audit period; and Hera is generally complying with the operating hours in Table 1 with regard to concentrate transport. <p>Minor Non-compliance – Hera identified some instances of non-compliance in relation to the transportation times for concentrate trucks (refer to letters of 4 August 2016 from Aurelia to the DPE and RMS).</p> <p>PA Observation 4 – The minor non-compliance arose from apparent confusion of this condition (which was contained in the original Project Approval) with Schedule 3 Condition 37A (a condition introduced in MOD 2). Schedule 3 Condition 37A refers to daylight hours (not 7am to 10pm).</p>	<p>other, the more restrictive condition takes precedence.</p> <p>PA Observation 4 – Noted.</p>
Activity	Operating Hours														
Vegetation clearing and topsoil stripping	7am to 6pm, 7 days per week														
Construction	24 hours, 7 days per week														
Mining, maintenance and processing operations	Day / Evening														
Rehabilitation	Day / Evening														
Transportation of lead and zinc concentrate and gold doré from the site	7am to 10pm, 7 days per week														
<p>Schedule 2 – Condition 8 – Structural Adequacy</p> <p>The Proponent shall ensure that all new buildings and structures, and any alterations or additions to existing buildings and structures, are constructed in accordance with the relevant requirements of the BCA.</p> <p>Notes:</p> <ul style="list-style-type: none"> Under Part 4A of the EP&A Act, the Proponent is required to obtain construction and occupation certificates for the proposed building works; Part 8 of the EP&A Regulation sets out the requirements 	<p>Minor Non-Compliance</p>	<p>The present workshop and associated office facilities were constructed prior to this Project Approval and were approved by the DPI in 2006 under Part 5 of the EP&A Act 1979. The following certificates were sighted:</p> <ul style="list-style-type: none"> Construction Certificate 20130148 (issued 16/04/2013 by BW&A) and Occupation Certificate for the mining camp. Construction Certificate 17.2/2014 (issued 20/03/2014 by Procert) for the <i>Gold Processing Plant & Associated Structures in Area 15, Area 20 and Areas 40/45</i>. 	<p>Occupation Certificates will be obtained.</p>												

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p><i>for the certification of the project; and</i></p> <ul style="list-style-type: none"> <i>Under the Dams Safety Act 1978, the Proponent will require a further approval for the project's tailings storage facility.</i> 		<ul style="list-style-type: none"> Construction Certificate 17.3/2014 (issued 04/04/2014 by Procort) for the <i>Conveyors and Associated Support Stands, Access Platforms and Walkways for Gold Processing Plant.</i> Construction Certificate 379/2013 (issued 02/10/2013 by Procort) for the <i>Construction of Footings & Ancillary Stairways, Placement of Secondhand Buildings x 3 On-site and Upgrades to Air-conditioning, Exit Signage and Exit Door Hardware.</i> Occupation Certificate 379.1/2013 (issued 03/03/2014 by Procort) for the <i>Construction of Footings & Ancillary Stairways, Placement of Secondhand Buildings x 3 On-site and Upgrades to Air-conditioning, Exit Signage and Exit Door Hardware</i> for Office Building. <p>Minor Non-Compliance – Occupation Certificates for Construction Certificates 17.2/2014, 17.3/2014 and 379/2013 (part) were not able to be produced at the time of this audit in September 2016.</p>	
<p>Schedule 2 – Condition 9 – Demolition</p> <p>The Proponent shall ensure that all demolition work is carried out in accordance with <i>Australian Standard AS 2601-2001: The Demolition of Structures</i>, or its latest version.</p>	Compliant	Hera's Environmental Officer stated there has been no demolition work to date (audit interview).	
<p>Schedule 2 – Condition 10 – Protection of Public Infrastructure</p> <p>Unless the Proponent and the applicable authority agree otherwise, the Proponent shall:</p> <p>(a) repair, or pay the full costs associated with repairing, any public infrastructure that is damaged by the project; and</p> <p>(b) relocate, or pay the full costs associated with relocating, any public infrastructure that needs to be relocated as a</p>	Compliant	Hera's Environmental Officer stated the Project has not damaged or relocated any public infrastructure (audit interview).	

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
result of the development.			
<p>Schedule 2 – Condition 11 – Operation of Plant and Equipment</p> <p>The Proponent shall ensure that all the plant and equipment used at the site, or to transport materials from the site, is:</p> <p>(a) maintained in a proper and efficient condition; and</p> <p>(b) operated in a proper and efficient manner.</p>	<p>Minor non-compliance (historical)</p>	<p>In relation to each paragraph of this condition:</p> <p>(a) Hera takes steps to ensure that all the plant and equipment used at the site is maintained in a proper and efficient condition. These steps include:</p> <ul style="list-style-type: none"> • The mining contractor (PYBAR) is contracted to perform all mining vehicle plant maintenance functions on site and Hera maintains surface plant and equipment (audit interview); • All equipment on site has to be MDG15 compliant (audit interview); • An equipment maintenance register (sighted for both Hera and PYBAR). • A maintenance schedule system is in place and current for plant (sighted for both Hera and PYBAR). • The concentrate transporter's (KPC Bulk) trucks are under a Maintenance Management system with the NHVR (National Heavy Vehicle Register) which requires them to be audited every twelve months. This system commenced in April 2016 (pre-starts, maintenance records/schedule and contract dated February 2016 sighted). <p>(b) Hera takes steps to ensure that all the plant and equipment used at the site is operated in a proper and efficient manner. These steps include:</p> <ul style="list-style-type: none"> • All operators are trained and training registers are held by both Hera and PYBAR (sighted). • Licences are required for specific equipment and site supervision is undertaken by Hera and its contractors (audit interview). 	<p>No similar incidents have occurred since 27 September 2014. Hera continues to inspect bunds and perform repairs (if any) as required.</p>

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		Minor non-compliance (historical) – A cyanide spillage incident in September 2014 (Incident Report 000379 of 27 September 2014 relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) resulted in a clean-up notice from the EPA (health and safety).	
<p>Schedule 2 – Condition 12 – Staged Submission of any Strategy, Plan or Program</p> <p>With the approval of the Secretary, the Proponent may:</p> <p>(a) submit any strategy, plan or program required by this approval on a progressive basis; and</p> <p>(b) combine any strategy, plan or program required by this approval with any similar strategy, plan or program required for the project.</p> <p>Notes:</p> <ul style="list-style-type: none"> • <i>While any strategy, plan or program may be submitted on a progressive basis, the Proponent will need to ensure that the existing operations on site are covered by suitable strategies, plans or programs at all times; and</i> • <i>If the submission of any strategy, plan or program is to be staged, then the relevant strategy, plan or program must clearly describe the specific stage to which the strategy, plan or program applies, the relationship of this stage to any future stages, and the trigger for updating the strategy, plan or program.</i> 	Compliant	<p>(a) Hera has indicated that there are no plans to submit any strategy, plan or program required by this approval on a progressive basis at this stage (audit interview).</p> <p>(b) The previous Review of Environmental Effects entitled “Exploration Decline at the Hera Deposit within Exploration Licence 6162” that the Project was operating under was terminated once the Mining Lease was granted on 16 May 2013 (previous audit interview – June 2013).</p>	
<p>Schedule 2 – Condition 13 – Staged Submission of any Strategy, Plan or Program</p> <p>Until they are replaced by an equivalent strategy, plan or program approved under this approval, the Proponent shall implement the existing strategies, plans or programs for the site that have been approved under the approved exploration activities described in <i>Review of Environmental</i></p>	Compliant	Hera has implemented the existing strategies, plans and programs for the site that have been approved under the approved exploration activities described in the Review of Environmental Effects entitled “ <i>Exploration Decline at the Hera Deposit within Exploration Licence 6162</i> ”. These have included construction of the access road, Box Cut, mining contractors area, underground development and waste	

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p><i>Effects</i> entitled “Exploration Decline at the Hera Deposit within Exploration Licence 6162”.</p>		<p>stockpile area (audit interview – June 2013).</p> <p>The approval letter (dated 2/4/07) from the DPI was sighted (previous audit – June 2013) approving exploration activity under EL6162.</p> <p>As stated in section 1.3.1 of the MOP (May 2013, ver 3.1), “<i>This MOP replaces the existing management strategies documented in the REF. Finally it is noted that following granting of ML1686, that those sections of EL6162 that are coincident with ML1686 cease to exist. Consequently, any approval under EL6162 also ceases to apply to those areas covered by ML1686.</i>”</p> <p>It is noted that the previous REF has biodiversity elements which are still applicable over and above the draft Biodiversity Management Plan. It was stated that the draft biodiversity strategies have been implemented. The draft Biodiversity Management Plan incorporates the biodiversity offset strategy.</p>	
<p>Schedule 2 – Condition 14 – Planning Agreement</p> <p>By 31 July 2016 unless otherwise agreed by the Secretary, the Proponent shall amend the planning agreement with CSC, in accordance with Division 6 of Part 4 of the EP&A Act, which provides for contributions to CSC. The terms of the planning agreement shall be consistent with the general terms of agreement between CSC and Hera Resources Pty Limited outlined in Appendix 2.</p>	<p>Compliant</p>	<p>Hera entered into a planning agreement with Cobarr Shire Council (CSC) in accordance with Division 6 of Part 4 of the EP&A Act. A signed planning agreement dated 10/04/13 was sighted.</p> <p>Prior to 31 July 2016 (audit interview), the planning agreement with CSC was amended and an undated “Deed of Variation” (sighted) was agreed and signed by CSC. Schedule A of the variation replaces Schedule 1 in the original planning agreement.</p> <p>The terms of the planning agreement are consistent with the general terms of agreement between CSC and Hera outlined in Appendix 2. The total contributions of \$60,000 for road repair and maintenance contribution and \$32,000 for the community fund contribution listed in Appendix 2 are the same as the total contributions listed in Schedule A of the planning agreement.</p>	

Project Approval 10_0191 (MOD 3) Schedule 2 – Administrative Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 2 – Condition 15 – Road Maintenance Contributions</p> <p>By 30 September 2015, and annually thereafter until the cessation of transport operations, the Proponent shall make annual contributions of \$20,000 to BSC for the maintenance of the unsealed sections of Nymagee-Hermidale Road.</p>	<p>Potential Non-compliance</p> <p>Observation</p> <p>Observation</p>	<p>Potential Non-compliance – A payment advice of \$10,000 for a Bogan Shire Council (BSC) tax invoice dated 30/6/2015 was sighted. However the reason for the payment could not be verified. Compliance with this condition could not be verified.</p> <p>PA Observation 5 – Hera’s next payment of \$20,000 to BSC (if not already paid) is due by 30 September 2016. Hera should confirm understanding with BSC regarding costs for road maintenance of the unsealed sections of Nymagee-Hermidale Road.</p> <p>PA Observation 6 – It was stated that Hera and BSC had agreed to conduct a joint inspection of the Nymagee-Hermidale Road every two months to determine the need for grading. This joint inspection has been undertaken only once since the agreement (letter from BSC dated 27th August 2015).</p>	<p>Future payments to the BSC will be clearly defined prior to payment.</p> <p>PA Observation 5 – Noted.</p> <p>PA Observation 6 – Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions																	
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan														
<p>Schedule 3 – Noise – Condition 1 – Noise Criteria</p> <p>The Proponent shall ensure that the noise generated by the project does not exceed the criteria in Table 2 at any residence on privately-owned land or on more than 25 per cent of any privately-owned land.</p> <p><i>Table 2: Noise Criteria dB(A)</i></p> <table border="1"> <thead> <tr> <th rowspan="2">Receivers</th> <th>Day</th> <th>Evening</th> <th colspan="2">Night</th> </tr> <tr> <th>($L_{Aeq}(15\text{-minute})$)</th> <th>($L_{Aeq}(15\text{-minute})$)</th> <th>($L_{Aeq}(15\text{-minute})$)</th> <th>($L_{A1}(max)$)</th> </tr> </thead> <tbody> <tr> <td>All residential receivers</td> <td>35</td> <td>35</td> <td>35</td> <td>45</td> </tr> </tbody> </table> <p><i>Note: Noise generated by the project is to be measured in accordance with the relevant requirements and exemptions (including certain meteorological conditions) of the NSW Industrial Noise Policy.</i></p> <p>However, these criteria do not apply if the Proponent has an agreement with the relevant owner(s) to exceed the criteria, and the Proponent has advised the Department in writing of the terms of this agreement.</p>	Receivers	Day	Evening	Night		($L_{Aeq}(15\text{-minute})$)	($L_{Aeq}(15\text{-minute})$)	($L_{Aeq}(15\text{-minute})$)	($L_{A1}(max)$)	All residential receivers	35	35	35	45	<p>Compliant</p>	<p>Hera has a noise agreement with Barry Hay (the closest neighbour/receptor) dated 23 December 2013. The DPE was advised in writing of the agreement on 5 September 2016 (email sighted).</p> <p>To date, no exceedences relating to mining operations have been recorded during the audit period (July 2013 to September 2016). Apart from the Hay property there are two other property receptors (Harland and Dunne).</p>	
Receivers		Day	Evening	Night													
	($L_{Aeq}(15\text{-minute})$)	($L_{Aeq}(15\text{-minute})$)	($L_{Aeq}(15\text{-minute})$)	($L_{A1}(max)$)													
All residential receivers	35	35	35	45													
<p>Schedule 3 – Noise – Condition 2 – Operating Conditions</p> <p>The Proponent shall:</p> <p>(a) implement best management practice, including all reasonable and feasible noise mitigation measures, to minimise the construction, operational, low frequency and traffic noise of the project;</p> <p>(b) maintain the effectiveness of noise suppression equipment on plant at all times and ensure that defective plant is not used operationally until fully repaired; and</p> <p>(c) minimise the noise impacts of the project during meteorological conditions when the noise limits in this approval do not apply,</p> <p>to the satisfaction of the Secretary.</p>	<p>Compliant Observation Observation</p>	<p>Hera has a Noise Management Plan (NMP) dated 19 August 2013.</p> <p>In relation to paragraph (a) of this condition, to reduce the potential for nuisance noise being generated from the mine site, the following noise mitigation measures have been adopted:</p> <ul style="list-style-type: none"> • Some site vehicles have been fitted with noise suppressed reversing alarms. • No surface blasting is conducted and all blasting is conducted underground. • The mine site has been located approximately 2 km from the nearest resident. • All power generators are enclosed within noise insulated covers. The compressor in the power plant is contained within a shipping container and the equipment is said to be state of the art. 	<p>PA Observation 7 – Noted.</p> <p>PA Observation 8 – Noted.</p>														

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<ul style="list-style-type: none"> Hera's community liaison program, complaints register and response methods and regular monitoring are all stated to be best practice procedures in the mining industry. <p>Three noise complaints have been received from external residences. Results indicate that Hera has been compliant in all instances (audit interview).</p> <p>In relation to paragraph (b) of this condition, it was stated that faulty plant equipment is not used on site. Plant and equipment is maintained by PYBAR and Hera maintenance departments as described in Schedule 2 Condition 11.</p> <p>In relation to paragraph (c) of this condition, it was stated that to date, Hera has not varied mine operations due to meteorological conditions. It was stated that in the event of multiple complaints being received then internal investigations would be conducted.</p> <p>PA Observation 7 – Hera should take steps to ensure noise suppressed reversing alarms are fitted to all vehicles operating on site to reduce the likelihood of high frequency noise impacts to onsite personnel and neighbouring properties.</p> <p>PA Observation 8 – Hera could revise its Drivers Code of Conduct to include a requirement for drivers to operate trucks in a way which minimises noise.</p>	
<p>Schedule 3 – Noise – Condition 3 – Noise Management Plan</p> <p>The Proponent shall prepare and implement a Noise Management Plan for the project to the satisfaction of the Secretary. The plan must:</p> <p>(a) be prepared in consultation with the EPA, and submitted to the Secretary for approval within six months of this approval;</p>	<p>Compliant</p> <p>Observation</p> <p>Observation</p>	<p>Hera's current Noise Management Plan (NMP) is dated 19 August 2013.</p> <p>In relation to paragraph (a) of this condition, the NMP was approved by the Secretary on 28 September 2012 (approval letter sighted).</p> <p>In relation to paragraph (b) of this condition, the NMP describes the measures that would be implemented to ensure compliance with Conditions 1 and 2 of this</p>	<p>PA Observation 9 – Noted.</p> <p>PA Observation 10 – Noted.</p>


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions																									
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan																						
(b) describe the measures that would be implemented to ensure compliance with conditions 1 and 2 of this schedule; and (c) include a monitoring program that: <ul style="list-style-type: none"> (i) adequately supports the noise management system on site; (ii) includes a protocol for determining exceedences of the criteria identified in Table 2; and (iii) evaluates and reports on the effectiveness of the noise management system on site. 		Schedule. The following sections of the NMP relate to compliance with the relevant conditions: <ul style="list-style-type: none"> • Condition 1 – sections 6.5, 6.6, 6.7 and 6.8 • Condition 2 – sections 5.3, 5.3.1, 6.2 and 6.3 In relation to paragraph (c) of this condition, section 6 of the NMP includes a noise monitoring program that addresses sub-paragraphs (i), (ii) and (iii). PA Observation 9 – The current NMP pre-dates the MOD 3 Project Approval and could be updated. PA Observation 10 – For reference purposes Hera should keep for the life of the Project any baseline data collected (for example, the Spectrum Acoustics report of August 2013) prior to commissioning of the mine.																							
<p>Schedule 3 – Blasting – Condition 4 – Blasting Criteria</p> <p>The Proponent shall ensure that blasting on the site does not cause exceedences of the criteria in Table 3.</p> <p><i>Table 3: Blasting Criteria</i></p> <table border="1"> <thead> <tr> <th>Location</th> <th>Time Period</th> <th>Airblast Overpressure (dB(Lin Peak))</th> <th>Ground Vibration (mm/s)</th> <th>Allowable Exceedence</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Residence on privately-owned land</td> <td>Any time</td> <td>120</td> <td>10</td> <td>0%</td> </tr> <tr> <td>Day</td> <td>115</td> <td>5</td> <td>5% of total blasts over a period of 12 months</td> </tr> <tr> <td>Evening</td> <td>-</td> <td>2</td> <td>5% of total blasts over a period of 12 months</td> </tr> <tr> <td>Night and all day on Sundays and public holidays</td> <td>-</td> <td>1</td> <td>0%</td> </tr> </tbody> </table> <p>However, these criteria do not apply if the Proponent has a written agreement with the relevant landowner, and has advised the Department in writing of the terms of this</p>	Location	Time Period	Airblast Overpressure (dB(Lin Peak))	Ground Vibration (mm/s)	Allowable Exceedence	Residence on privately-owned land	Any time	120	10	0%	Day	115	5	5% of total blasts over a period of 12 months	Evening	-	2	5% of total blasts over a period of 12 months	Night and all day on Sundays and public holidays	-	1	0%	<p>Compliant Observation</p>	Blasting data is kept on an Excel spreadsheet. It was stated that no exceedences of the criteria in Table 3 of this condition have been recorded. The spreadsheet records blasting data from 1 March 2014. It was stated that blasting data is received once daily (at 8:30am each morning). Typical blast times are 6:30am and 6:30pm (during change of shift). PA Observation 11 – The blasting data in the Excel spreadsheet is inconsistently presented. Hera is encouraged to develop a consistent document template for blasting data and include a means of readily identifying any recorded exceedences.	PA Observation 11 – Noted.
Location	Time Period	Airblast Overpressure (dB(Lin Peak))	Ground Vibration (mm/s)	Allowable Exceedence																					
Residence on privately-owned land	Any time	120	10	0%																					
	Day	115	5	5% of total blasts over a period of 12 months																					
	Evening	-	2	5% of total blasts over a period of 12 months																					
	Night and all day on Sundays and public holidays	-	1	0%																					


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
agreement.			
<p>Schedule 3 – Blasting – Condition 5 – Blasting Hours</p> <p>The Proponent shall only carry out above ground blasting on site between 9:00am and 5:00pm Monday to Saturday, inclusive. No above ground blasting is allowed on Sundays, public holidays or at any other time without the written approval of the Secretary.</p>	Compliant	It was stated that above ground blasting ceased on 25 January 2013.	
<p>Schedule 3 – Blasting – Condition 6 – Blasting Hours</p> <p>Underground blasting may be undertaken at any time, subject to compliance with the conditions of this approval.</p>	Compliant	<p>Hera’s Environmental Officer advised a daily production report which includes underground charging and firing information, is sent by PYBAR by email to him each morning (about 8:30-9am) and is communicated on the Aurelia website. A sample report of 4 September 2016 was viewed. The daily report records firing times.</p> <p>On 2 August 2016 Spectrum Acoustics provided Hera with an assessment (2 pages) of blast monitoring vibration levels at the Hera Project (from February to May 2016) with the stated objective being to provide Hera with “a predictive tool for blast vibration levels from the site as a function of distance and charge weight (MIC) for use in planning future blasts to ensure compliance with the blasting criteria is maintained”.</p>	
<p>Schedule 3 – Blasting – Condition 7 – Blasting Frequency</p> <p>In relation to above ground blasting, the Proponent may carry out a maximum of:</p> <p>(a) three blasts per day, unless an additional blast is required following a blast misfire; and</p> <p>(b) five blasts per week, averaged over a calendar year, for all operations on the site.</p> <p>This condition does not apply to blasts that generate ground vibration of 0.5 mm/s or less at any residence on privately-</p>	Compliant	It was stated that above ground blasting ceased on 25 January 2013.	


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>owned land, or blasts required to ensure the safety of the site or its workers.</p> <p><i>Note: For the purpose of this condition, a blast refers to a single blast event, which may involve a number of individual blasts fired in quick succession in a discrete area of the site.</i></p>			
<p>Schedule 3 – Blasting – Condition 8 – Operating Conditions</p> <p>During operation of the project, the Proponent shall:</p> <p>(a) implement best management practice to:</p> <ul style="list-style-type: none"> (i) protect the safety of people and livestock in the surrounding area; (ii) protect public or private infrastructure/property in the surrounding area from any damage; and (iii) minimise the dust and fume emissions from any blasting; and <p>(b) operate a suitable system to enable the public to get up-to-date information on the proposed blasting schedule on site,</p> <p>to the satisfaction of the Secretary.</p>	Compliant	<p>In relation to paragraph (a) of this condition, Hera has a Blast Management Plan (Blast MP) dated June 2015 which:</p> <ul style="list-style-type: none"> (i) contains practices to ensure safety of people and livestock (section 5.4); (ii) gives landholders within 2km of blasting on site an entitlement to request an inspection to establish the baseline condition of buildings and structures on their land (section 5.5); and (iii) contains procedures to minimise dust and fumes from the stated limited amount of any surface blasting (section 5.6). <p>In relation to paragraph (b) of this condition, the Blast MP addresses the requirement for the public to get up-to-date information on the proposed blasting schedule on site, and includes uploading the blasting schedule on the Aurelia website (section 5.7).</p>	
<p>Schedule 3 – Blasting – Condition 9 – Blast Management Plan</p> <p>The Proponent shall prepare and implement a Blast Management Plan for the project to the satisfaction of the Secretary. This plan must:</p> <ul style="list-style-type: none"> (a) be prepared in consultation with the EPA, and submitted to the Secretary for approval within six months of this approval; (b) describe the blast mitigation measures that would be implemented to ensure compliance with conditions 4-8 of 	Compliant Observation	<p>Hera's current Blast Management Plan (Blast MP) is dated June 2015.</p> <p>In relation to paragraph (a) of this condition, the previous version of the Blast MP was dated 30 August 2012 and was approved by the Secretary on 28 September 2012 (approval letter sighted).</p> <p>In relation to paragraph (b) of this condition, the Blast MP describes the blast mitigation measures that would be implemented to ensure compliance with Conditions 4-8 of this Schedule. The following sections of the Blast</p>	PA Observation 12 – Noted.

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
this schedule; and (c) include a blast monitoring program to evaluate the performance of the project.		MP relate to compliance with the relevant conditions: <ul style="list-style-type: none"> • Condition 4 – section 5.1 • Conditions 5 and 6 – section 5.2 • Condition 7 – section 5.3 • Condition 8 – sections 5.4, 5.5, 5.6 and 5.7 In relation to paragraph (c) of this condition, section 6 of the Blast MP includes a blast monitoring program to evaluate the performance of the Project. It was stated that the blast monitoring equipment (Minimate Plus Base Unit and Standard Triaxial Geophone) is calibrated annually. The most recent calibration certificates (by Saros) are dated 4 December 2015 and were sighted. PA Observation 12 – The current Blast MP pre-dates the MOD 3 Project Approval and could be updated.	
Schedule 3 – Air Quality and Greenhouse Gas – Condition 10 – Odour The Proponent shall ensure that no offensive odours, as defined under the POEO Act, are emitted from the site.	Compliant	Potential sources of offensive odours from the site include chemical tanks and in ground sewage facilities. It was stated that no activities conducted on site are likely to cause offensive odours to be emitted from the site.	
Schedule 3 – Air Quality and Greenhouse Gas – Condition 11 – Greenhouse Gas Emissions The Proponent shall implement all reasonable and feasible measures to minimise the release of greenhouse gas emissions from the site to the satisfaction of the Secretary.	Compliant Observation	Hera has an Air Quality and Greenhouse Gas Management Plan (AQGGMP) dated May 2015. Section 5.5 of the AQGGMP identifies the following sources of greenhouse gas emissions: <ul style="list-style-type: none"> • combustion of diesel for electricity generation; • combustion of diesel by mobile equipment; • emissions associated with explosive use; and • transportation of bulk concentrate product off site. Table 7 in section 5.8 of the AQGGMP outlines greenhouse gas mitigation management measures. Hera is reporting greenhouse gas emissions under the	PA Observation 13 – Noted.


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions												
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan									
		National Pollution Inventory, and <i>National Greenhouse and Energy Reporting Act 2007</i> . It was stated that external consultants (Advitech) are involved in preparing reports. PA Observation 13 – To demonstrate an active approach to monitoring and minimising greenhouse gas emissions in future, Hera could introduce an emissions trend analysis in its environmental reporting. For example, a trend could be identified in terms of energy use per tonne of output as production increases in future years.										
<p>Schedule 3 – Air Quality and Greenhouse Gas – Condition 12 – Air Quality Criteria</p> <p>The Proponent shall ensure that all reasonable and feasible avoidance and mitigation measures are employed so that particulate matter emissions generated by the project do not exceed the criteria listed in Tables 4, 5 or 6 at any residence on privately-owned land or on more than 25 percent of any privately-owned land.</p> <p><i>Table 4: Long term impact assessment criteria for particulate matter</i></p> <table border="1"> <thead> <tr> <th>Pollutant</th> <th>Averaging Period</th> <th>^d Criterion</th> </tr> </thead> <tbody> <tr> <td>Total suspended particulate (TSP) matter</td> <td>Annual</td> <td>^a 90 µg/m³</td> </tr> <tr> <td>Particulate matter < 10 µm (PM₁₀)</td> <td>Annual</td> <td>^a 30 µg/m³</td> </tr> </tbody> </table>	Pollutant	Averaging Period	^d Criterion	Total suspended particulate (TSP) matter	Annual	^a 90 µg/m ³	Particulate matter < 10 µm (PM ₁₀)	Annual	^a 30 µg/m ³	<p>Compliant Observation</p>	Hera has an Air Quality and Greenhouse Gas Management Plan (AQGGMP) dated May 2015. Table 6 in section 5.6 of the AQGGMP describes the particulate matter mitigation management measures to be implemented by Hera. Good practices observed during this audit in September 2016 that contributed to competent dust control included: <ul style="list-style-type: none"> the speed limit is restricted to 40 km/hr on all internal access roads; obsolete roads are ripped and re-vegetated (Photo 1); 	PA Observation 14 – Noted.
Pollutant	Averaging Period	^d Criterion										
Total suspended particulate (TSP) matter	Annual	^a 90 µg/m ³										
Particulate matter < 10 µm (PM ₁₀)	Annual	^a 30 µg/m ³										

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions											
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan								
<p><i>Table 5: Short term impact assessment criterion for particulate matter</i></p> <table border="1"> <thead> <tr> <th>Pollutant</th> <th>Averaging Period</th> <th>^d Criterion</th> </tr> </thead> <tbody> <tr> <td>Particulate matter < 10 µm (PM₁₀)</td> <td>24 hour</td> <td>^a 50 µg/m³</td> </tr> </tbody> </table>				Pollutant	Averaging Period	^d Criterion	Particulate matter < 10 µm (PM ₁₀)	24 hour	^a 50 µg/m ³		
Pollutant	Averaging Period	^d Criterion									
Particulate matter < 10 µm (PM ₁₀)	24 hour	^a 50 µg/m ³									
<p><i>Table 6: Long term impact assessment criteria for deposited dust</i></p> <table border="1"> <thead> <tr> <th>Pollutant</th> <th>Averaging Period</th> <th>Maximum increase in deposited dust level</th> <th>Maximum total deposited dust level</th> </tr> </thead> <tbody> <tr> <td>^c Deposited dust</td> <td>Annual</td> <td>^b 2 g/m²/month</td> <td>^a 4 g/m²/month</td> </tr> </tbody> </table>				Pollutant	Averaging Period	Maximum increase in deposited dust level	Maximum total deposited dust level	^c Deposited dust	Annual	^b 2 g/m ² /month	^a 4 g/m ² /month
Pollutant	Averaging Period	Maximum increase in deposited dust level	Maximum total deposited dust level								
^c Deposited dust	Annual	^b 2 g/m ² /month	^a 4 g/m ² /month								
<p>Notes to Tables 4-6:</p> <ul style="list-style-type: none"> ^a Total impact (i.e. incremental increase in concentrations due to the project plus background concentrations due to all other sources); ^b Incremental impact (i.e. incremental increase in concentrations due to the project on its own); ^c Deposited dust is to be assessed as insoluble solids as defined by Standards Australia, AS/NZS 3580.10.1:2003: Methods for Sampling and Analysis of Ambient Air - Determination of Particulate Matter - Deposited Matter - Gravimetric Method; and ^d Excludes extraordinary events such as bushfires, prescribed burning, dust storms, sea fog, fire incidents or any other activity agreed by the Secretary. 											
		 <p>Photo 1 Re-vegetated obsolete road (traffic sign yet to be removed)</p> <ul style="list-style-type: none"> concentrate trucks leaving the site are covered to prevent concentrate material blowing from the truck; the concentrate stockpile is covered and enclosed on three sides with breather vents; drop-height from the ROM bin to the primary crusher is minimised; disturbance limited to the minimum area necessary for mining and associated activities; vegetative cover is established over long-term topsoil stockpiles (Photo 2); 									

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 2 Topsoil stockpiles with vegetative cover</p> <ul style="list-style-type: none"> • vehicles drive only on designated roads; • conveyors used within the processing plant to transport crushed ore material; • water sprays are installed on the primary crusher and associated conveyors to ensure that the required level of dust suppression is achieved (Photo 3); 	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 3 Dust suppression system evident on ROM stockpile conveyor</p> <p>Hera also stated (audit interview) that further mitigation management measures utilised on site include:</p> <ul style="list-style-type: none"> • unsealed access roads and other trafficked areas are sprayed with water carts as required, when visible dust is generated; • ore handling areas / stockpiles are maintained in a moist condition by using water carts to water down areas affected by wind-blown and traffic-generated dust. In July 2016 Hera dropped back to one water cart operated by Hera personnel. During summer, approximately six loads (12,000 litre/load) per day are used for dust suppression. A day crew undertakes the watering as required; • the crusher, dry screen and all other dust control technologies are maintained and inspected in accordance with supplier recommendations. 	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p><u>PM10 and TSP Air Monitoring</u></p> <p>Air monitoring on the mining lease is conducted using both High Volume Air Sampling (HVAS) PM₁₀ and Total Suspended Particulates (TSP) air quality monitoring units (Photo 4). Both units were installed in May 2013 near the original homestead. It was stated that the monitors were moved to their present location around the start of 2014.</p> <p>Samples are collected over 6 day periods and forwarded to ALS laboratory in Lithgow monthly for analysis. 24 hour averages are determined from these 6 day sampling intervals.</p>  <p>Photo 4 PM10 and TSP air quality monitoring units</p> <p>It was stated that a regional dust storm was the likely cause of a single exceedance (PM₁₀ result of greater than 50 µg/m³ in a 24-hour period) in January 2016.</p> <p>No annual period exceedances of TSP or PM₁₀ were recorded during the audit period (July 2013 to</p>	


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>September 2016).</p> <p><u>Depositional Dust Monitoring</u></p> <p>Two depositional dust monitors are currently in use across the site.</p> <p>DDG1 Deposited dust gauge: Monitor deposited dust as close as possible to Residence R3</p> <p>DDG2 Deposited dust gauge: Monitor deposited dust as close as possible to Residence R1 and R2</p>  <p>Photo 5 Dust deposition gauge in use on the mining lease.</p> <p>Raw depositional dust data (Excel spreadsheet <i>Data Summary_DDG</i>) for the audit period (July 2013 to September 2016) was reviewed. No exceedances of the 4 g/m²/month deposition rate criteria for insoluble solids were recorded (on an annualised basis).</p> <p>PA Observation 14 – The ash component of the insoluble solid results may be a better representation of the deposited dust generated by the mine activities. As Hera is not a coal mine, it is not expected that the mine activities would contribute to the combustible fraction of the deposited dust (DD) result. The background DD level of 2.2 g/m²/month (section 4.8.7.1 of the EA) does</p>	


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		not appear to have been used to calculate the mine contribution to results.	
<p>Schedule 3 – Air Quality and Greenhouse Gas – Condition 13 – Air Quality Criteria</p> <p>The Proponent shall ensure that all point-source discharge locations on the site are designed and operated to comply with the maximum discharge concentrations applicable under the <i>Protection of the Environment (Clean Air) Regulation 2010</i> and the requirements of any Environment Protection Licence issued for the project under the POEO Act.</p>	Compliant	<p>Section 6.2 of Hera's Air Quality and Greenhouse Gas Management Plan (AQGGMP) dated May 2015 states:</p> <p><i>"AMI will ensure that all point-source discharge locations on the site are designed and operated to comply with the maximum discharge concentrations applicable under the protection of the the Environmental (Clean Air) Regulations 2010."</i></p> <p>Section 6.5 of the AQGGMP requires the Environmental Officer or their delegate to review all air quality results and implement corrective and preventative measures in section 6.6 (including assigning of actions to relevant personnel) in the event that the relevant criteria are exceeded.</p>	
<p>Schedule 3 – Air Quality and Greenhouse Gas – Condition 14 – Operating Conditions</p> <p>The Proponent shall:</p> <p>(a) implement best practice air quality management on site, including all reasonable and feasible measures to minimise the off-site odour, fume and dust emissions generated by the project;</p> <p>(b) minimise any visible air pollution generated by the project;</p> <p>(c) minimise the air quality impacts of the project during adverse meteorological conditions and extraordinary events (see Note d in Tables 4-6);</p> <p>(d) take all practical measures to minimise dust emissions from the tailings storage facility; to the satisfaction of the Secretary.</p>	Potential Non-compliance	<p>Section 5.6 of Hera's Air Quality and Greenhouse Gas Management Plan (AQGGMP) dated May 2015 deals with Dust Mitigation Management Measures and lists various control procedures (in Table 6) in relation to wind-blown dust, mine design and construction, and mine operations (refer to comments for Condition 12 of this Schedule).</p> <p>The AQGGMP also deals with Greenhouse Gas Mitigation Management Measures (in section 5.8) and 'Gold Smelting' Impacts (in section 5.9).</p> <p>The AQGGMP does not specify any measures in relation to odour minimisation. Section 5.7 of the AQGGMP states:</p> <p><i>"As the Mine would not result in the production of offensive odour, no odour-specific management measures have been included in this AQGGMP."</i></p> <p>Hera uses up to 8 spigots to control dust emissions</p>	The AQGCMP will be updated to include measures to minimise air quality impacts during adverse weather conditions.

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>from the Tailings Storage Facility (TSF). It was stated that the spigots are elongated and swapped as required to maintain approximately 75% of the TSF's surface area as 'wet' to help minimise dust emissions from the TSF.</p> <p>Potential Non-compliance – There was no evidence of documented procedures to address paragraph (c) of this condition. For example, the AQGGMP does not describe specific measures to be taken or SWIs to be followed to minimise the air quality impacts of the project during adverse weather conditions and extraordinary events.</p>	
<p>Schedule 3 – Air Quality and Greenhouse Gas – Condition 15 – Air Quality and Greenhouse Gas Management Plan</p> <p>The Proponent shall prepare and implement an Air Quality and Greenhouse Gas Management Plan for the project to the satisfaction of the Secretary. This plan must:</p> <p>(a) be prepared in consultation with the EPA, and be submitted to the Secretary for approval within six months of this approval;</p> <p>(b) describe the measures that would be implemented to ensure compliance conditions 10-14 of this schedule;</p> <p>(c) describe the proposed air quality management system;</p> <p>(d) include an air quality monitoring program that:</p> <p>(i) uses a combination of high volumes samplers and dust deposition gauges to evaluate the performance of the project; and</p> <p>(ii) includes a protocol for determining exceedences of the relevant conditions of this approval; and</p> <p>(e) describe the measures that would be implemented to minimise the release of greenhouse gas emissions from the site.</p>	<p>Compliant Observation</p>	<p>Hera has an Air Quality and Greenhouse Gas Management Plan (AQGGMP) dated May 2015.</p> <p>In relation to paragraph (a) of this condition, the previous version of the AQGGMP was dated 29 August 2012 and was approved by the Secretary on 28 September 2012 (approval letter sighted).</p> <p>In relation to paragraph (b) of this condition, the AQGGMP describes the mitigation measures that would be implemented to ensure compliance with Conditions 10-14 of this Schedule. The following sections of the AQGGMP relate to compliance with the relevant conditions:</p> <ul style="list-style-type: none"> • Condition 10 – section 5.7 (however it is stated “as the Mine would not result in the production of offensive odour, no odour-specific management measures have been included in this AQGGMP”) • Condition 11 – section 5.8 • Condition 12 – section 6.2 • Condition 13 – section 5.6 • Condition 14 – sections 5.6, 5.7, 5.8 and 6.2 <p>In relation to paragraph (c) of this condition, it is considered that sections 5 and 6 of the AQGGMP</p>	<p>PA Observation 15 – Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>describe a reasonably comprehensive air quality management system.</p> <p>In relation to paragraph (d) of this condition, sections 6.3, 6.4, 6.5 and 6.6 of the AQGGMP address sub-paragraphs (i) and (ii).</p> <p>In relation to paragraph (e) of this condition, Table 7 in section 5.8 identifies greenhouse gas mitigation management measures.</p> <p>PA Observation 15 – The current AQGGMP pre-dates the MOD 3 Project Approval and could be updated.</p>	
<p>Schedule 3 – Meteorological Monitoring – Condition 16 – Meteorological Monitoring</p> <p>For the life of the project, the Proponent shall ensure that there is a suitable meteorological station operating in the vicinity of the site that complies with the requirements in the <i>Approved Methods for Sampling of Air Pollutants in New South Wales</i> guideline.</p>	Compliant	<p>The operation's meteorological station was installed in January 2013 and is solar-powered with battery backup. The unit was manufactured and installed by Envirodata and is maintained and calibrated on an annual basis (last calibration on 3 March 2016).</p> <p>Meteorological station data obtained on 3 September 2016 was sighted.</p> <p>As noted in the July 2013 compliance audit report, this meteorological station complies with the necessary requirements defined in the <i>Approved Methods for Sampling of Air Pollutants in New South Wales</i> guideline.</p> <p>Section 6.4.1 of Hera's Air Quality and Greenhouse Gas Management Plan (AQGGMP) dated May 2015 refers to the operation of the meteorological weather station in accordance with various guidelines including the guideline to which this condition refers.</p>	
<p>Soil and Water</p> <p><i>Under the Water Act 1912 and/or the Water Management Act 2000, the Proponent is required to obtain all necessary water licences for the project.</i></p>	Compliant	<p>Hera has engaged an external Hydrologist (Alan Wade of Aquade) to provide predictive modelling for future groundwater use. Comprehensive reports by Aquade dated 3 July 2015 and 20 November 2015 were sighted.</p>	


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 3 – Soil and Water – Condition 17 – Water Supply</p> <p>The Proponent shall ensure that it has sufficient water for all stages of the project, and if necessary, adjust the scale of mining operations to match its available water supply, to the satisfaction of the Secretary.</p>		<p>It was stated that the groundwater resource is approximately 90%, surface water harvesting including from TSF is remaining 10%.</p> <p>Aquade's report of 3 July 2015 stated (in the Executive Summary):</p> <p><i>“Predictive modelling has shown that a total groundwater extraction rate of 1 ML/day is expected to be achievable for a period of several years if additional production bores and associated infrastructure are installed. Maintaining a groundwater extraction rate of 1 ML/day for a total of 10 years may be feasible but is likely to be challenging. It will depend on continuation of relevant monitoring, regular interpretation of that data to minimise uncertainty in predictive modelling, and adaptive management in terms of future bore and infrastructure installation. It will also depend on efficient construction and operation of production bores, with the capability to monitor drawdown in the bores during pumping.”</i></p> <p>Current licences (Water Access Licence 28773 and DPI Water work approval 85WA752586) were sighted. The maximum volume of water that Hera may take under this licence is 540 ML/year.</p> <p>In an email of 2 September 2016 from Hera's Environmental Officer to Trevor Pearce of WaterNSW, it was reported:</p> <p><i>“Total groundwater usage for the 2015-2016 Financial Year at the Hera Mine was 257.52ML.”</i></p> <p>The operation's groundwater usage for the 2015-2016 financial year was less than the 1 ML/day extraction rate mentioned in the Aquade report of 3 July 2015.</p>	
<p>Schedule 3 – Soil and Water – Condition 18 – Water Discharges</p>	<p>Non-compliance</p>	<p>The applicable EPL (No. 20179) was issued by the EPA to Hera on 18 March 2013. The EPL was most recently</p>	<p>The sediment basins have been combined, expanded (from ~1,500m³</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>The Proponent shall ensure that all surface water discharges from the site comply with:</p> <p>(a) section 120 of the POEO Act; or</p> <p>(b) the discharge limits (both volume and quality) set for the project in any applicable EPL.</p>		<p>varied on 25 July 2016.</p> <p>Non-compliance – Three surface water discharges from the sediment basin (SB1), which exceeded the EPL quality parameters (for Licence Point 3), have occurred in the 12 months prior to this audit. The discharges occurred on the 1-2/11/2015 (incident report 581 sighted), 9/05/2016 (incident report 645 sighted) and 20/07/2016 (incident report 669 sighted).</p> <p>The most recent discharge (20/07/2016) was reported to all relevant agencies on 4 August 2016 and also reported in the quarterly (July 2016) monitoring report available on the Aurelia website (sighted).</p> <p>The EPA requires Hera to resize and line the sediment basin to achieve a dam capable of storing contaminated water and able to contain a 1:100 year, 72 hour storm event.</p> <p>Prior to this audit, and as a response to consultation by the auditor with other agencies, the EPA stated that <i>“The licensee often have issues with exceeding Environment Protection Licence (EPL) limit for water monitoring. The EPA is liaising with the licensee in this regard. The licensee has proposed to engage a consultant to study assess different option to manage it better. The licensee is currently considering this and will get back to us the EPA by 30 August 2016”</i> (email from EPA dated 22/08/16).</p> <p>Water management and discharge limits from the site are defined and incorporated in the Aurelia Metals Water Management Plan of February 2015 (Table 10, page 50).</p> <p>A warning letter (official caution) was received from the EPA in relation to a cyanide spillage incident in September 2014 (see Schedule 2 Condition 11).</p>	<p>to ~8,500m³), a pump installed and the discharge point removed. Since the upgrades have been conducted, no discharges from site have occurred.</p> 

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
			
<p>Schedule 3 – Soil and Water – Condition 19 – Water Discharges</p> <p>The concentration of Weak Acid Dissociable (WAD) cyanide in tailings discharged from the discharge point to the tailings storage facility shall not exceed 10 mg/L.</p>	<p>Non-compliance (historical)</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>Non-compliance – Exceedences of the 10 mg/l WAD occurred on consecutive days from the 4-9/05/2015. Another exceedence occurred on the 20-21/06/15 (incident reported 000531 sighted as well as email notifying relevant authorities). It was stated that a failsafe system was introduced in the processing plant after last exceedences in 2015 which prevents the discharge of elevated WAD solutions in the event the cyanide destruct process fails. A closed incident report was sighted, however, there was no evidence that recommendations had been undertaken and signed off.</p> <p>It was evident that the location of this monitoring point was not well known amongst Hera’s senior processing and environmental personnel.</p> <p>It was stated that sampling frequency had been changed from monthly testing to daily testing from December 2014.</p> <p>PA Observation 16 – Hera should consider modifying its incident reporting system so that incidents which are reportable to regulators are flagged.</p> <p>PA Observation 17 – It is recommended that Hera reviews and if necessary, modifies the control systems for this EPL point to ensure future exceedances are not</p>	<p>The sample locations will be clearly identified as licence points with a sign.</p> <p>WAD Cyanide levels continue to be managed and no non-compliances have occurred since this date.</p> <p>PA Observation 16 – Noted.</p> <p>PA Observation 17 – Noted</p> <p>PA Observation 18 – Noted.</p> <p>PA Observation 19 – Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>possible.</p> <p>PA Observation 18 – It is recommended that Hera physically labels all EPL points, as distinct from operational monitoring points, so that they are identified as EPL points and are easily identifiable and locatable.</p> <p>PA Observation 19 – It is recommended that Hera's operating manuals and training material identifies all EPL monitoring points to help ensure this information is effectively communicated.</p>	
<p>Schedule 3 – Soil and Water – Condition 20 – Water Discharges</p> <p>The concentration of Weak Acid Dissociable (WAD) cyanide at the discharge point to the process water dam shall not exceed 20 mg/L (90th percentile) or 30 mg/L (maximum).</p>	<p>Non-compliance</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>Non-compliance – At the time of this audit in September 2016 Hera was non-compliant with this condition in the following respects:</p> <ol style="list-style-type: none"> 1. An exceedence of the 20 mg/l WAD occurred on consecutive days from the 4-7/05/2015 (incident reported 000503 sighted as well as email notifying relevant authorities). Preliminary findings indicated that there was a flaw in the control system that could allow barren solution to be discharged to the process water dam. There was no evidence that recommendations had been undertaken and signed off. 2. Up until the time of this audit in September 2016, an incorrect sampling point had been utilised (i.e. the process water dam instead of the discharge point of the thickener overflow to the process water dam). The correct sampling point was identified to laboratory personnel during this audit. <p>It was evident that the location of this monitoring point was not well known among senior processing and environmental personnel of Hera.</p> <p>It was stated that monthly samples (and subsequent analysis by NATA laboratories) are collected from the discharge point at the process</p>	<p>The sample locations will be clearly identified as licence points with a sign.</p> <p>WAD Cyanide levels continue to be managed and no non-compliances have occurred since this date.</p> <p>PA Observation 20 – Noted.</p> <p>PA Observation 21 – Noted.</p> <p>PA Observation 22 – Noted.</p> <p>PA Observation 23 – Noted.</p>


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>dam and discharge to the TSF.</p> <p>PA Observation 20 – Hera should consider modifying its incident reporting system so that incidents which are reportable to regulators are flagged.</p> <p>PA Observation 21 – It is recommended that Hera reviews and if necessary, modifies the control systems for this EPL point to ensure future exceedances are not possible.</p> <p>PA Observation 22 – It is recommended that Hera physically labels all EPL points, as distinct from operational monitoring points, so that they are identified as EPL points and are easily identifiable and locatable.</p> <p>PA Observation 23 – It is recommended that Hera's operating manuals and training material identifies all EPL monitoring points to help ensure this information is effectively communicated.</p>	
<p>Schedule 3 – Soil and Water – Condition 21 – Compensatory Water Supply</p> <p>The Proponent shall provide a compensatory water supply to any owner on privately-owned land whose water supply is adversely impacted (other than an impact that is negligible) as a result of the project, in consultation with DPI Water, and to the satisfaction of the Secretary.</p> <p>The compensatory water supply measures must provide an alternative long-term supply of water that is equivalent in volume and quality to the loss attributed to the project. Equivalent water supply should be provided (at least on an interim basis) within 24 hours of the loss being identified, unless otherwise agreed with the landowner.</p> <p>If the Proponent and the affected landowner cannot agree on the measures to be implemented, or there is a dispute about the implementation of these measures, then either party may refer the matter to the Secretary for resolution.</p>	<p>Compliant</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>At the time of this audit, there was no evidence that the water supply on any adjacent landowner's properties had been adversely impacted.</p> <p>No communications have been received by Hera management regarding any concerns or impacts from neighbouring landowners.</p> <p>Section 17 of the current Water Management Plan (v4 February 2015) discusses the trigger values and action and responses for the specific monitoring bores.</p> <p>In a report (Aquade Groundwater Services, p5, 14 Dec 2015) to the DPI NOW, updated trigger levels and monitoring locations have been recommended (WB004, WB015, WB018 and WB020) by the specialist hydrogeologist. These equate to current EPL license points 7, 27, 29 and 30.</p> <p>It was confirmed that no existing (or proposed) trigger</p>	<p>PA Observation 24 – Noted.</p> <p>PA Observation 25 – Noted.</p> <p>PA Observation 26 – Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>If the Proponent is unable to provide an alternative long-term supply of water, then the Proponent shall provide alternative compensation to the satisfaction of the Secretary.</p> <p><i>Note: the Water Management Plan prepared in accordance with condition 25 shall describe the procedures for:</i></p> <ul style="list-style-type: none"> • <i>assessing the impacts of the project on water entitlements on privately-owned land; and</i> • <i>the provision of compensatory water supply.</i> 		<p>SWL levels have been triggered (excel spreadsheet listing SWLs for all bores 23/3/12-12/8/16 was sighted).</p> <p>Groundwater bores are monitored monthly and reported quarterly.</p> <p>PA Observation 24 – The location of Licence Point 7 (LP7) as shown in Figure 5 of the Environment Report July 2016 does not reflect the actual location of LP7 (GWB4).</p> <p>PA Observation 25 – Include trigger SWLs for groundwater monitoring bores in the quarterly Environment Reports (or graph trends) so that comparisons can be made easily.</p> <p>PA Observation 26 – Hera could include a column for the Aurelia ID (e.g. WB4) as well as the licence point ID of groundwater works in the quarterly Environment Reports for better communication and understanding. Preferably all naming terminologies should be included so that results can easily be compared between reports/plans etc.</p>  <p>Photo 6 One of existing water supply bores in use on the mine lease at the Hera Project.</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 3 – Soil and Water – Condition 22 – Design and Permeability of Storages</p> <p>The Proponent shall ensure that the floor and walls of:</p> <p>(a) the leachate management pond, seepage collection pond (associated with the tailings storage facility), process water dam and raw water dam are lined to achieve a permeability of no less than 1×10^{-9} m/s to a depth of at least 900 millimetres of clay (or equivalent); and</p> <p>(b) the tailings storage facility (except for the seepage collection pond) is lined to achieve a permeability of no less than 1×10^{-8} m/s to a depth of at least 600 millimetres of clay (or equivalent).</p> <p><i>Note: An alternative permeability standard may be acceptable following completion of an appropriate risk assessment undertaken in accordance with the Environmental Guidelines – Management of Tailings Storage Facilities (VIC DPI,2004), to the satisfaction of the EPA and the Secretary.</i></p>	<p>Partial Non-compliance</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>In relation to paragraphs (a) and (b) of this condition it was noted:</p> <p>(a) There is no raw water dam. This has been substituted for an aboveground “Feed Water Tank”. Refer to Partial Non-compliance below.</p> <p>(b) Section 4.3 (p5) of the <i>TSF Stage 1 Construction Report</i> (Coffey, 17 June 2014) confirms that the permeability of the TSF basin floor exceeded the required value of 10^{-8} m/s over a 600mm depth. A summary of the permeability tests results is shown in Appendix E of the same report.</p> <p>Partial Non-compliance – In relation to paragraph (a) of this condition it was noted:</p> <ul style="list-style-type: none"> The process water dam and leachate management pond were lined with HDPE. A subcontractor’s warranty (for the HDPE installation) dated 25 August 2013 was sighted, however, at the time of this audit in September 2016 there was no evidence of permeability testing having been undertaken for either structure (e.g. HDPE weld quality control results). The seepage collection pond (associated with the tailings storage facility) is not lined (observation). <p>PA Observation 27 – Hera should review the intent and effectiveness of the seepage collection drain (considering the high evaporation rates, any seepage may evaporate before being detected). At the time of this audit in September 2016 the drain was full of surface water runoff and it appears that the structure is still operating as a sedimentation basin despite the completion of the TSF.</p> <p>PA Observation 28 – Volumes held in the TSF Seepage Collection Pond at the start and end of the</p>	<p>Conduct a review of the operation of the Seepage Collection Pond. It would be unpractical to line this collection pond as it collects a large volume of surface water runoff during rainfall events.</p> <p>Engage a consultant to conduct HDPE Weld Quality Control and confirm the effectiveness of the Process Water Dam and Waste Rock Leachate Pond.</p> <p>PA Observation 27 – Noted.</p> <p>PA Observation 28 – Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>AEMR reporting period were sighted in the 2015-16 AEMR. However, volumes transferred back to the TSF should also be included as described in the original project EA (pages 2-35).</p> <p>PA Observation 29 – The function of the seepage collection drain did not appear to be well known. Ensure that all personnel that inspect the TSF are trained in the drains function and that all check sheets, training manuals and management plans reflect this. An extract of sections of Aurelia’s original WMP (Feb 2013), describing the intent of the drain is shown below:</p> <p>Section 8.4.4.2.2</p> <p><i>Once the tailings from the processing plant starts being stored in the TSF, SB3 will be transformed into the Tailings Seepage Collection Pond and will no longer be allowed to discharge water and will be only used to collect leachate, refer to Section 8.5.5 for further details. (p27 WMP, Feb 2013)</i></p> <p><i>The Seepage Collection Pond will be a small HDPE lined pond with a diesel-powered pump permanently installed. The pond does not have a spillway, water outflows are managed through pumping. The following will be implemented to ensure no discharges from the pond occur.</i></p> <ul style="list-style-type: none"> <i>• To ensure no discharge from the pond during heavy rainfall events, the maximum filling point for the pond is 870mm below the top of the pond wall, comprising an allowance of 170mm for incident rainfall and 700mm freeboard. The maximum filling point will be marked by a peg, paint or water levels, in the absence of rainfall input, will not be permitted to rise above this point.</i> <i>• The Tailings Seepage Pond will be inspected monthly or after significant rainfall. If any remedial action is required (e.g. pumping, repair) it will be logged and</i> 	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p><i>recorded in the Annual Environmental Management Report.</i></p> <ul style="list-style-type: none"> <i>Water levels will be measured and recorded in the Annual Environmental Management Report.</i> <i>Water from the Tailings Seepage Pond is transferred back to the TSF and volumes are monitored. Volumes will be documented in the Annual Environmental Management Report. (p30 WMP, Feb 2013)</i> <p>14.7.1 Proposed Monitoring Network</p> <p><i>Given the relatively low hydraulic conductivities of the site soils, monitoring wells are likely to have limited area of influence and be ineffective in covering the length of the TSF. Therefore, in order to provide a more rigorous monitoring approach for identifying potential lateral seepage beneath the embankment, a seepage collection drain will be constructed along the west side (i.e. down-gradient side) of the western toe of the TSF. The seepage collection drain will be excavated to the base of the regolith to expose the contact between unconsolidated and weathered material and the underlying consolidated, partially weathered material. This diversion structure will intercept any seepage from the TSF moving along this contact and direct it to the Tailings Seepage Pond. Refer to Appendix 2 for water monitoring locations.(WMP extract)</i></p>	
<p>Schedule 3 – Soil and Water – Condition 23 – Design and Permeability of Storages</p> <p>The clean water diversion around the tailings storage facility shall be designed, constructed and maintained to prevent the probable maximum flood from the catchment upstream of the facility from entering the facility.</p>	Partial Non-compliance	<p>The clean water diversion around the tailings storage facility and other diversion drains were designed by external consultants SEEC.</p> <p>Rainfall and flood estimations, to meet the requirements of this condition, will be against the latest version of Australian Rainfall and Runoff requirements, for which these requirements will be incorporated into design criteria by SEEC.</p>	<p>A consultant will be re-engaged to confirm that the drain has been constructed to meet the design requirements.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>Partial non-compliance – No evidence was available at the time of this audit in September 2016 to verify that the construction met the design requirements to prevent the probable maximum flood from the catchment upstream of the facility from entering the facility. Only limited sections of the clean water diversion were observed during this audit; sections observed seemed to be maintained in good order.</p>  <p>Photo 7 Clean water diversion drain around the TSF (looking east).</p>	
<p>Schedule 3 – Soil and Water – Condition 24 – Design and Permeability of Storages</p> <p>The process water and raw water dams shall be maintained with a minimum freeboard sufficient to accommodate a 1 in 100-year ARI, 72-hour rainfall event without overtopping at all times.</p>	<p>Potential Non-compliance</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>A freeboard of at least 200mm is to be achieved as a minimum operational condition allowing capacity to capture the 100 year 72 hour design rainfall event (GHD: July 2016: Water Management Plan). Currently the process water dam height set point is controlled at 80%. If freeboard within the PWD cannot be maintained water is transferred to the TSF by decreasing tailings density.</p> <p>Potential non-compliance – It could not be verified that the height set control level of 80% relates to a</p>	<p>A visual level meter will be installed in the Process Water Dam that indicates the 200mm freeboard point.</p> <p>PA Observation 30 – Noted.</p> <p>PA Observation 31 – Noted.</p> <p>PA Observation 32 – Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		freeboard of 200mm. PA Observation 30 – The required minimum freeboard levels should be: a) physically marked on the constructed water storages, and b) clearly defined in process water management operating manuals and site water management plans (as recommended in the July 2013 audit). PA Observation 31 – Hera should consider reprogramming the process control logic to alert the control room operators that the 200mm freeboard is a required project approval (to ensure no overtopping) in the event the process water dam 80% set point is exceeded. A control loop, coupled with the thickener underflow, to automate the process could be considered, however, it should be confirmed that response times are sufficient to control the level of the PWD. PA Observation 32 – The 2015-16 AEMR states that the preferred operating capacity for the PWD is ~90%. This is contrary to current operating practice and should be reviewed for consistency with this condition.	
Schedule 3 – Soil and Water – Condition 25 – Water Management Plan The Proponent shall prepare and implement a Water Management Plan for the project to the satisfaction of the Secretary. This plan must be prepared in consultation with EPA and DPI Water by suitably qualified and experienced persons whose appointment has been approved by the Secretary, and submitted to the Secretary for approval within six months of this approval, or prior to commencement of mining operations under this approval, whichever is sooner; In addition to the standard requirements for management plans (see Condition 3 of Schedule 5), this plan must include:	Minor Non-compliance Observation Observation Observation Observation Observation	A letter was received from the NSW DPI on 31 st August 2012 approving the three experts (Mark Passfield, James Morrow and Wayne Russell) that contributed to the development of the site Water Management Plan (WMP), which was coordinated by external consultant RW Corkery and Co Pty Ltd. Minor Non-compliance – There is no evidence of the WMP having been submitted to the DPE within the required six month timeframe (or at all). In addition, in relation to paragraph (a) of this condition there was no evidence that comparisons of the site water balance for each calendar year are included in reporting. Annual reporting against the water balance should be	The most recent version of the WMP will be submitted to the DPE within 3 months of this audit report. The site water balance comparison will be included in future AEMR's. PA Observation 33 – Noted. PA Observation 34 – Noted. PA Observation 35 – Noted. PA Observation 36 – Noted.

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
(a) a Site Water Balance that includes details of: <ul style="list-style-type: none"> • sources of water supply; • water use on site, including any potable water use; • water management on site; • off-site water discharges, including volume, timing and release point infrastructure requirements; and • reporting procedures including comparisons of the site water balance for each calendar year; and (b) a Surface Water Management Plan, which includes: <ul style="list-style-type: none"> • baseline data on surface water flows and quality in waterbodies that could be affected by the project; • a detailed description of the surface water management system on site, including the: <ul style="list-style-type: none"> - clean water diversion systems; - erosion and sediment controls; and - water storages, including the tailings storage facility, raw water or process water dams; • design objectives and performance criteria, including trigger levels for investigating any potentially adverse impacts, for the following: <ul style="list-style-type: none"> - the water management system; - water storages including the tailings storage facility, raw water or process water dams; and - surface water quality in waterbodies that could be affected by the project; • performance criteria for surface water quality attributes relevant to water quality impacts on biological diversity and aquatic ecological integrity, including cyanide, salinity, heavy metals, sediment load, pH, hardness and biological oxygen demand; • a program to monitor: <ul style="list-style-type: none"> - the effectiveness of the water management system; 		documented in the AEMR. Comparisons were not observed in the 2015-16 AEMR. PA Observation 33 – An updated draft WMP has been prepared by GHD. It is suggested that Hera submits the GHD WMP simultaneously with all agencies (DPE, EPA and DPI Water). PA Observation 34 – In relation to the WMP and management plans in general, where there is a timeframe for submission of management plans in the future, it is recommended that Hera does not wait for responses from other agencies if the deadline for approval is approaching. Hera could submit the draft Management Plan to the DPE noting that other agencies have yet to comment on the draft Management Plan. Auditor’s Note: The previous ‘compliance’ finding in the July 2013 compliance audit was incorrect given subsequent investigation in this audit of September 2016. In relation to each paragraph of this condition: (a) Requirements associated with the site Water Balance are defined in section 8.1 of the Surface Water Management Plan and Appendix 5. The predicted total water demand for the site is 228.4 ML/annum inclusive of: a) 194.5 ML for processing and underground mining; 6 ML for potable water; and c) 27 ML for dust suppression around the site. PA Observation 35 – It was observed that Hera has a good understanding of water usage due to the installation of flowmeters. A yearly site water balance should be calculated for reporting and management purposes. With flowmeter information available, this could easily be calculated rather than relying on the	PA Observation 37 – Noted.

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<ul style="list-style-type: none"> - surface water flows, quality, and impacts on water users; - potential acid rock drainage; - potential leakage or spillage from tailings, mineral concentrate or effluent pipelines; - post-closure water quality; - impacts on wildlife from exposure to cyanide or other toxic chemicals; and • a plan to respond to any exceedences of the performance criteria, and mitigate and/or offset any adverse surface water impacts of the project, including but not limited to management measures to reduce wildlife exposure to cyanide or other toxic chemicals; • reporting procedures for the results of the monitoring program; and <p>(c) a Groundwater Management Plan, which includes:</p> <ul style="list-style-type: none"> • baseline data of all groundwater levels, yield and quality in the region, and any privately-owned groundwater bores that could be affected by the project; • detailed documentation of the operation of the seepage collection and storage system associated with the tailings storage facility and associated maintenance requirements; • groundwater assessment criteria, including trigger levels for investigating any potentially adverse groundwater impacts, including but not limited to leakage from the tailings storage facility; • a program to monitor: <ul style="list-style-type: none"> - impacts on the groundwater supply of potentially affected landowners; - impacts on the volume of groundwater inflow into 		<p>now outdated 2011 SEEC forecast balance which was built on a number of assumptions.</p> <p>(b) The Surface Water Management Plan includes all requirements associated with: 1) Site Water balance (Section 8.1); 2) Discharge of Water (Section 8.2); 3) Mine Site Drainage (Section 8.3); 4) Erosion and Sediment Control Plan (Section 8.4); 5) Water Storage and Management (Section 8.5); 6) existing Surface Water Quality (Section 8.6); and 7) existing Water Flows (Section 8.7).</p> <p>Design objectives and performance criteria and water quality triggers are defined in Section 9 of the Surface Water Quality Monitoring Program.</p> <p>Site water quality management programs and monitoring requirements are defined in Section 9.0 Surface Water Monitoring program.</p> <p>(c) The Groundwater Management Plan includes all requirements associated with: 1) Groundwater quantity (Section 13.2); 2) Groundwater Quality (Section 13.3); 3) Groundwater Dependent Ecosystems (Section 13.4); 4) Groundwater Monitoring (Section 14); 5) Groundwater quality – triggers, actions and response plans (Section 15).</p> <p>Responses to any exceedences in the performance criteria and to mitigate and/or offset any adverse groundwater impacts of the project are defined in the Water Management Plan – Sections 15, 16 and 17.</p> <p>PA Observation 36 – Hera should finalise the current draft WMP as a high priority. Given the changes to planned water management strategies since the start of the project and commencement of processing, an up-to-date WMP is required.</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>the underground workings;</p> <ul style="list-style-type: none"> - regional groundwater levels and quality in all potentially affected aquifers; - potential acid rock drainage; - the effectiveness of the seepage collection and storage system and associated infrastructure in collecting and containing all seepage from the tailings storage facility and all other water storages that receive chemical or salt-laden water; - the quality of groundwater to be re-used on the site; - any post-rehabilitation seepage from the tailings storage facility; and • a plan to respond to any exceedences of the performance criteria, and mitigate and/or offset any adverse groundwater impacts of the project, including but not limited to: <ul style="list-style-type: none"> - procedures to minimise the potential for soil salinity, sodicity and other contaminant issues associated with the reuse of groundwater on site; and - measures to manage and mitigate any leakage from the tailings storage facility, including but not limited to that detected beyond the seepage collection and storage system. <p><i>Note: The effectiveness of the Water Management Plan is to be reviewed and audited in accordance with the requirements in Schedule 5. Following this review and audit the plan is to be revised to ensure it remains up to date (see Condition 5 of Schedule 5).</i></p>		<p>PA Observation 37 – Hera would be expected to scope, design and implement a suitable QA/QC program for its water quality monitoring program across the site, inclusive of: a) duplicate samples; b) control sites/samples; c) field blank samples etc.</p>	
<p>Schedule 3 – Biodiversity – Condition 26 – Biodiversity Offset Strategy</p> <p>By 31 July 2016, the Proponent shall prepare a Biodiversity Offset Strategy for the project to the satisfaction of the Secretary. The Strategy must:</p> <p>(a) be prepared in consultation with OEH;</p>	<p>Non-compliance</p>	<p>Non-compliance – At the time of this audit in September 2016 a Biodiversity Offset Strategy for the project had not been prepared to the satisfaction of the Secretary. A draft Biodiversity Management Plan incorporating a draft Biodiversity Offset Strategy was submitted to DPE by email (sighted) on 15 July 2016 by RW Corkery & Co on Hera's behalf. It is noted that this</p>	<p>Hera is awaiting further consultation from the OEH. The OEH needs to make a determination on the harvestable timber located on the lease area.</p> <p>Hera continues to follow this up with the</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
(b) identify the portion of the Chelsea site (WLL 3881) that would be conserved in perpetuity to offset the impacts of the project using the Biobanking Assessment Methodology; and (c) describe the specific management measures that would be implemented on the Chelsea site to conserve and improve the biodiversity values of the site over time.		non-compliance finding is at least partly attributable to the delay in response from the DPE due to Crown Lands' concerns as noted in paragraph (b) below. A letter was received by Hera's Environmental Officer on 18 August 2016 (sighted) from the OEH acknowledging consultation and noting further revisions required to be made to the draft plan. (a) The draft Biodiversity Management Plan incorporating a draft Biodiversity Offset Strategy was provided to Office of Environment and Heritage and DPI-Lands on 1 June 2016 and a meeting with those agencies was held in Dubbo on 21 June 2016 to discuss the permissibility of establishing a BioBanking Agreement over a Western Lands Lease. A letter (sighted) from the OEH dated 18 August 2016 to Corkery acknowledges consultation. (b) Crown Lands have expressed concern regarding the 'in perpetuity' legality for Crown leases. The DPE and Hera are awaiting advice from Crown Lands regarding the legalities of using offset in Western Lands Leases. A portion of the Chelsea site has been identified in the draft plan. (c) Section 4.6 of the draft Biodiversity Management Plan (Section 4 is the Biodiversity Offset Strategy) sets out eight specific management measures e.g. weed and pest management.	OEH.
Schedule 3 – Biodiversity – Condition 27 – Biodiversity Offset Strategy Following approval, the Proponent shall implement the Biodiversity Offset Strategy to the satisfaction of the Secretary.	Potential Non-compliance	Potential Non-compliance – At the time of this audit in September 2016 the draft Biodiversity Offset Strategy had not been approved by the Secretary despite the deadline of 31 July 2016 in Condition 26 of this Schedule. Therefore, satisfactory implementation of a Biodiversity Offset Strategy has potentially been delayed.	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 3 – Biodiversity – Condition 28 – Long Term Security</p> <p>Within 12 months of the approval of the Biodiversity Offset Strategy, the Proponent shall make suitable arrangements to conserve the offset area identified in the Biodiversity Offset Strategy in perpetuity to the satisfaction of the Secretary.</p>	<p>Potential Non-compliance</p>	<p>Potential Non-compliance – At the time of this audit in September 2016 the draft Biodiversity Offset Strategy had not been approved by the Secretary despite the deadline of 31 July 2016 in Condition 26 of this Schedule. Therefore, the making of suitable arrangements to conserve the offset area identified in the draft Biodiversity Offset Strategy in perpetuity has potentially been delayed.</p>	
<p>Schedule 3 – Biodiversity – Condition 29 – Biodiversity Management Plan</p> <p>Within 6 months of approval and prior to the commencement of vegetation clearing on the site under this approval, the Proponent shall submit a Biodiversity Management Plan for the project site to the Secretary for approval. This plan must:</p> <p>(a) be prepared by a suitably qualified and experienced person(s) whose appointment has been endorsed by the Secretary;</p> <p>(b) be prepared in consultation with OEH;</p> <p>(c) describe how the implementation of the biodiversity offset strategy would be integrated with the overall rehabilitation of the site;</p> <p>(d) describe the short, medium, and long term measures that would be implemented to:</p> <p style="padding-left: 20px;">(i) manage the remnant vegetation and habitat on the site and in the offset area/s (if and when applicable);</p> <p style="padding-left: 20px;">(ii) minimise the impacts on Cobar Greenhood Orchid (<i>Cryptostylis cobarensis</i>), Lobed Blue-grass (<i>Bothriochloa biloba</i>) and hollow-bearing trees; and</p> <p style="padding-left: 20px;">(iii) implement the biodiversity offset strategy (if and when applicable), including detailed performance and completion criteria;</p> <p>(e) include detailed performance and completion criteria for</p>	<p>Non-compliance</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>Non-compliance – At the time of this audit in September 2016 a final Biodiversity Management Plan for the project had not been submitted to the Secretary for approval. A draft Biodiversity Management Plan (draft BMP) incorporating a draft Biodiversity Offset Strategy was submitted to the DPE by email (sighted) on 15 July 2016 by RW Corkery & Co on Hera's behalf. The draft BMP was not submitted within six months of the Project Approval. In addition, the draft BMP does not fully comply with paragraph (h) of this condition.</p> <p>(a) A letter (dated 31/08/12) from the NSW Department of Planning & Infrastructure endorsing Hera's proposed list of experts as being suitably qualified and experienced person(s) was sighted and is appended to the draft BMP.</p> <p>(b) An OEH letter (sighted) received on 18 August 2016 acknowledges consultation for both the draft BMP and the draft Biodiversity Offset Strategy.</p> <p>(c) The draft BMP, Table 1, refers to 'N/A' (mentioned in section 7.8 of the previous draft version (June 2013) of the Biodiversity Management Plan. Hera advised that there are two reasons why integration of the biodiversity offset area with rehabilitation activities within the site is not applicable:</p> <p style="padding-left: 20px;">1. As the biodiversity area is not located within the Mine Site, it is not possible to integrate the</p>	<p>The Biodiversity Management Plan will be updated to better reflect the PA conditions.</p> <p>PA Observation 38 – Noted</p> <p>PA Observation 39 – Noted</p> <p>PA Observation 40 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>evaluating the performance of the biodiversity offset strategy, and triggering remedial action (if necessary);</p> <p>(f) include a detailed description of the procedures to be implemented for:</p> <ul style="list-style-type: none"> (i) enhancing the quality of existing vegetation and fauna habitat; (ii) restoring native vegetation and fauna habitat on the biodiversity areas and rehabilitation area through focusing on assisted natural regeneration, targeted vegetation establishment and the introduction of naturally scarce fauna habitat features (where necessary); (iii) maximising the salvage of resources within the approved disturbance area - including vegetative, soil and cultural heritage resources – for beneficial reuse in the enhancement of the biodiversity areas or rehabilitation area; (iv) collecting and propagating seed; (v) minimising the impacts on fauna on site, including pre-clearance surveys and minimising the potential exposure to tailings; (vi) controlling weeds and feral pests; (vii) controlling erosion; (viii) managing grazing and agriculture on site; (ix) controlling access; and (x) bushfire management; <p>(g) include a seasonally-based program to monitor and report on the effectiveness of these measures, and progress against the detailed performance and completion criteria;</p> <p>(h) identify the potential risks to the successful implementation of the biodiversity offset strategy, and include a description of the contingency measures that would be implemented to mitigate against these risks;</p>		<p>Mine Site rehabilitation with the implementation of the biodiversity offset area.</p> <p>2. As extraction occurs underground, it will not be possible to undertake progressive rehabilitation of the Mine Site and therefore rehabilitation within the Mine Site will not commence until site closure. The biodiversity offset area will be implemented and under ongoing management by that time.</p> <p>(d) The draft BMP addresses the sub-paragraphs of this condition as follows:</p> <ul style="list-style-type: none"> (i) The short, medium, and long term measures that would be implemented to manage the remnant vegetation and habitat on the site and in the offset area/s (if and when applicable) are described in section 3.5 on Peak and section 4.6 Chelsea. (ii) The short, medium, and long term measures that would be implemented to minimise the impacts on Cobar Greenhood Orchid (<i>Cryptostylis cobarensis</i>), Lobed Blue-grass (<i>Bothriochloa biloba</i>) and hollow-bearing trees are described in section 3.5 on Peak and section 4.6 Chelsea. (iii) The short, medium, and long term measures that would be implemented to implement the biodiversity offset strategy (if and when applicable), including detailed performance and completion criteria are referenced in section 4.5. <p>(e) The draft BMP discusses trigger levels and monitoring of the mine site in section 4.5, with detailed trigger levels in Table 8.</p> <p>PA Observation 38 – The Table 8 criteria could be quantified in order to be measurable for the purpose of Table 10. For example, the 50% native grasses groundcover 'goal' of the 40% groundcover is not</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
and (i) include details of who would be responsible for monitoring, reviewing and implementing the plan.		referenced elsewhere in the draft BMP. Monitoring points for weed infestation could be specified. (f) (i) A detailed description of the procedures to be implemented for enhancing the quality of existing vegetation and fauna habitat are described in sections 3.5.4.1 and 4.6 of the draft BMP. (ii) A detailed description of the procedures to be implemented for restoring native vegetation and fauna habitat on the biodiversity areas and rehabilitation area through focusing on assisted natural regeneration, targeted vegetation establishment and the introduction of naturally scarce fauna habitat features are described in sections 3.5.4.2 (hollow trees), 3.5.3.2 (soil) and 3.5.3.6 (No cultural resources identified) of the draft BMP. PA Observation 39 – Table 1 in the draft BMP references to applicable sections could be more specific in identifying the actual paragraph numbers within each applicable section of the draft BMP. (iii) A detailed description of the procedures to be implemented for maximising the salvage of resources within the approved disturbance area including vegetative, soil and cultural heritage resources, for beneficial reuse in the enhancement of the biodiversity areas or rehabilitation area are described in sections 3.5.4.2 (hollow trees), 3.5.3.2 (soil) and 3.5.3.6 (No cultural resources identified) of the draft BMP. PA Observation 40 – There are incorrect references in the draft BMP to section 3.5.4.6 (should be 3.5.4.2 re: trees) and 3.5.3.2 for topsoil and 3.5.3.6 re: cultural heritage resources. (iv) A detailed description of the procedures to be	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>implemented for collecting and propagating seed is listed in section 3.5.3.3 of the draft BMP.</p> <p>(v) A detailed description of the procedures to be implemented for minimising the impacts on fauna on site (section 5.5.3), including pre-clearance surveys and minimising the potential exposure to tailings is described in sections 3.5.4.3. (TSF – 2 management procedures).</p> <p>(vi) a detailed description of the procedures to be implemented for sections 3.5.7 (weeds) and section 3.5.4.5 (vertebrate pest management – Appendix A).</p> <p>(vii) The procedures to be implemented for controlling erosion are referred to in section 3.5.3.5 of the draft BMP which in turn refers to the Water Management Plan and the MOP. Section 4.2.2.4 of the MOP describes erosion control methods.</p> <p>(viii) A detailed description of the procedures to be implemented for managing grazing and agriculture on site is listed in section 3.5.5 of the draft BMP.</p> <p>(ix) A detailed description of the procedures to be implemented for controlling access is listed in sections 3.5.5 and 3.5.8 of the draft BMP.</p> <p>(x) A detailed description of the procedures to be implemented for bushfire management is listed in section 4.6.8 of the draft BMP.</p> <p>(g) A seasonally-based program to monitor and report on the effectiveness of these measures, and progress against the detailed performance and completion criteria is listed in sections 5 (monitoring) and 7 (reporting) of the draft BMP.</p> <p>(h) Insufficient risk analysis (see General Manager row in Table 2 regarding implementation risk in case of</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		ensuring sufficient resources) is provided on what could stop or compromise implementation. (i) The details of the personnel who would be responsible for monitoring, reviewing and implementing the plan are listed in Table 2 of section 2.1 of the draft BMP. These personnel include the General Manager and Environmental Advisor.	
<p>Schedule 3 – Biodiversity – Condition 30 – Biodiversity Management Plan</p> <p>Within 6 months of the approval of the Biodiversity Offset Strategy, the Proponent shall submit an updated Biodiversity Management Plan to the Secretary for approval.</p> <p>Notes:</p> <ul style="list-style-type: none"> <i>The specific references to the Biodiversity Offset Strategy in condition 29 must be fully addressed in the updated management plan under condition 30.</i> <i>In the event that a Biobanking Agreement is entered into with respect to the biodiversity offsets for the project, a management plan under such an Agreement may be used to satisfy all or part of conditions 29 and 30 with the agreement of the Secretary.</i> 	Potential Non-compliance	<p>Potential Non-compliance – At the time of this audit in September 2016 the draft Biodiversity Offset Strategy had not been approved by the Secretary despite the deadline of 31 July 2016 in Condition 26 of this Schedule. Therefore, Hera's submission of an updated Biodiversity Management Plan to the Secretary has potentially been delayed beyond 31 January 2017 (i.e. 6 months after 31 July 2016).</p>	Hera will continue to work with various external regulators to achieve compliance to this condition.
<p>Schedule 3 – Biodiversity – Condition 31 – Conservation Bond</p> <p>Within three months of the approval of the Biodiversity Management Plan, the Proponent shall lodge a conservation bond with the Department to ensure that the biodiversity offset is implemented in accordance with the performance and completion criteria of the Biodiversity Management Plan.</p> <p>The sum of the bond shall cover the full cost of implementing the Biodiversity Offset Strategy and be verified by a suitably qualified rehabilitation specialist or quantity surveyor.</p>	Potential Non-compliance	<p>Potential Non-compliance – At the time of this audit in September 2016 the final Biodiversity Management Plan had not been submitted to the Secretary for approval in accordance with Condition 29 of this Schedule. Therefore, lodgement of the required conservation bond with the DPE has potentially been delayed.</p>	Hera will continue to work with various external regulators to achieve compliance to this condition.

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>If the biodiversity offset is implemented to the satisfaction of the Secretary, the Secretary will release the conservation bond. If the offset strategy is not implemented to the satisfaction of the Secretary, the Secretary will call in all or part of the conservation bond, and arrange for the satisfactory implementation of the biodiversity offset.</p>			
<p>Schedule 3 – Heritage – Condition 32 – Heritage</p> <p>The Proponent shall prepare and implement a Heritage Management Plan for the project to the satisfaction of the Secretary. The Plan must:</p> <p>(a) be prepared in consultation with OEH and the Aboriginal stakeholders (in relation to the management of Aboriginal heritage values);</p> <p>(b) be submitted to the Secretary for approval within six months of this approval; and</p> <p>(c) describe the measures that would be implemented for:</p> <ul style="list-style-type: none"> • monitoring all new surface disturbance on site for unidentified Aboriginal objects; • managing the discovery of any human remains or previously unidentified Aboriginal objects on site; and • ensuring ongoing consultation with Aboriginal stakeholders in the conservation and management of any Aboriginal cultural heritage values on site. 	Compliant	<p>An Aboriginal Cultural Heritage Management Plan (ACHMP) was submitted to the NSW DPI and approved by the DPI on 5/10/12.</p> <p>The current version of the ACHMP (version 5, dated 27 May 2015) includes relevant information relating to: a) Approved Activities; b) Consultation with Aboriginal Stakeholders and also Government; c) Environmental Management measures; d) Implementation of Management Measures; and e) Monitoring and Reporting requirements.</p> <p>In addition, Hera maintains a Cultural Heritage Policy (dated May 2016).</p> <p>A number of heritage surveys have been completed on the mining lease prior to any construction/mining related disturbance. Heritage surveys were completed in 2004, 2006, 2010 and a follow-up 2011 survey. No more surveys have been conducted since 2011 as nothing has been identified.</p>	
<p>Schedule 3 – Transport – Condition 33 – Dangerous Goods</p> <p>Transportation of all dangerous goods to or from the site shall be undertaken in strict accordance with <i>Australian Code for the Transport of Dangerous Goods by Road and Rail</i>.</p>	Compliant Observation	<p>Section 5.4.4 of the Traffic Environmental Management Plan (revision 3 dated 15 August 2012) states that the Environmental Officer will be responsible to ensure that this condition is satisfied, and refers to the Hazardous Material Management Plan (HMMP). Section 5.10 of the HMMP states that “transportation of hazardous materials to Hera will only be undertaken by contractors who are certified to carry dangerous goods and have been trained in the “Australian Code for the Transport</p>	PA Observation 41 – Noted


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>of Dangerous Goods by Road and Rail” (the Code).</p> <p>During this audit in September 2016 the following points were noted in relation to transportation of various dangerous goods to and from the site:</p> <ol style="list-style-type: none"> 1. Explosives: Explosives are currently transported to site by Johnex Explosives who are licensed by WorkCover NSW to transport explosives (16 July 2013 correspondence from WorkCover NSW sighted). 2. Hydrogen Peroxide: Hydrogen Peroxide is currently transported to site by Lawrence Transport Pty Ltd who is licensed by the EPA to transport dangerous goods (DG License 5059522: expiry 3-8-2017 sighted). 3. Sodium Cyanide: Sodium Cyanide is transported to site by Orica Australia Pty Ltd who is licensed by the EPA to transport dangerous goods (DG License 5059220: expiry 15-5-2017 sighted). 4. Fuel: Hera organises for petroleum to be delivered to site for use in its own operations as well as by contractors. Licensing of the driver (every 5 years) and the vehicle (every year) is regulated by the NSW EPA. The transport company (Owens Transport: DGV20279) was verified as being licensed using the on-line search at https://www.licence.nsw.gov.au/New/. One vehicle (Registration No: S2578) was active under this licence. This vehicle was not verified as being in use. Licensing of drivers was not verified. <p>PA Observation 41 – Hera’s contracts with transport companies could specifically refer to the Code to hold those companies accountable for service provision.</p>	
<p>Schedule 3 – Transport – Condition 34 – Road Upgrades</p> <p>Within 6 months of the date of this approval, the Proponent shall:</p>	<p>Non-compliance (historical)</p>	<p>During this audit in September 2016 it was noted:</p> <p>(a) A suitably qualified independent expert whose appointment was approved by the Secretary (then known as the Director-General), was</p>	<p>Works have been completed.</p> <p>PA Observation 42 – Noted</p>


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>(a) commission a suitably qualified independent expert, whose appointment has been approved by the Secretary, to undertake a design and pavement condition review for the intersection of Burthong Road and Priory Tank Road, which:</p> <ul style="list-style-type: none"> (i) identifies any deficiencies in the design or pavement condition of the intersection; (ii) recommends appropriate design upgrades and pavement repairs taking into consideration the type, volume and direction of traffic generated by the mine; and (iii) ensures the recommended design is in accordance with the applicable AUSTROADS standards. <p>(b) undertake intersection design and pavement upgrades in accordance with the recommendations of the review in (a), in consultation with CSC, and to the satisfaction of CSC.</p>	<p>Observation</p>	<p>commissioned to undertake a design and pavement condition review for the intersection of Burthong Road and Priory Tank Road. This was done within 6 months of the date of the Project Approval. A letter (dated 22/1/13) of endorsement from the Director-General referring to Conditions 34 and 35 of the Project Approval was sighted.</p> <p>(i) A design and pavement condition review for the intersection of Burthong Road and Priory Tank Road, which identified any deficiencies in the design or pavement condition of the intersection was completed and contained in the report “Intersection Assessment at Burthong Road and Priory Tank Road” (Geolyse: 8/04/13) which was sighted.</p> <p>(ii) A design and pavement condition review for the intersection of Burthong Road and Priory Tank Road, which recommends appropriate design upgrades and pavement repairs taking into consideration the type, volume and direction of traffic generated by the mine was completed and contained in the report “Intersection Assessment at Burthong Road and Priory Tank Road” (Geolyse: 8/04/13).</p> <p>(iii) A design and pavement condition review for the intersection of Burthong Road and Priory Tank Road, which ensures the recommended design is in accordance with the applicable AUSTROADS standards was completed and contained in the report, “Intersection Assessment at Burthong Road and Priory Tank Road” (Geolyse: 8/04/13).</p> <p>(b) Non-compliance (historical) – Intersection design and pavement upgrades had not been undertaken in accordance with the recommendations of the review within 6 months of the date of the Project</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>Approval. The report described in paragraph (a) had been sent to Council and Hera was awaiting Council's response at the time of the previous July 2013 audit.</p> <p>The works in paragraph (b) were completed by CSC in January/February 2016 (audit interview). Aurelia purchase order of 13 November 2015 was sighted.</p> <p>PA Observation 42 – Hera could request a sign-off from CSC that the works have been completed in accordance with the recommendations of the review and that CSC is satisfied the works comply with this condition.</p>	
<p>Schedule 3 – Transport – Condition 35 – Road Upgrades</p> <p>Within 6 months of the date of this approval, the Proponent shall:</p> <p>(a) commission a suitably qualified independent expert, whose appointment has been approved by the Secretary, to undertake a review of the existing traffic control devices on Burthong Road and Priory Tank Road, which:</p> <ul style="list-style-type: none"> (i) reviews all existing traffic devices, including traffic signs, traffic signals, pavement markings, guide posts, delineators and safety barriers, and identifies any deficiencies; and (ii) recommends appropriate upgrades in accordance with the applicable AUSTROADS standards; <p>(b) install traffic control devices in accordance with the recommendations of the review in (a), to the satisfaction of CSC.</p>	<p>Non-compliance (historical) Observation</p>	<p>During this audit in September 2016 it was noted:</p> <p>(a) A suitably qualified independent expert whose appointment was approved by the Secretary (then known as the Director-General), was commissioned to undertake a review of the existing traffic control devices on Burthong Road and Priory Tank Road. This was done within 6 months of the date of the Project Approval. A letter (dated 22/1/13) of endorsement from the Director-General referring to Conditions 34 and 35 of the Project Approval was sighted.</p> <p>(i) A review of the existing traffic control devices on Burthong Road and Priory Tank Road, which covered all existing traffic devices, including traffic signs, traffic signals, pavement markings, guide posts, delineators and safety barriers, and identifies any deficiencies, was undertaken and results contained in the (draft) report Review of Traffic Control Devices (Geolyse: February 2013) which was sighted.</p> <p>(ii) A review of the existing traffic control devices on</p>	<p>Works have been completed.</p> <p>PA Observation 43 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>Burthong Road and Priory Tank Road, which recommends appropriate upgrades in accordance with the applicable AUSTRROADS standards was undertaken and results contained in the (draft) report Review of Traffic Control Devices (Geolyse: February 2013) which was sighted.</p> <p>(b) Non-compliance (historical) – Installation of traffic control devices in accordance with the recommendations of the review in paragraph (a) had not been completed within 6 months of the date of the Project Approval. The report described in paragraph (a) had been sent to Council and Hera was awaiting Council's response at the time of the previous July 2013 audit.</p> <p>The installation of traffic control devices (pavement markings) was completed by CSC while completing works as detailed in Schedule 3 Condition 34.</p> <p>PA Observation 43 – Hera could request a sign-off from CSC that all traffic control devices have been installed in accordance with the recommendations of the review and that CSC is satisfied the installation complies with this condition.</p>	
<p>Schedule 3 – Transport – Condition 35A – Road Upgrades</p> <p>Prior to commencing the transport of concentrate to the Hermidale rail siding via Nymagee-Hermidale Road, or an alternative date nominated by BSC and CSC (with respect to the works within the relevant local government area), the Proponent shall implement, or contribute to the cost of implementing the recommendations in the report titled <i>Visual Review of Traffic Control Devices – Hera Mine to Hermidale Siding</i> prepared by Geolyse Pty Ltd and dated 7 May 2014, to the satisfaction of BSC and CSC.</p>	<p>Minor Non-compliance (historical)</p>	<p>The Geolyse report titled <i>Visual Review of Traffic Control Devices – Hera Mine to Hermidale Siding</i> dated 7 May 2014 was commissioned by Hera.</p> <p>The report was sent to BSC (email dated 24/05/14) and a response was received via email (5/11/14). No alternative dates were nominated by BSC in its response.</p> <p>A letter (sighted) was sent to CSC (via email dated 20/06/14) seeking a non-objection from CSC to Hera's proposed amended concentrate haulage route. Hera also listed Hera's commitments to maintain the integrity of the Nymagee-Hermidale Road including contributing</p>	<p>In previous discussions with Bogan Shire Council, it was decided that any improvement works recommended in the Visual Review of Traffic Control Devices Report would be aligned with future maintenance works.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>funds to the cost of implementing the traffic control recommendations in the Geolyse report. No record of a response to Hera from CSC was available at the time of this audit in September 2016. No alternative dates have been nominated by CSC (audit interview).</p> <p>Transport of concentrate via the Nymagee-Hermidale Road commenced in October 2014 (audit interview).</p> <p>As at the time of this audit in September 2016, Hera has not been requested to contribute to the cost of recommended works (audit interview).</p> <p>Minor Non-compliance (historical) – The recommendations in the Geolyse report dated 7 May 2014 had not been implemented prior to commencing the transport of concentrate to the Hermidale rail siding via Nymagee-Hermidale Road in October 2014. In the absence of alternative dates nominated by BSC and CSC (with respect to the works within the relevant local government area), Hera should have implemented the recommendations in the Geolyse report or made a contribution to the costs of implementing the recommendations, prior to October 2014.</p>	
<p>Schedule 3 – Transport – Condition 35B – Road Upgrades</p> <p>Prior to commencing the transport of concentrate to the Hermidale rail siding via Nymagee-Hermidale Road, or an alternative date nominated by CSC, the Proponent shall upgrade the intersection of Hartwood Street and Milford Street in accordance with the recommendations of the report titled <i>Geotechnical Investigation of Hartwood Street and Milford Street on Priory Tank Road, Nymagee NSW</i>, prepared by Envirowest Consulting Pty Ltd dated 23 May 2014 and the relevant AUSTRROADS standards, to the satisfaction of CSC.</p>	<p>Compliant Observation</p>	<p>The upgrade of the Hartwood Street and Milford Street intersection was subcontracted by Hera to CSC.</p> <p>It was stated the intersection works were completed mid-2016 by CSC (corner was rounded, surface resheeted and line marking completed). However, CSC advised that <i>“the work has resulted in creating a drainage problem which we are currently working out the most cost effective solution”</i> (email dated 20/8/2016 – sighted). Hera is awaiting completion of the drainage rectification works by CSC.</p> <p>PA Observation 44 – Upon completion of drainage rectification works, Hera could request confirmation in writing from CSC that the works have been completed</p>	<p>PA Observation 44 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>in accordance with the recommendations of the report titled <i>Geotechnical Investigation of Hartwood Street and Milford Street on Priory Tank Road, Nymagee NSW</i>, prepared by Envirowest Consulting Pty Ltd dated 23 May 2014 and the relevant AUSTROADS standards, to the satisfaction of CSC.</p>  <p>Photo 8 Intersection of Hartwood and Milford Street</p>	
<p>Schedule 3 – Transport – Condition 35C – Road Upgrades</p> <p>Every two months during the transport of concentrate to the Hermidale rail siding via Nymagee-Hermidale Road, the Proponent shall:</p> <p>(a) inspect the condition of the unsealed section of the transport route in consultation with BSC; and</p> <p>(b) grade the unsealed section of Nymagee-Hermidale Road where required and as identified in the inspection carried out in accordance with condition 35C(a),</p>	<p>Non-compliance</p>	<p>Non-compliance – It was stated that:</p> <p>(a) only one inspection of the condition of the unsealed section of the transport route in consultation with BSC was undertaken (on 12 February 2015); and</p> <p>(b) the unsealed section of the Nymagee-Hermidale Road had not been graded every two months during the transport of concentrate to the Hermidale rail siding via the Nymagee-Hermidale Road.</p>	<p>The concentrate haulage route is regularly traversed by various Hera employees including the General Manager meaning the road is regularly inspected. These inspections will be documented in the future.</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>to the satisfaction of BSC.</p> <p><i>Note to conditions 35A-35C: In the event that there is a dispute between the Applicant and BSC or CSC about the implementation of these conditions, then either party may refer the matter to the Secretary for resolution.</i></p>			
<p>Schedule 3 – Transport – Condition 36 – Access Road and Intersection Construction</p> <p>The Proponent shall construct the site access road for heavy vehicles, and associated intersection of this access road and Burthong Road, prior to the commencement of construction of the process plant. The intersection shall be designed and constructed to the satisfaction of CSC and in accordance with the applicable AUSTROADS standards.</p>	<p>Compliant</p>	<p>Hera had constructed the site access road for heavy vehicles, and associated intersection of this access road and Burthong Road prior to the commencement of construction of the process plant (audit interview). It was also visually verified in the previous July 2013 audit that road construction had begun prior to the commencement of construction of the process plant.</p> <p>It was stated the intersection was designed and constructed in accordance with the applicable AUSTROADS standards and included in the Traffic Management Plan (Figure 4) approved by Council.</p> 	
		<p>Photo 9 Heavy access road completed (looking east)</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 3 – Transport – Condition 37 – Monitoring of Concentrate Transport</p> <p>The Proponent shall:</p> <p>(a) keep accurate records of the:</p> <p style="padding-left: 20px;">(i) amount of lead and zinc concentrate transported from the site (on a monthly basis); and</p> <p style="padding-left: 20px;">(ii) the date and time of loaded truck movements from the site; and</p> <p>(b) provide the Secretary with a summary of these truck movements in the Annual Review.</p>	Compliant	<p>During this audit in September 2016 it was noted:</p> <p>(a) Hera keeps accurate records of the amount of lead and zinc concentrate transported from the site by calculating the net weight of each truck load. A dedicated weighbridge is located on site for this purpose. Concentrate tonnage records are kept in the metallurgy database (MPX-DS) on a per truck basis (sighted). Monthly tonnage amounts can be calculated and are also available on Aurelia's website (sighted).</p> <p>(b) A summary of truck movements was provided to the Secretary in the 2015-16 Annual Review (Table 3.20.2 – sighted). The truck movements were absent from the 2014-2015 Annual Review but were subsequently provided to the Secretary separately upon the DPE's request (audit interview).</p>	
<p>Schedule 3 – Transport – Condition 37A – Transport of Concentrate to Hermidale Rail Siding</p> <p>The Proponent shall restrict the transport of concentrate to the Hermidale rail siding via the Nymagee-Hermidale Road during daylight hours and limit vehicle movements (entering and leaving the site) to 4 per day, averaged over a calendar month, unless otherwise agreed by the Secretary.</p>	<p>Minor Non-compliance</p> <p>Observation</p> <p>Observation</p>	<p>Minor Non-compliance – The transport of concentrate to the Hermidale rail siding via the Nymagee-Hermidale Road was outside of daylight hours on 12 occasions during the period 30/06/2015-20/06/16.</p> <p>Vehicle movements (entering and leaving the site), averaged over a calendar month, exceeded 4 per day for the months of November 2014, August 2015 and May 2016.</p> <p>Both non-compliances were advised to the DPE by email dated 27/06/2016 (sighted). Further details were supplied to the DPE in an email dated 4/08/2016 (sighted). The non-compliances were also reported to the RMS (audit interview) as well as listed in the 2015-2016 AEMR.</p> <p>The non-compliances arise from apparent confusion of this condition (a MOD 2 condition) with Schedule 2</p>	<p>Hera is exploring options of restricting the times the concentrate trucks can enter and leave the site. This will be achieved by restricting access into and out of the boom gates outside of daylight hours.</p> <p>PA Observation 45 – Noted</p> <p>PA Observation 46 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>Condition 7 (in the original version of the Project Approval). Schedule 2 Condition 7 refers to the transportation of lead and zinc concentrate and gold dore from the site between the operating hours of 7am to 10pm, 7 days per week and there was no limit on the number of vehicle movements per day (using the Kidman Way).</p> <p>Hera instructed (via email 3/08/16 – sighted) its concentrate haulage contractor (KPC Bulk) that concentrate haulage trucks are not to depart the site outside of the following hours:</p> <ul style="list-style-type: none"> • Non-daylight savings time: 0600 to 1700 • Daylight savings time: 0500 to 1930 <p>PA Observation 45 – The minor non-compliance arose from apparent confusion of this condition (a condition introduced in MOD 2) with Schedule 2 Condition 7 (which was contained in the original Project Approval). Schedule 2 Condition 7 refers to 7am to 10pm (not daylight hours).</p> <p>PA Observation 46 – Hera could obtain the Secretary's written agreement that this condition does not restrict the operation of Schedule 2 Condition 7 in relation to Hera's use of the Kidman Way (in terms of times of entering and leaving the site, and the number of vehicle movements per day).</p>	
<p>Schedule 3 – Transport – Condition 38 – Traffic Management Plan</p> <p>The Proponent shall prepare and implement a Traffic Management Plan to the satisfaction of the Secretary. The plan shall:</p> <p>(a) focus on traffic management along Nymagee-Hermidale Road, Burthong Road and Priory Tank Road, particularly in the vicinity of the villages of Nymagee and Hermidale;</p>	Non-compliance	<p>Hera had prepared and implemented a Traffic Management Plan (dated 15/8/12) to the satisfaction of the Director-General (approval letter received from the Director-General dated 24/10/12 sighted).</p> <p>Non-compliance – At the time of this audit in September 2016 the Traffic Management Plan (TMP) had not been updated to include traffic management along Nymagee-Hermidale Road, and there was no evidence that it had been developed in consultation</p>	An updated Traffic Management Plan will be submitted to the DPE within three months of this audit.

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
(b) describe the measures to minimise conflicts between road users and ensure that trucks from the mine do not travel through surrounding local roads; and (c) be developed in consultation with both BSC and CSC and submitted for the approval of the Secretary prior to carrying out any development on the site under this approval.		with both BSC and CSC or been submitted to the Secretary for approval prior to carrying out any development on the site. Hera advised that, at the time of this audit, a draft updated TMP had been prepared and was awaiting internal approval.	
Schedule 3 – Visual – Condition 39 – Operating Conditions The Proponent shall: (a) implement all reasonable and feasible measures to minimise the visual impacts, and particularly the off-site lighting impacts, of the project; (b) ensure that all external lighting associated with project complies with <i>Australian Standard AS4282 (INT) 1995 – Control of Obtrusive Effects of Outdoor Lighting</i> , to the satisfaction of the Secretary.	Compliant	The processing plant and supporting infrastructure and facilities was designed by Gekko Engineers in Victoria. (a) The processing plant and related infrastructure is well set back from the public road and is naturally screened due to the topography and trees (observation). The nearest residence is approximately 2km from the processing plant. To date, Hera has had no complaints from neighbours due to visual impacts (audit interview). (b) By letter dated 8 February 2017, Light Harmony (Lighting Engineering & Design Consultants) stated: <i>“Based on the remote location and our assessment of the existing lighting system, we would deem that the Hera process plant and ancillary areas complies with the principles and guidelines of AS4282 Table 2.1 recommended maximum values of light technical parameters for the control of obtrusive light.”</i>	
Schedule 3 – Hazardous Materials – Condition 40 – Final Hazard Analysis The Proponent shall prepare a Final Hazards Analysis (FHA) for the project to the satisfaction of the Secretary, in accordance with the Department’s <i>Hazardous Industry Planning Advisory Paper No. 6 – Guidelines for Hazard Analysis</i> . <i>Note: If the project design is the same as that assessed in the</i>	Non-compliance Observation	Non-compliance – At the time of this audit in September 2016 a Final Hazards Analysis (FHA) had not been completed. A Preliminary Hazard Analysis (PHA) was completed by RW Corkery & Co as part of the EA (Nov. 2011) (sighted). Section 5.1 of the Hazardous Materials Management	Conduct a Final Hazard Analysis in accordance with Hazardous Industry Planning Advisory Paper No. 5 – Hazard Audit Guidelines PA Observation 47 – Noted

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p><i>Preliminary Hazard Analysis (PHA), then the Secretary may accept the PHA as the FHA.</i></p>		<p>Plan states that “As there are no changes to the design of the Mine, the PHA is considered by Hera Resources to be sufficient to satisfy the requirement of Condition 3(40) of Project Approval whereby a Final Hazards Analysis was to be prepared”.</p> <p>The previous audit in July 2013 noted: “As the Hazardous Materials Management Plan has been approved by the Director-General, YTC Hera is compliant with this condition.”</p> <p>However, the previous audit in July 2013 was conducted prior to the construction and operation of the processing plant; an area where the majority of the hazardous materials are stored or used. At the time of this audit in September 2016, it was observed that there are hazardous goods (e.g. LNG Class 2.1) and processes (e.g. Meta Foundries – gold room) that were not identified in the original PHA.</p> <p>PA Observation 47 – It is noted that a FHA is usually prepared while the project is still in the design stage. However, since the project is now in the operational stage, it is recommended that Hera undertakes an Independent Hazard Audit of the project in accordance with the Department’s <i>Hazardous Industry Planning Advisory Paper No. 5 – Hazard Audit Guidelines</i>.</p>	
<p>Schedule 3 – Hazardous Materials – Condition 41 – Hazardous Materials Management Plan</p> <p>The Proponent shall prepare and implement a Hazardous Materials Management Plan for the project to the satisfaction of the Secretary. The plan must:</p> <p>(a) be prepared in consultation with the relevant government agencies including CSC, RMS, EPA, DPI Water, WorkCover NSW and DRE;</p> <p>(b) be consistent with the <i>International Cyanide Management Code for the Manufacture, Transport and</i></p>	<p>Non-compliance</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>Non-compliance – At the time of this audit in September 2016 the current Hazardous Materials Management Plan (HMMP) (Revision 2 of 9 April 2013) had not been updated to include the observations from the previous July 2013 audit. The HMMP is non-compliant in several respects as follows.</p> <p>In relation to paragraph (a) of this condition, an updated HMMP had not been prepared in consultation with the relevant government agencies including Council, RMS, EPA, NOW, WorkCover NSW and DRE.</p>	<p>Within three months of the submission of the audit the Hazardous Materials Management Plan will be reviewed and updated.</p> <p>PA Observation 48 – Noted</p> <p>PA Observation 49 – Noted</p> <p>PA Observation 50 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p><i>Use of Cyanide in the Production of Gold;</i></p> <p>(c) be submitted to the Secretary for approval prior to commencing mining operations under this approval;</p> <p>(d) describe the measures that would be implemented to:</p> <ul style="list-style-type: none"> (i) ensure sodium cyanide and other toxic chemicals are stored and handled on the site in accordance with <i>AS/NZ 4452 – The Storage and Handling of Toxic Substances;</i> and (ii) ensure the transportation of hazardous materials to or from the site is undertaken in accordance with the Department's <i>Hazardous Industry Planning Advisory Paper No. 11 – Route Selection</i> and the <i>Australian Code for the Transport of Dangerous Goods by Road and Rail – current version;</i> and <p>(e) detail the emergency procedures for the Project consistent with the Department's <i>Hazardous Industry Planning Advisory Paper No. 1 – Emergency Planning.</i></p>		<p>In relation to paragraph (b), section 5.8 of the HMMP lists the cyanide controls to be used which are consistent with the <i>International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold</i> (the Code). Principle 5 (decommissioning) and Principle 9 (Dialogue) of the Code have not been addressed in the plan.</p> <p>In relation to paragraph (c), the HMMP had not been submitted to the Secretary for approval prior to the commencement of mining operations.</p> <p>The HMMP does not satisfy paragraph (d)(i) in that it does not specify measures in relation to the storing and handling of lead nitrate (and toxic chemical). The plan does not satisfy paragraph (d)(ii) in that it does not describe the route selection for the transportation of cyanide from its point of origin to the mine in accordance with the Department's <i>Hazardous Industry Planning Advisory Paper No. 11 – Route Selection.</i></p> <p>The HMMP does not satisfy paragraph (e) of this condition in that it does not include all of the procedures contained in the Department's <i>Hazardous Industry Planning Advisory Paper No. 1 – Emergency Planning.</i></p> <p>PA Observation 48 – The HMMP states (in section 5.8.4) that “<i>Netting will be used in the PWD to deter bird life accessing the dam. Ground dwelling fauna will not be able to access the PWD at the dam is located within a fenced area.</i>” This was not observed at the time of this audit in September 2016 and should be addressed in the updated plan.</p> <p>PA Observation 49 – Hera should update the HMMP in conjunction with the recommended Independent Hazard Audit (Schedule 3 Condition 40).</p> <p>PA Observation 50 – Hera should check its document</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		control for the HMMP. Hera's intranet version of the HMMP was edited on 3 October 2013 whereas the Aurelia website version of the HMMP was dated as reviewed on 9 May 2014.	
<p>Schedule 3 – Waste – Condition 42</p> <p>The Proponent shall:</p> <p>(a) minimise the waste generated by the project;</p> <p>(b) ensure that the waste generated by the project is appropriately stored, handled and disposed of; and</p> <p>(c) manage on-site sewage treatment disposal in accordance with the requirements of CSC, to the satisfaction of the Secretary.</p>	<p>Minor Non-compliance</p> <p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>In relation to paragraphs (a) and (b) of this condition:</p> <ul style="list-style-type: none"> Hera addresses waste minimisation and disposal in section 5.5 of the Hazardous Materials Management Plan (HMMP) (Revision 2 of 9 April 2013). The HMMP states (on page 10): "The majority of waste generated at Hera Site will be collected and disposed of by a licensed waste contractor, namely JJ Richards & Sons Pty. Ltd. (Dubbo). Waste bins will be strategically located throughout the mine site where they are most likely to be required." Evidence that Hera is minimising the waste generated by the project was observed at the time of this audit in September 2016, e.g. NaOH and NaCN are transported to site in solution, thereby eliminating hazardous waste disposal, IBCs are taken off site and reused rather than disposed of at landfill etc. Evidence of waste recycling including oil and scrap steel at the workshops as well as general waste segregation/recycling in strategically placed bins on site was visually verified. The 2015-2016 AEMR includes sections on waste rock material (section 2.4), processing waste (section 2.5) and waste management (section 2.6). Section 2.6 of the 2015-2016 AEMR records the quantities of various types of waste including septic waste, general waste, hazardous waste, black iron and manganese steel. 	<p>The sewerage treatment plants have lacked some maintenance in the past hence the change in contractors. Hera will continue to seek improvements in the operation of the sewerage treatment plants through services and maintenance.</p> <p>Signage will be installed at the irrigation areas clearly identifying them as such.</p> <p>PA Observation 51 – Noted</p> <p>PA Observation 52 – Noted</p> <p>PA Observation 53 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<ul style="list-style-type: none"> Section 3.6 (Waste Management) of the 2013 MOP identifies the broad categories of 'production waste' (waste rock and contaminated water) and 'non-production waste' (including general waste, oils and greases, sewage). In relation to contaminated water the MOP reads (on page 39); "Contaminated water will either be reused throughout the processing plant or be pumped to the Tailings Storage Facility." Section 4.3 of Hera's Waste Rock Management Plan (Revision 1 of 22 November 2012) deals with Waste Rock Management. Refer to the comments for Condition 43 of this Schedule. <p>In relation to paragraph (c) of this condition, two sewage treatment systems (Village and Office) were inspected and seemed relatively new and appeared to be in good order, subject to the Minor Non-compliance below.</p> <ul style="list-style-type: none"> <u>Village Sewage System:</u> An Approval to Install/Construct a Sewage Management Facility certificate (2012/LD-00004) from CSC (19/12/12) was sighted. Hera subsequently (letter received from CSC dated 23/09/13 sighted) provided documentation to CSC to satisfy approval condition 10 of CSC's approval (contract for quarterly and annual service inspections). The latest service report (dated 12/05/16) was sighted. A Certificate of Completion dated 9/8/13 was sighted certifying that the installation had been completed in accordance with AS1547 and AS1546. The standards require the designated Irrigation area to be used only for effluent application, have 	


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>boundaries clearly delineated by appropriate vegetation or other type of border, be constructed so that there is no pooling, have warnings, complying with AS1319 at the boundaries of the designated area in at least two places, clearly visible to property users, with wording such as, "Recycled Water - Avoid Contact - DO NOT DRINK".</p> <p>PA Observation 51 – It appears that service contractors may have changed since first advising CSC. Hera should ensure that any new service agreement is notified to CSC.</p> <ul style="list-style-type: none"> <u>Office Sewage System:</u> <p>At the time of this audit in September 2016, it could not be verified if CSC development consent (2012/LD-00004) applied to the village system only or both systems.</p> <p>The office irrigation/disposal area consists of both a shallow sub surface drip irrigation system located immediately in front of the Hera offices and a surface spray system located west of the mine car park.</p> <p>PA Observation 52 – Hera should review the irrigation area west of the car park to ensure adequate sizing/suitability. At the time of this audit in September 2016, the area was shaded by trees with little surface vegetative growth to aid evapotranspiration. The soil appeared to be clay, on a slight slope with no upstream bund to prevent surface water run on.</p> <p>PA Observation 53 – Hera should ensure the spray system irrigation distributes the effluent evenly within the designated area as well as ensure no casual access by humans or animals (boundary delineation should be designed to deter human and animal</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		access). Minor Non-compliance – At the time of this audit in September 2016 the following issues were identified in relation to the Village Sewage System and the Office Sewage System: <ul style="list-style-type: none"> In relation to the Village Sewage System, the village irrigation/disposal area is a shallow sub-surface drip irrigation system located in the village quadrangle. A walkover of the area revealed effluent pooling underfoot in numerous areas, absence of warning signs and delineation and possible recreational use of the area by employees. It is recommended that Hera ensures the irrigation area is compliant to AS1547 which in turn will satisfy Condition 9 of CSC's approval. In relation to the Office Sewage System, effluent runoff was observed at the disposal area in front of the offices, and ponding was evident in the spray irrigation area. There is also no barrier to prevent stock entering the irrigation area (CSC approval, condition 7). Therefore, the Office Sewage System is not being managed in accordance with the requirements of CSC. It is recommended that Hera ensures the Office Sewage System also complies with AS1547. 	
Schedule 3 – Waste – Condition 43 – Waste Rock Management Plan The Proponent shall prepare and implement a Waste Rock Management Plan to the satisfaction of the Secretary. The plan must: <ul style="list-style-type: none"> (a) be developed in consultation with the EPA and DPI Water; (b) submitted for the approval of the Secretary within six 	Non-compliance Observation Observation Observation	Hera's current Waste Rock Management (WRMP) (dated 22 November 2012) complies with paragraphs (a), (f), (g), (h), (i) and (j) of this condition. (a) The current Waste Rock Management Plan (WRMP) had been developed in consultation with the EPA and NOW. A letter (dated 21 st November 2012) was sighted requesting comment from both the EPA and NOW. Letters of response (from NOW dated 21/06/13 and the EPA dated 21/12/12) were	The Waste Rock Management Plan will be reviewed and updated within 3 months of the submission of this audit. PA Observation 54 – Noted PA Observation 55 – Noted PA Observation 56 – Noted PA Observation 57 – Noted

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
months of this approval; (c) include a detailed description of the procedures to be implemented to monitor and manage potential acid forming material; (d) reflect the groundwater and surface water monitoring programs to monitor potentially acid-forming waste rock and any leachate generated, including appropriately designed detection and response systems for acid generation (covering monitoring methods, trigger levels and proposed management actions); (e) ensure effective isolation of potential acid forming material in rock dumps; (f) include procedures for appropriate testing of potentially acid forming waste rock prior to it being brought to the surface; (g) include procedures for prioritising the relocation of potential acid forming material to a suitable underground locations prior to oxidation; (h) include procedures to ensure that material relocated underground does not, to the extent reasonable and feasible, further oxidise or cause impact to groundwater; (i) notwithstanding (e) above, trigger levels for any material that has oxidised to the extent that it cannot be placed underground without impacting groundwater quality and procedures for adequate capping and sealing of such material at the surface; (j) detail proposed neutralising options to be implemented for oxidising material stored or encapsulated aboveground; and (k) where there is likely to be an extended time between placement of potential acid forming material underground, details of proposed methods to prevent oxidation of the material underground or to otherwise manage acid drainage to prevent impacts on groundwater.	Observation Observation Observation Observation	sighted. It was stated that Hera intends to consult with the EPA and DPI for the required updated WRMP. (f) Section 4.3.1 of the WRMP includes procedures for appropriate testing of potentially acid forming waste rock prior to it being brought to the surface. (g) Section 4.3.4 of the WRMP includes procedures for prioritising the relocation of potential acid forming material to suitable underground locations prior to oxidation. Hera advised that relocation has commenced however, filling with rock and cemented rock fill had not. (h) Section 4.3.4 of the WRMP includes procedures to ensure that material relocated underground does not, to the extent reasonable and feasible, further oxidise or cause impact to groundwater. (i) Section 4.3.4 of the WRMP describes management plans for material that has oxidised to the extent that it cannot be placed underground without impacting groundwater quality. No trigger levels have been specified, however, the degree of oxidation will be estimated. Procedures for adequate capping and sealing of such material at the surface are described including conducting a risk assessment to ensure appropriate remediation, encapsulating in NAF and possible encapsulating in the TSF. (j) Section 4.3.4 of the WRMP details proposed neutralising options (such as crushed limestone) to be implemented for oxidising material stored or encapsulated aboveground. Non-compliance – The WRMP does not comply with paragraphs (b), (c), (d), (e) and (k) of this condition. (b) The WRMP had not been prepared and submitted	PA Observation 58 – Noted PA Observation 59 – Noted PA Observation 60 – Noted PA Observation 61 – Noted

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>for the approval of the Secretary within six months of this Project Approval (audit interview).</p> <p>(c) A detailed description of the procedures to be implemented to monitor and manage potential acid forming material is described in section 4.3 of the WRMP. However, implementation of the plan is not following the material handling flow sheet as depicted in Figure 3 of the WRMP. PAF is being stored in Cell 2 (audit interview and observation).</p> <p>(d) Section 4.3.2.1 in the WRMP describes the monitoring programs to monitor potentially acid-forming waste rock and any leachate generated, including appropriately designed detection and response systems for acid generation. Specific visual levels trigger proposed management actions such as pumping to the process water dam. Trigger levels for acid detection (e.g. ph levels) have not been included in the WRMP. However, the WRMP maintains that the "WREA Leachate Dam and perimeter drains will be constructed and maintained to ensure any potential acid leachate is contained within the PAF WREA". However, there is potential for acid leachate to form outside of the PAF WREA in which case it will not be captured by the leachate dam (audit interview and observation).</p> <p>(e) Measures to effectively isolate potential acid forming material in rock dumps is described in section 4.3.3 of the WRMP.</p> <p>However, it was stated that both PAF and NAF are stockpiled in Cell 1 (PAF) which is contrary to Table 5 and the material handling flowsheet in Figure 3 of the WRMP. Risk is created when using this material as differentiation between NAF and PAF relies on visual inspection. There is a risk where PAF, instead of NAF, is used for other works on site (which has occurred on one occasion when</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>PAF was used to construct a clean water drain; it was retrieved on the same day and self-reported) (audit interview and observation).</p> <p>The ROM pad is potentially constructed (partially) of PAF material (audit interview) which is outside the catchment of the WREA leachate dam.</p> <p>(k) On the basis that paragraph (k) could read “...to prevent oxidation of the material aboveground...”, section 5 of the WRMP details proposed methods to manage acid drainage to prevent impacts on groundwater where there is likely to be an extended time between placement of potential acid forming material underground. These measures include monitoring of the surface waters and groundwaters nearby. However, given that PAF material is stored outside Cell 1 (PAF) (audit interview and observation), e.g. to partially construct the ROM pad, and runoff is not contained within the WREA leachate pond and pad not sealed, Hera has not complied with paragraph (k).</p> <p>PA Observation 54 – The WRMP describes Cell 1 (PAF) and Cell 2 (NAF). These cells should be shown in Figure 4 of the WRMP as “Cell 1” and “Cell 2” for ease of identification of their locations.</p> <p>PA Observation 55 – Table 1 column 3 section references of the WRMP do not align with the correct description in column 2.</p> <p>PA Observation 56 – The flowchart in Figure 3 of the WRMP does not include the ROM pad.</p> <p>PA Observation 57 – Hera should mark the maximum filling point of 870mm below the top of the dam wall as described in section 4.3.2.1 of the WRMP to ensure no discharge from the dam occurs during heavy rainfall events.</p>	


Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 10 WREA Leachate Dam</p> <p>PA Observation 58 – Hera should develop a safe operating procedure for the reuse of any material retrieved from the waste stockpiles for use on site.</p> <p>PA Observation 59 – The access ramp onto the Waste Rock stockpile was observed to be built over the bund wall. This potentially compromises the integrity or effectiveness of the bund to direct all stockpile runoff to the WREA leachate pond. This should be modified to ensure all surface runoff is contained within the Cell 1 area.</p> <p>PA Observation 60 – Hera should include the additional waste rock dump in MOD 3 when updating the WRMP.</p> <p>PA Observation 61 – Hera should undertake leach column tests on PAF material to confirm that the additions of cement are sufficient to buffer any potential net acid generation from varying waste types as</p>	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions													
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan										
		described in section 4.3.4 of the WRMP.											
<p>Schedule 3 – Rehabilitation – Condition 44 – Rehabilitation Objectives</p> <p>The Proponent shall rehabilitate the site to the satisfaction of the Executive Director Mineral Resources. This rehabilitation must be generally consistent with the proposed rehabilitation strategy described in the EA (as reproduced in Appendix 4), and comply with the objectives in Table 7:</p> <p><i>Table 7: Rehabilitation Objectives</i></p> <table border="1"> <thead> <tr> <th>Feature</th> <th>Objective</th> </tr> </thead> <tbody> <tr> <td>Mine site (as a whole)</td> <td> <ul style="list-style-type: none"> Safe, stable and non-polluting Final land use compatible with surrounding land uses. Final landforms designed to incorporate micro-relief, natural drainage lines and minimize visual prominence by integration with the surrounding landscape. Restore self-sustaining ecosystems, including establishing local native plant species. Minimise visual impact of final landforms as far as is reasonable and feasible. </td> </tr> <tr> <td>Surface infrastructure</td> <td>To be decommissioned and removed, unless the Executive Director Mineral Resources agrees otherwise</td> </tr> <tr> <td>Other land</td> <td>Establish the 'Chelsea' site (refer to Appendix 3) as a biodiversity offset.</td> </tr> <tr> <td>Community</td> <td>Minimise the adverse socio-economic effects associated with mine closure</td> </tr> </tbody> </table>	Feature	Objective	Mine site (as a whole)	<ul style="list-style-type: none"> Safe, stable and non-polluting Final land use compatible with surrounding land uses. Final landforms designed to incorporate micro-relief, natural drainage lines and minimize visual prominence by integration with the surrounding landscape. Restore self-sustaining ecosystems, including establishing local native plant species. Minimise visual impact of final landforms as far as is reasonable and feasible. 	Surface infrastructure	To be decommissioned and removed, unless the Executive Director Mineral Resources agrees otherwise	Other land	Establish the 'Chelsea' site (refer to Appendix 3) as a biodiversity offset.	Community	Minimise the adverse socio-economic effects associated with mine closure	<p>Minor Non-compliance Observation</p>	<p>Section 4 of the RMP (dated March 2013, prepared by RW Corkery & Co Pty Ltd, ref no. 659/22) and the approved MOP (version 3.1 of May 2013) deal with rehabilitation.</p> <p>Section 5.2 of the 2015-2106 AEMR notes: "No significant rehabilitation of disturbed land has occurred in the reporting period." Table 5.5.1 (Summary of rehabilitation activities) in the 2015-2016 AEMR shows the only rehabilitation that has occurred on site up to 15 May 2016 relates to 1 hectare of pasture and grasses.</p> <p>At the time of this audit in September 2016, there is no Mine Closure Plan in place.</p> <p>Minor Non-compliance – The rehabilitation objectives in section 4.3.4 of the RMP do not correspond with the objectives in Table 7 of this condition. For example, the RMP does not address the third dot point in the Mine Site (as a whole) feature of Table 7.</p> <p>PA Observation 62 – Hera should review and update section 4.3.4 of the RMP to reflect the MOD 3 (February 2016) changes in Table 7 of this condition.</p> <p>PA Observation 63 – The EA of November 2011 (prepared by RW Corkery & Co Pty Ltd) contains a single passing reference (in section 2.15.5.8, in discussing the exact species to be used in rehabilitation operations) to the Rehabilitation Management Plan (RMP) being a component of the Mining Operations Plan (MOP). This passing reference is perhaps why the MOP includes content of the RMP. In the next revision of the MOP, Hera could consider cross-referencing the RMP rather than including content of the RMP. This change would remove the inconsistencies that arise when the RMP is reviewed and updated during the life</p>	<p>The Rehabilitation Management Plan will be reviewed and updated within 3 months of the submission of this audit.</p> <p>PA Observation 62 – Noted</p> <p>PA Observation 63 – Noted</p>
Feature	Objective												
Mine site (as a whole)	<ul style="list-style-type: none"> Safe, stable and non-polluting Final land use compatible with surrounding land uses. Final landforms designed to incorporate micro-relief, natural drainage lines and minimize visual prominence by integration with the surrounding landscape. Restore self-sustaining ecosystems, including establishing local native plant species. Minimise visual impact of final landforms as far as is reasonable and feasible. 												
Surface infrastructure	To be decommissioned and removed, unless the Executive Director Mineral Resources agrees otherwise												
Other land	Establish the 'Chelsea' site (refer to Appendix 3) as a biodiversity offset.												
Community	Minimise the adverse socio-economic effects associated with mine closure												

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		of the MOP.	
<p>Schedule 3 – Rehabilitation – Condition 45 – Progressive Rehabilitation</p> <p>The Proponent shall carry out rehabilitation of the site progressively, that is, as soon as reasonably practicable after disturbance. All reasonable and feasible measures must be taken to minimise the total area exposed for dust generation at any time. Interim rehabilitation strategies shall be employed when areas prone to dust generation cannot yet be permanently rehabilitated.</p> <p><i>Note: It is accepted that some parts of the site that are progressively rehabilitated may be subject to further disturbance at some later stage of the project.</i></p>	<p>Not Applicable at the time of this audit in September 2016</p>	<p>Progressive rehabilitation works have been scoped and included in Section 4.5 of the MOP, inclusive of information provided in Table 17.</p>	
<p>Schedule 3 – Rehabilitation – Condition 46 – Rehabilitation Management Plan</p> <p>The Proponent shall prepare and implement a Rehabilitation Management Plan for the project to the satisfaction of the Executive Director Mineral Resources. This plan must:</p> <ul style="list-style-type: none"> (a) be prepared in consultation with the Department, OEH, EPA, DPI Water and CSC; (b) be submitted to the Executive Director Mineral Resources for approval prior to carrying out development on the site under this approval; (c) be prepared in accordance with any relevant DRE guideline; (d) outline the procedures to be implemented to achieve the rehabilitation objectives in condition 44; (e) describe how the rehabilitation of the site would be integrated with the implementation of the biodiversity offset strategy; (f) include detailed performance and completion criteria for evaluating the performance of the rehabilitation of the 	<p>Partial Non-compliance Observation</p>	<p>Hera's Rehabilitation Management Plan (RMP) is dated March 2013 and was prepared by geological and environmental consultants, RW Corkery & Co Pty Ltd (ref no. 659/22). The RMP complies with paragraphs (a), (c), (e), (f), (h), (i) and (j) of this condition:</p> <ul style="list-style-type: none"> (a) Section 1.9.3 of the RMP describes the consultations with government agencies throughout the preparation of the RMP. (c) Section 1.9.3 of the RMP states: "This RMP has been prepared in accordance with the relevant DRE guidelines." (e) Section 4.4.1 of the RMP describes that rehabilitation will only take place on areas disturbed by mining (the Hera property) and no rehabilitation is planned for the Biodiversity Offset Area where no construction or development will take place (Chelsea property). (f) Section 5 of the RMP (including Table 22, Trigger Action Response Plan) includes detailed 	<p>The Rehabilitation Management Plan will be reviewed and updated within 3 months of the submission of this audit.</p> <p>PA Observation 64 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
site, and triggering remedial action (if necessary); (g) describe the measures that would be implemented to ensure compliance with the relevant conditions of this approval, and address all aspects of rehabilitation including mine closure, final landform, and final land use; (h) include interim rehabilitation where necessary to minimise the area exposed for dust generation; (i) include a program to monitor, independently audit and report on the effectiveness of the measures, and progress against the detailed performance and completion criteria; and (j) build, to the maximum extent practicable, on the other management plans required under this approval.		performance and completion criteria for evaluating the performance of the rehabilitation of the site, and triggering remedial action (if necessary). (h) Section 4.3.4.1 of the RMP includes include interim rehabilitation where necessary to minimise the area exposed for dust generation, and states: "All cleared areas are cleared to allow for construction and soil stockpiles are seeded to minimise dust generation." (i) Section 4.4.4 of the RMP (including Table 17, Rehabilitation Domains) includes a program to monitor and report on the effectiveness of the measures, and progress against the detailed performance and completion criteria. In section 4.4.4 of the RMP it is noted: "The rehabilitation phase for the Hera Mine will be monitored by YTC and will be independently audited." (j) Section 3.8 of the RMP summarises aspects of the Water Management Plan, section 3.9 of the RMP summarises aspects of the Hazardous Materials Management Plan, and section 4.2.2 of the RMP names various other management plans. Partial Non-compliance – The RMP does not comply with paragraphs (b), (d) and (g) of this condition: (b) It was stated at the time of this audit in September 2016 that the DRE had approved the RMP, but Hera was unable to provide evidence of the DRE's approval under paragraph (b) of this condition. (d) The RMP does not outline procedures to be implemented to achieve the rehabilitation objectives in Condition 44 of this Schedule. Table 1 of the RMP refers to section 4.2.1.14 as being the applicable section for paragraph (d) of this	

Project Approval 10_0191 (MOD 3) Schedule 3 – Environmental Performance Conditions			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>condition but this section does not exist.</p> <p>(g) The RMP does not describe measures that would be implemented to ensure compliance with the relevant conditions of this approval, and address all aspects of rehabilitation including mine closure, final landform, and final land use.</p> <p>PA Observation 64 – In the next revision of the RMP, Hera should attend to correcting the incorrect or non-existent cross-reference in Table 1 of the RMP (section 1.4, page 7). For example, Table 1 refers to section 4.2.1.14 as being the applicable section for paragraph (d) of this condition but this section does not exist. Table 1 also refers to sections 4.2.1.2 and 4.3.5.1 as being the applicable sections for paragraph (h) of this condition but these sections do not exist.</p>	

Project Approval 10_0191 (MOD 3) Schedule 4 – Additional Procedures			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 4 – Condition 1 – Notification of Landowners</p> <p>Within 3 months of the date of project approval, the Proponent shall notify in writing the owners of any privately-owned land within two kilometres of the approved blasting on site that they are entitled to request an inspection to establish the baseline condition of any buildings or structures on their land, or to have a previous property inspection report updated.</p>	<p>Compliant Observation</p>	<p>It was stated that the boxcut entrance is 2.295 km from the approved blasting on site, therefore there are no neighbouring landowner buildings located within a 2 km radius of the entrance to the boxcut.</p>  <p>Photo 11 Diagram identifying the 2 km radius and the location of three neighbouring residents outside of this 2 km radius</p> <p>Hera advised that no requests have been made to date from neighbouring residents requesting any form of building inspection on their properties.</p> <p>PA Observation 65 – Hera could confirm if any blast exceedence requirements in Schedule 3 of the Project Approval, relating to Schedule 4 – Notification of Landowners is required to be effectively considered or incorporated into the Blast Management Plan.</p>	<p>PA Observation 65 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 4 – Additional Procedures			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 4 – Condition 2 – Notification of Landowners</p> <p>Within two weeks of obtaining monitoring results showing:</p> <p>(1) an exceedence of any relevant noise criteria in Schedule 3, the Proponent shall notify affected landowners and/ or tenants in writing of the exceedence, and provide regular monitoring results to each of these affected parties until the project is again complying with the relevant criteria; and</p> <p>(2) an exceedence of any relevant air quality criteria in Schedule 3, the Proponent shall send the affected landowners and/ or tenants a copy of the NSW Health fact sheet entitled “Mine Dust and You” (as may be updated from time to time).</p>	<p>Minor Non-compliance (historical)</p> <p>Observation</p>	<p>(1) Hera stated that there have been no exceedences of any relevant noise criteria in Schedule 3 from December 2014 until the time of this audit in September 2016. Therefore there has been no trigger to have to notify any landowners and/or tenants in writing of any exceedence. Quarterly noise monitoring results are also made public on the Aurelia website.</p> <p>Noise monitoring results from August 2013 to the time of this audit in September 2016 are on the Aurelia website.</p> <p>(2) In response to the recommendations in the compliance audit in July 2013, Hera made corrective actions relating to dust depositional monitoring on site to ensure that bird droppings did not adversely impact the analytical results received from the laboratory.</p> <p>The dust monitor was moved to the present position on 24 February 2014. Hera advised that one exceedence of air quality criteria (PM-10) was recorded on 12 January 2016 as an environmental incident (incident report sighted). The monitoring results were received on 18 March 2016. The incident was reported to senior management (memo sighted), DoP and EPA (email sighted) on the same day the results were received. A letter (sighted) detailing the exceedences and suspected causes was sent to the affected landowner on 24 March 2016, within the two week notification period as required by this condition. A copy of the NSW Health fact sheet entitled “Mine Dust and You” and the January 2016 NSW DustWatch report accompanied the letter sent to the affected landowner.</p> <p>Minor Non-compliance (historical) – For the period between the compliance audit in July 2013 and</p>	<p>Storage of data has been standardised to accommodate turnover of staff and allow for historical data to be located in the future.</p> <p>PA Observation 66 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 4 – Additional Procedures			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>December 2014 (when Hera's current Environmental Officer commenced employment), it could not be verified that Hera notified or sent information to affected landholders and tenants under this condition when exceedences occurred (for example, the historical non-compliance for dust deposition referred to in Schedule 3 Condition 12).</p> <p>PA Observation 66 – Hera should consider reviewing the turnaround times between air sampling (or any sampling at EPA licensed sampling points) and receipt of laboratory results in an attempt to shorten them to allow for timely reporting to affected landowners and tenants.</p>	
<p>Schedule 4 – Condition 2 [note number duplication] – Independent Review</p> <p>If an owner of privately-owned land considers the project to be exceeding the relevant criteria in Schedule 3, then he/she may ask the Secretary in writing for an independent review of the impacts of the project on his/her land.</p> <p>If the Secretary is satisfied that an independent review is warranted, then within two months of the Secretary's decision the Proponent shall:</p> <p>(a) commission a suitably qualified, experienced and independent person, whose appointment has been approved by the Secretary, to:</p> <ul style="list-style-type: none"> (i) consult with the landowner to determine his/her concerns; (ii) conduct monitoring to determine whether the project is complying with the relevant criteria in Schedule 3; and (iii) if the project is not complying with these criteria then identify measures that could be implemented to ensure compliance with the relevant criteria. <p>(b) give the Secretary and landowner a copy of the</p>	Compliant	<p>It was stated that complaints have been received and are available on the Aurelia website.</p> <p>No requests have been made to the Director-General from neighbouring residents for the completion of an independent review of the impacts of the project on his/her land.</p>	

Project Approval 10_0191 (MOD 3) Schedule 4 – Additional Procedures			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
independent review.			
<p>Schedule 4 – Condition 3 – Independent Review</p> <p>If the independent review determines that the project is complying with the relevant criteria in Schedule 3, then the Proponent may discontinue the independent review with the approval of the Secretary.</p>	Compliant	As per Schedule 4 – Condition 2 – Independent Review.	
<p>Schedule 4 – Condition 4 – Independent Review</p> <p>If the independent review determines that the project is not complying with the relevant criteria in Schedule 3, then the Proponent shall:</p> <p>(a) implement all reasonable and feasible mitigation measures, in consultation with the landowner and appointed independent person, and conduct further monitoring until the project complies with the relevant criteria; or</p> <p>(b) secure a written agreement with the landowner to allow exceedences of the relevant criteria,</p> <p>to the satisfaction of the Secretary.</p>	Compliant	As per Schedule 4 – Condition 2 – Independent Review.	

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Schedule 5 – Condition 1 – Environmental Management – Environmental Management Strategy</p> <p>The Proponent shall prepare and implement an Environmental Management Strategy for the project to the satisfaction of the Secretary. This strategy must:</p> <p>(a) be submitted for approval to the Secretary within six months of this approval;</p> <p>(b) provide the strategic framework for the environmental management of the project;</p> <p>(c) identify the statutory approvals that apply to the project;</p> <p>(d) describe the role, responsibility, authority and accountability of all key personnel involved in the environmental management of the project;</p> <p>(e) describe the procedures that would be implemented to:</p> <p style="padding-left: 20px;">(i) keep the local community and relevant agencies informed about the operation and environmental performance of the project;</p> <p style="padding-left: 20px;">(ii) receive, handle, respond to, and record complaints;</p> <p style="padding-left: 20px;">(iii) resolve any disputes that may arise during the course of the project;</p> <p style="padding-left: 20px;">(iv) respond to any non-compliance;</p> <p style="padding-left: 20px;">(v) respond to emergencies; and</p> <p>(f) include:</p> <p style="padding-left: 20px;">(i) copies of any strategies, plans and programs approved under the conditions of this approval; and</p> <p style="padding-left: 20px;">(ii) a clear plan depicting all the monitoring required to be carried out under the conditions of this approval.</p>	<p>Partial Non-compliance Observation</p>	<p>Hera has prepared an Environmental Management Strategy (EMS) (YTC-H-ENV-MPL-174 dated 28 November 2012) for the project to the satisfaction of the Director-General (approval letter dated 30/11/12 from the Director-General was sighted).</p> <p>(a) Hera submitted the strategy for approval to the Director-General within six months (November 2012) of this approval on 31 July 2012 (approval letter dated 30/11/12 from the Director-General was sighted).</p> <p>(b) Section 5.2 and Figure 3 of the strategy provide the strategic framework for the environmental management of the project.</p> <p>(c) Section 2.2 of the strategy identifies the statutory approvals that apply to the project.</p> <p>(d) Section 3 of the strategy describes the role, responsibility, authority and accountability of all key personnel involved in the environmental management of the project. It lists the General Manager and Environmental Officer as the key personnel.</p> <p>(e) (i) Section 6.1 of the strategy describes the procedures that would be implemented to keep the local community and relevant agencies informed about the operation and environmental performance of the project.</p> <p>(e) (ii) Section 5.4 of the strategy describes the procedures that would be implemented to receive, handle, respond to, and record complaints.</p> <p>(e) (iii) Section 5.4 of the strategy describes the procedures that would be implemented to resolve any disputes that may arise during the course of the project.</p>	<p>The Environmental Management Strategy will be reviewed and updated within 3 months of the submission of this audit.</p> <p>PA Observation 67 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		(e) (iv) Section 6.1.2 of the strategy describes the procedures that would be implemented to respond to any non-compliance. (e) (v) Section 5.5 of the strategy describes the procedures that would be implemented to respond to emergencies. (f) (i) Partial Non-compliance – Section 5.2 of the strategy includes a list of strategies, plans and programs approved under the conditions of this approval, however, the plans are not included in the strategy document. The CD attachment referenced in Appendix 2 – 10 of the EMS is not reproduced in the EMS. In any case Appendix 2 – 10 of the EMS does not list the complete set of approved Management Plans. (f) (ii) Section 5.2.1 of the strategy includes a clear plan depicting all the monitoring required to be carried out under the conditions of this approval. PA Observation 67 – To increase public awareness of the EMS, Hera could print a complete copy of the EMS to be left at the front desk of the administration building on site, including all Management Plans as appendices to the printed copy, or alternatively, have an electronic copy on Aurelia's website or on a public computer at the front desk.	
Schedule 5 – Condition 2 – Environmental Management – Adaptive Management The Proponent shall assess and manage project-related risks to ensure that there are no exceedences of the criteria and/or performance measures in schedule 3. Any exceedence of these criteria and/or performance measures constitutes a breach of this approval and may be subject to penalty or offence provisions under the EP&A Act or EP&A Regulation.	Compliant	It was stated that sediment basin unplanned discharges have occurred four or five times since Hera's current Environmental Officer started in December 2014 and that consultation with the EPA is ongoing. It was stated a GHD letter to Aurelia (dated 19 May 2016) with recommendations for sediment basin design (to become a contaminated structure) was sent to the DPE, EPA and DRE. No response has been received from the DPE to date.	

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Where any exceedence of these criteria and/or performance measures has occurred, the Proponent shall, at the earliest opportunity:</p> <p>(a) take all reasonable and feasible measures to ensure that the exceedence ceases and does not recur;</p> <p>(b) consider all reasonable and feasible options for remediation (where relevant) and submit a report to the Department describing those options and any preferred remediation measures or other course of action; and</p> <p>(c) implement remediation measures as directed by the Secretary,</p> <p>to the satisfaction of the Secretary.</p>		<p>It was stated there has been a single air quality single exceedence (as referred to in Schedule 4 Condition 2).</p> <p>A warning letter (official caution) was received from the EPA in relation to a cyanide spillage incident in September 2014 (see Schedule 2 Condition 11).</p>	
<p>Schedule 5 – Condition 3 – Environmental Management – Management Plan Requirements</p> <p>The Proponent shall ensure that the management plans required under this approval are prepared in accordance with any relevant guidelines, and include:</p> <p>(a) detailed baseline data;</p> <p>(b) a description of:</p> <p>(i) the relevant statutory requirements (including any relevant approval, licence or lease conditions);</p> <p>(ii) any relevant limits or performance measures/criteria;</p> <p>(iii) the specific performance indicators that are proposed to be used to judge the performance of, or guide the implementation of, the project or any management measures;</p> <p>(c) a description of the measures that would be implemented to comply with the relevant statutory requirements, limits, or performance measures/criteria;</p> <p>(d) a program to monitor and report on the:</p> <p>(i) impacts and environmental performance of</p>	Partial Non-compliance	<p>The Management Plans required under this Project Approval (and their versions at the time of this audit in September 2016) are:</p> <ul style="list-style-type: none"> • Aboriginal Cultural Heritage Management Plan (ACHMP) (revision 5 of 27 May 2015) • Air Quality and Greenhouse Gas Management Plan (AQGGMP) (revision 4 of May 2015) • Blast Management Plan (Blast MP) (revision 5 of May 2016) • Biodiversity Management Plan (BMP) (final draft of 1 June 2016, RW Corkery & Co. ref no. 659/28) • Hazardous Materials Management Plan (HMMP) (Revision 2 of 9 April 2013) • Noise Management Plan (NMP) (revision 6 of 2 May 2016) • Rehabilitation Management Plan (RMP) (March 2013, RW Corkery & Co ref no. 659/22) • Traffic Management Plan (TMP) (revision 4 of 14 May 2016) • Waste Rock Management Plan (WRMP) (revision 1 of 22 November 2012) • Water Management Plan (WMP) (February 2015, RW Corkery & Co ref no. 659/14) 	<p>The Rehabilitation Management Plan will be reviewed and updated within 3 months of the submission of this audit.</p> <p>The Noise Management Plan will be reviewed and updated within 3 months of the submission of this audit.</p>

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>the project;</p> <p>(ii) effectiveness of any management measures (see c above);</p> <p>(e) a contingency plan to manage any unpredicted impacts and their consequences and to ensure that ongoing impacts reduce to levels below relevant impact assessment criteria as quickly as possible;</p> <p>(f) a protocol for managing and reporting any:</p> <p>(i) incidents;</p> <p>(ii) complaints;</p> <p>(iii) non-compliances with statutory requirements; and</p> <p>(iv) exceedences of the impact assessment criteria and/or performance criteria; and</p> <p>(g) a protocol for periodic review of the plan.</p> <p><i>Note: The Secretary may waive some of these requirements if they are unnecessary for particular management plans.</i></p>		<p>The Management Plans generally comply with the requirements of this condition to the extent that the requirements apply to the Management Plan.</p> <p>Partial Non-compliance – The Management Plans referred to below do not comply with paragraphs (a) and (g) of this condition:</p> <p>(a) The NMP does not include detailed baseline data to enable Hera to assess monitoring results against defined criteria.</p> <p>(g) The RMP does not include a protocol for periodic review of the plan.</p>	
<p>Schedule 5 – Condition 4 – Environmental Management – Annual Review</p> <p>By the end of December each year (or other such timing as agreed by the Secretary), the Proponent shall review the environmental performance of the project to the satisfaction of the Secretary. This review must:</p> <p>(a) describe the development (including any rehabilitation) that was carried out in the past year, and the development that is proposed to be carried out over the next year;</p> <p>(b) include a comprehensive review of the monitoring results and complaints records of the project over the past year, which includes a comparison of these results against the:</p> <p>(i) the relevant statutory requirements, limits or performance measures/criteria;</p> <p>(ii) requirements of any plan or program required under this approval;</p> <p>(iii) the monitoring results of previous years; and</p>	<p>Compliant</p> <p>Observation</p> <p>Observation</p>	<p>Hera’s Annual Review is incorporated in the AEMR. The AEMR due date is normally end of June each year for the reporting period to the end of May. An email of 12 November 2013 from the DPE acknowledges the timing for lodging the AEMR applies to the Annual Review.</p> <p>A letter of 30 November 2015 from the DPE stated: “The Department considers that the Annual Review generally satisfied condition 4 of the approval” and requested various changes to the Annual Review.</p> <p>PA Observation 68 – Paragraph (b)(iv) of this condition could perhaps be better addressed if relevant predictions in the EA were specifically referenced in the Annual Review.</p> <p>PA Observation 69 – In its letter of 30 November 2015 the DPE requested the Annual Review be updated to include identification of any discrepancies between the</p>	<p>PA Observation 68 – Noted</p> <p>PA Observation 69 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
(iv) the relevant predictions in the EA; (c) identify any non-compliance over the past year, and describe what actions were (or are being) taken to ensure compliance; (d) identify any trends in the monitoring data over the life of the project; (e) identify any discrepancies between the predicted and actual impacts of the project, and analyse the potential cause of any significant discrepancies; and (f) describe what measures will be implemented over the next year to improve the environmental performance of the project.		predicted and actual impacts of the project, and analysis of the potential cause of any significant discrepancies as required under paragraph (e) of this condition. The DPE's comment may have been made because Hera's Environmental Officer used terminology of 'variations' instead of 'discrepancies' in previous submitted Annual Reviews. Hera could adopt the paragraph (e) terminology of 'discrepancies' in future Annual Reviews and generally ensure the terminology used in future Annual Reviews is the same as the terminology used in the Project Approval.	
<p>Schedule 5 – Condition 5 – Environmental Management – Revision of Strategies, Plans and Programs</p> <p>Within three months of:</p> <p>(a) the submission of an annual review under condition 4 above;</p> <p>(b) the submission of an incident report under condition 7 below;</p> <p>(c) the submission of an audit under condition 9 below; or</p> <p>(d) any modification to the conditions of this approval (unless the conditions require otherwise),</p> <p>the Proponent shall review, and if necessary revise, the strategies, plans, and programs required under this approval to the satisfaction of the Secretary.</p> <p><i>Note: This is to ensure the strategies, plans and programs are updated on a regular basis, and incorporate any recommended measures to improve the environmental performance of the project.</i></p>	<p>Non-compliance Observation</p>	<p>Non-compliance – It was stated that reviews are undertaken on an ad-hoc basis; an example being when the Environmental Officer wrote a letter to the DPE on 2 May 2016 to the effect that a review of the Air Quality and Greenhouse Gas Management Plan had been undertaken in response to a dust incident (refer to Schedule 3 Condition 12) recorded in January 2016 (with the result being that no revision of that Plan was required). Reviews are not being undertaken within three months of the submission of an Annual Review.</p> <p>PA Observation 70 – Hera could include a template sentence in the Annual Review to act as a prompt for Hera to review and possibly revise its strategies, plans and programs.</p>	<p>Management Plans, Strategies and Programs will be reviewed and updated as required.</p> <p>PA Observation 70 – Noted</p>
<p>Schedule 5 – Condition 6 – Environmental Management – Community Consultative Committee</p> <p>The Proponent shall establish and operate a Community Consultative Committee (CCC) for the project in general accordance with the <i>Guidelines for Establishing and</i></p>	<p>Minor Non-compliance (historical)</p>	<p>Quarterly meetings of the Community Consultative Committee (CCC) are hosted by Hera in the on-site boardroom. As at the time of this audit in September 2016 an independent Chairperson calls the meetings and writes minutes. Sample minutes of CCC meetings</p>	<p>Noted.</p>

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p><i>Operating Community Consultative Committees for Mining Projects</i> (Department of Planning, 2007, or its latest version), and to the satisfaction of the Secretary. This CCC must be operating within six months of this approval.</p> <p>Notes:</p> <ul style="list-style-type: none"> <i>The CCC is an advisory committee. The Department and other relevant agencies are responsible for ensuring that the Proponent complies with this approval; and</i> <i>In accordance with the guideline, the Committee should be comprised of an independent chair and appropriate representation from the Proponent, CSC, recognised environmental groups and the local community.</i> 		<p>were sighted (most recent minutes sighted were of the CCC meeting of 23 March 2016).</p> <p>CCC (through Hera's Environmental Officer) organises open days (ad-hoc) and Nymagee flower shows (attempted to hold every year).</p> <p>It was stated the CCC operates in general accordance with the <i>Guidelines for Establishing and Operating Community Consultative Committees for Mining Projects</i>.</p> <p>Minor Non-compliance (historical) – The first meeting of the CCC was held on Thursday 14 February 2013 at the Hera Mine, which was just outside the 6 month timeframe after the Project Approval of 31 July 2012.</p>	
<p>Schedule 5 – Condition 7 – Reporting – Incident Reporting</p> <p>The Proponent shall notify the Secretary and any other relevant agencies of any incident associated with the project as soon as practicable after the Proponent becomes aware of the incident. Within seven days of the date of the incident, the Proponent shall provide the Secretary and any relevant agencies with a detailed report on the incident.</p>	Minor Non-compliance	<p>Safety and environmental incidents for the project are reported using the MyOsh System and by the Environmental Officer's laptop.</p> <p>It was stated that incidents and hazards are reported on MyOsh and in the Environmental Officer's laptop computer (which is on Aurelia's O Drive).</p> <p>Minor Non-compliance – As noted in relation to EPL Condition R2.2, Hera has not complied with the seven day timeframe in relation to all reported incidents.</p> <p>Auditor's Note: The 'seven days' period in the second sentence of this condition sets a 'seven days' upper limit on the 'as soon as practicable' period of notification in the first sentence of this condition.</p>	<p>Due to the lag time between submitting samples and receiving results, Hera only becomes aware of exceedances several weeks later.</p> <p>Hera is in the process of changing to onsite analysis which should reduce this lag time.</p>
<p>Schedule 5 – Condition 8 – Reporting – Regular Reporting</p> <p>The Proponent shall provide regular reporting on the environmental performance of the project on its website, in accordance with the reporting arrangements in any approved plans of the conditions of this approval.</p>	Minor Non-compliance	<p>The environmental performance of the Hera Project is addressed in Section 3 (Environmental Management and Performance) of Hera's Annual Environmental Management Reports (AEMRs).</p> <p>Since March 2015 Hera has included monthly monitoring reports on Aurelia's website. The September</p>	<p>The 2014-2015 AEMR link will be fixed within three months of the submission of this audit.</p> <p>The 2015-2016 AEMR will be uploaded within three months of the submission</p>

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		2016 monitoring report (for the month of August 2016) includes summary tables regarding surface water quality, noise, blasting, air quality, and concentrate truck movements. Minor Non-compliance – The most recent AEMR (from 16 May 2015 to 15 May 2016) is not Aurelia's website at the time of this audit in September 2016. The link on Aurelia's website to the previous AEMR (from 16 May 2014 to 15 May 2015) cannot be accessed due to a broken link.	of this audit.
<p>Schedule 5 – Condition 9 – Independent Environmental Audit</p> <p>Within one year of commencement of development on the site under this approval, and every three years thereafter, unless the Secretary directs otherwise, the Proponent shall commission and pay the full cost of an Independent Environmental Audit of the project. The audit must:</p> <p>(a) be conducted by a suitably qualified, experienced and independent team of experts whose appointment has been endorsed by the Secretary;</p> <p>(b) include consultation with the relevant agencies;</p> <p>(c) assess the environmental performance of the project and assess whether it is complying with the requirements in this approval and any relevant EPL or Mining Lease (including any assessment, plan or program required under these approvals);</p> <p>(d) review the adequacy of strategies, plans or programs required under the abovementioned approvals; and</p> <p>(e) recommend appropriate measures or actions to improve the environmental performance of the project, and/ or any assessment, plan [sic] or program required under the abovementioned approvals.</p> <p><i>Note: This audit team must be led by a suitably qualified auditor and include experts in any fields specified by the Secretary.</i></p>	Compliant	<p>The previous Independent Environmental Audit (of July 2013) was commissioned by YTC-Hera within one year of commencement of development on the site under this approval (Project Approval granted 31 July 2012).</p> <p>Hera commissioned this Independent Environmental Audit (the on-site component of which was conducted on 5-9 September 2016), broadly within the required three year timeframe after the previous audit.</p> <p>Hera intends to pay the full cost of the Independent Environmental Audit (auditor proposal dated 24 May 2016).</p> <p>(a) The audit was conducted by a suitably qualified, experienced and independent team of experts (John Hanrahan – Lead Auditor and Adam Jones – Audit Team Member). The auditors' appointment was endorsed by the NSW DPE Secretary in a letter dated 10/5/16.</p> <p>(b) The audit included consultation with the eight relevant agencies including the NSW EPA, NOW, OEH, DRE, DoP, Crown Lands, and Cobar Shire Council and Bogan Shire Councils (via letter dated 9 August 2016).</p> <p>Responses were received from five agencies including NSW EPA, OEH, DRE, Crown Lands and</p>	

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		Cobar Shire Council. (c) The audit assessed the environmental performance of the project with relation to conditions in the approval, the EPL and Mining Lease as listed below. The findings are listed in this document. <ul style="list-style-type: none"> • Project Approval 10_0191 (MOD 3) (Schedules 2, 3, 4 and 5) – 81 Conditions; • Environment Protection Licence No. 20179 (version date 7 August 2015) – 76 Conditions; and • Mining Lease No. 1686 (dated 16th May 2013) – 20 Conditions (the Mining Lease omits some clause numbers). (d) The audit has reviewed the adequacy of strategies, plans and programs required under the abovementioned approvals and the findings and recommendations have been listed in the relevant sections of this audit report. (e) Recommendations of appropriate measures and actions to improve the environmental performance of the project, and/or any assessment, plan or program required under the abovementioned approvals have been listed in this audit report.	
Schedule 5 – Condition 10 – Independent Environmental Audit Within six weeks of the completion of this audit, or as otherwise agreed by the Secretary, the Proponent shall submit a copy of the audit report to the Secretary, together with its response to any recommendations contained in the audit report.	Not Applicable at the time this audit in September 2016	The previous Independent Environmental Audit (of July 2013) was submitted within six weeks of the completion of the audit (audit interview). The DoP confirmed by letter dated 13/10/13 (sighted) that the DoP was satisfied with the report and YTC's (as Aurelia was then known) proposed actions. Hera intends to submit a copy of the audit report to the Secretary, together with its response to any recommendations contained in the audit report within six weeks of the completion of this audit (audit interview). At the time of this audit in September 2016	

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		this condition was not applicable.	
<p>Schedule 5 – Condition 11 – Access to Information</p> <p>Prior to the commencement of construction on the site, the Proponent shall:</p> <p>(a) make copies of the following publicly available on its website:</p> <ul style="list-style-type: none"> (i) the documents referred to in condition 2 of Schedule 2; (ii) all relevant statutory approvals for the project; (iii) all approved strategies, plans and programs required under the conditions of this approval; (iv) a comprehensive summary of the monitoring results of the project, reported in accordance with the specifications in any approved plans or programs required under the conditions of this or any other approval; (v) a complaints register, which is to be updated on a monthly basis; (vi) minutes of CCC meetings; (vii) the annual reviews required under this approval; (viii) any independent environmental audit of the project, and the Proponent's response to the recommendations in any audit; (ix) any other matter required by the Secretary; and <p>(b) keep this information up-to-date, to the satisfaction of the Secretary.</p>	<p>Partial Non-compliance Observation</p>	<p>In relation to paragraphs (a) and (b) of this condition:</p> <ul style="list-style-type: none"> (i) Hera has made the conditions of this approval publicly available on Aurelia's website. The Environmental Assessment (EA) is available on Aurelia's website. These documents are referred to in Schedule 2 Condition 2. This information was up to date at the time of this audit in September 2016. (ii) Hera has made statutory approvals such as the Environment Protection Licence (EPL), this Project Approval (PA), Environmental Assessment (EA) and Mining Lease (ML) publicly available on Aurelia's website. This information was up to date at the time of this audit in September 2016. <p>PA Observation 71 – For completeness Hera should consider making other statutory approvals available on Aurelia's website, including licences issued for the Storage and Handling of Dangerous Goods and Explosives (SafeWork NSW), surface water and bore water licences (NOW) and development consents/approvals (BSC/CSC).</p> <ul style="list-style-type: none"> (iii) All approved strategies, plans and programs required under the conditions of this approval at the time of this audit in September 2016 were publicly available on Aurelia's website. (iv) Summaries of the monitoring results of blasting, surface/ground water quality, air quality, noise, complaints, gold room stack monitoring and concentrate transport are reported in accordance with the specifications in approved plans and programs required under the conditions of this approval are publicly available on Aurelia's website. This information was up to date at the time of this audit in September 2016. 	<p>Required documents will be uploaded to the website.</p> <p>PA Observation 71 – Noted</p>

Project Approval 10_0191 (MOD 3) Schedule 5 – Environmental Management, Reporting and Auditing			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>(v) A complaints register location is publicly available on Aurelia's website. This information was up to date at the time of this audit in September 2016.</p> <p>(vi) Refer to partial non-compliance below.</p> <p>(vii) Annual Reviews are incorporated in the AEMRs, which are publicly available on Aurelia's website. Refer to partial non-compliance below.</p> <p>(viii) The first independent environmental audit of the project, conducted in July 2013, along with Hera's response to the recommendations in that audit, is available on Aurelia's website.</p> <p>(ix) Hera is not aware of any other matter required by the Director-General to be made publicly available on Aurelia's website (audit interview).</p> <p>Partial Non-compliance – In relation to sub-paragraphs (iii), (vi) and (vii) in paragraph (a) of this condition:</p> <p>(iii) The Rehabilitation Management Plan (March 2013, prepared by RW Corkery & Co, Ref no. 659/22) is not publicly available on Aurelia's website. As noted in the comments for Schedule 2 Condition 46 Hera was unable to provide evidence that this plan had received DRE approval.</p> <p>(vi) The minutes of the CCC meetings for 14 February 2013 – 21 September 2015 are publicly available on Aurelia's website. This information was not up to date at the time of this audit (subsequent minutes have not been uploaded).</p> <p>(vii) The Aurelia website link to the AEMR for the period 16 May 2014 to 15 May 2015 is broken. The AEMR for the period 16 May 2015 to 16 May 2016 is not publicly available on Aurelia's website.</p>	

Environment Protection Licence No. 20179 as at 25 July 2016																			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan																
1 Administrative Conditions																			
A1 What the licence authorises and regulates																			
A1.1 This licence authorises the carrying out of the scheduled development work listed below at the premises listed in A2: Construction of an underground gold mine, processing plant, tailings storage facility, and ancillary infrastructure in accordance with Department of Planning project approval 10_0191.	Compliant	Noted.																	
A1.2 This licence authorises the carrying out of the scheduled activities listed below at the premises specified in A2. The activities are listed according to their scheduled activity classification, fee-based activity classification and the scale of the operation. Unless otherwise further restricted by a condition of this licence, the scale at which the activity is carried out must not exceed the maximum scale specified in this condition.	Compliant	Hera's production figures (i.e. dry metric tonnes) are listed below and do not exceed the maximum scale specified in this condition. <table border="1"> <thead> <tr> <th></th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Crushing, grinding or separating</td> <td>0</td> <td>74,298</td> <td>299,921</td> </tr> <tr> <td>Minerals Processing</td> <td>0</td> <td>74,298</td> <td>299,921</td> </tr> <tr> <td>Mining for minerals</td> <td>0</td> <td>114,750</td> <td>277,344</td> </tr> </tbody> </table>		2013	2014	2015	Crushing, grinding or separating	0	74,298	299,921	Minerals Processing	0	74,298	299,921	Mining for minerals	0	114,750	277,344	
	2013	2014	2015																
Crushing, grinding or separating	0	74,298	299,921																
Minerals Processing	0	74,298	299,921																
Mining for minerals	0	114,750	277,344																
<table border="1"> <thead> <tr> <th>Scheduled Activity</th> <th>Fee Based Activity</th> <th>Scale</th> </tr> </thead> <tbody> <tr> <td>Crushing, grinding or separating</td> <td>Crushing, grinding or separating</td> <td>> 100000 - 500000 T annual processing capacity</td> </tr> <tr> <td>Mineral processing</td> <td>Mineral processing</td> <td>> 100000 - 500000 T annual processing capacity</td> </tr> <tr> <td>Mining for minerals</td> <td>Mining for minerals</td> <td>> 100000 - 500000 T annual production capacity</td> </tr> </tbody> </table>	Scheduled Activity	Fee Based Activity	Scale	Crushing, grinding or separating	Crushing, grinding or separating	> 100000 - 500000 T annual processing capacity	Mineral processing	Mineral processing	> 100000 - 500000 T annual processing capacity	Mining for minerals	Mining for minerals	> 100000 - 500000 T annual production capacity							
Scheduled Activity	Fee Based Activity	Scale																	
Crushing, grinding or separating	Crushing, grinding or separating	> 100000 - 500000 T annual processing capacity																	
Mineral processing	Mineral processing	> 100000 - 500000 T annual processing capacity																	
Mining for minerals	Mining for minerals	> 100000 - 500000 T annual production capacity																	

Environment Protection Licence No. 20179 as at 25 July 2016									
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan						
A2 Premises or plant to which this licence applies									
A2.1 The licence applies to the following premises: <table border="1"> <tr><td>Premises Details</td></tr> <tr><td>HERA MINE SITE</td></tr> <tr><td>"THE PEAK" BURTHONG ROAD</td></tr> <tr><td>NYMAGEE</td></tr> <tr><td>NSW 2831</td></tr> <tr><td>LOT 664 DP 761702</td></tr> </table>	Premises Details	HERA MINE SITE	"THE PEAK" BURTHONG ROAD	NYMAGEE	NSW 2831	LOT 664 DP 761702	Compliant	Noted.	
Premises Details									
HERA MINE SITE									
"THE PEAK" BURTHONG ROAD									
NYMAGEE									
NSW 2831									
LOT 664 DP 761702									
A3 Other activities									
A3.1 This licence applies to all other activities carried on at the premises, including: <table border="1"> <tr><td>Ancillary Activity</td></tr> <tr><td>Chemical Storage, Electricity Generation, Sewage Treatment.</td></tr> </table>	Ancillary Activity	Chemical Storage, Electricity Generation, Sewage Treatment.	Compliant	Noted.					
Ancillary Activity									
Chemical Storage, Electricity Generation, Sewage Treatment.									
A4 Information supplied to the EPA									
A4.1 Works and activities must be carried out in accordance with the proposal contained in the licence application, except as expressly provided by a condition of this licence. In this condition the reference to "the licence application" includes a reference to: a) the applications for any licences (including former pollution control approvals) which this licence replaces under the Protection of the	Compliant	It was stated that works and activities are being carried out across the operation in accordance with the conditions of the EPL. In addition to operating under the requirements specified in the EPL, Hera also operates under its Mining Operations Plan (MOP) and Environmental Management Plans.							

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
Environment Operations (Savings and Transitional) Regulation 1998; and b) the licence information form provided by the licensee to the EPA to assist the EPA in connection with the issuing of this licence.			
2 Discharges to Air and Water and Applications to Land			
P1 Location of monitoring/discharge points and areas			
P1.1 The following points referred to in the table below are identified in this licence for the purposes of monitoring and/or the setting of limits for the emission of pollutants to the air from the point. (The "Air" Table is printed in the EPL.)	Compliant	Noted. The points in the EPL are correct locations.	
P1.2 The following utilisation areas referred to in the table below are identified in this licence for the purposes of the monitoring and/or the setting of limits for any application of solids or liquids to the utilisation area. (The "table below" appears to be the Table for condition P1.3.)	Compliant	Noted.	
P1.3 The following points referred to in the table are identified in this licence for the purposes of the monitoring and/or the setting of limits for discharges of pollutants to water from the point. (The "Water and land" Table is printed in the EPL.)	Compliant	Noted.	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
3 Limit Conditions			
L1 Pollution of waters			
L1.1 Except as may be expressly provided in any other condition of this licence, the licensee must comply with section 120 of the Protection of the Environment Operations Act 1997.	Compliant	Relevant Hera personnel were aware that it is an offence under section 120 of the Protection of the Environment Operations Act 1997 to pollute waters, unless the pollution is authorised by a licence or regulation which Hera fully complies with.	
L2 Concentration Limits			
L2.1 For each monitoring/discharge point or utilisation area specified in the table(s) below (by a point number), the concentration of a pollutant discharged at that point, or applied to that area, must not exceed the concentration limits specified for that pollutant in the table. (The “table(s) below” appears to be the Table for condition L2.4.)	Non-compliance	Non-compliance – Since the previous compliance audit in July 2013 three of the four points in the Table for Condition L2.4 have recorded exceedences as follows: <ul style="list-style-type: none"> Point 1 (Discharge to Tailings Storage Facility WQTP3): See comments for Project Approval Schedule 3 Condition 19; Point 2 (Discharge to Process Water Dam WQTP1): See comments for Project Approval Schedule 3 Condition 20; Point 3 (Sediment Basin 1 WQTP5): Exceedences have been recorded, for example, on 20 July 2016 in relation to the presence of various metals including aluminium and manganese (refer to ALS Environmental Work Order ES1616046); Point 4 (Sediment Basin 2 WQTP12): No discharges have been recorded. 	All non-compliances have been reported to the EPA and will continue to be reported. All non-compliances are investigated and solutions implemented as required.
L2.2 Where a pH quality limit is specified in the table, the specified percentage of samples must be within the specified ranges.	Compliant	Noted (interpretation condition).	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
L2.3 To avoid any doubt, this condition does not authorise the pollution of waters by any pollutant other than those specified in the table\	Compliant	Relevant Hera personnel were aware that the operation is not authorised to pollute waters by any pollutant other than those specified in the table\ of EPL Condition L2.2.	
L2.4 Water and/or Land Concentration Limits (The Tables in this condition are printed in the EPL.)	Compliant	Noted (interpretation condition).	
L3 Waste			
L3.1 The licensee must not cause, permit or allow any waste generated outside the premises to be received at the premises for storage, treatment, processing, reprocessing or disposal or any waste generated at the premises to be disposed of at the premises, except as expressly permitted by the licence under the Protection of the Environment Operations Act 1997. This condition only applies to the storage, treatment, processing, reprocessing or disposal of waste at the premises if it requires an environmental protection licence under the Protection of the Environment Operations Act 1997.	Compliant	It was stated no waste generated from outside the premises is received at the premises.	
L4 Noise limits			
L4.1 Noise generated at the premises must not exceed the limits presented in the table below. Locations R1 to R4 in the table below are those described in the Noise and Vibration Assessment, September 2011, prepared by Spectrum Acoustics Pty Ltd for the Hera Project, via Nymagee, Environmental Assessment. NOTE: Noise generated by the project is to be	Compliant	It was stated that no noise exceedences have been recorded since the July 2013 audit. R1 is not monitored. R1 is approximately 1km behind R2 and is further away from the Hera Mine. It was noted that the 'Locations' sentence in condition L4.1 is descriptive.	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
measured in accordance with conditions L4.2 to L4.6. (The Table in this condition is printed in the EPL.)			
L4.2 For the purpose of condition 4.1 <ul style="list-style-type: none"> • Day is defined as the period from 7am to 6pm Monday to Saturday and 8am to 6pm Sundays and Public Holidays. • Evening is defined as the period from 6pm to 10pm. • Night is defined as the period from 10pm to 7am Monday to Saturday and 10pm to 8am Sundays and Public Holidays. • LAeq(15 minute) is defined as the continuous 'A' weighted sound pressure level-the energy average of the noise measured over a 15 minute period; and • LA1(1 minute) is defined as the sound pressure level exceeded for one percent of a 1 minute measurement period. 	Compliant	Noted (interpretation provision).	
L4.3 The noise limits set out in condition L4.1 apply under all meteorological conditions except for any one of the following: <ul style="list-style-type: none"> a) Wind speeds greater than 3 metres/second at 10 metres above ground level; or b) Stability category G conditions and wind speeds greater than 2 metres/second at 10 metres above ground level; 	Compliant	Noted (interpretation provision).	
L4.4 For the purposes of condition L4.3: <ul style="list-style-type: none"> a) The meteorological data to be used for determining meteorological conditions is the data recorded by the on-site meteorological weather 	Compliant Observation	Noted (interpretation provision). EPL Observation 1 – Hera could include an extra column in the noise field data summary spreadsheet to cover paragraph b) of this condition.	EPL Observation 1 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
station at the Hera project site at Nymagee. b) Temperature inversion will be assessed by use of the sigma-theta process as outlined in Appendix E4 of the NSW Industrial Noise Policy (INP).			
L4.5 For the purposes of determining the noise generated at the premises Class 1 or 2 noise monitoring equipment as defined by AS IEC61672.1-2004 and AS IEC61672.2-2004, or other noise monitoring equipment accepted by the EPA in writing, must be used.	Compliant	A Svantek 971 sound level monitor was purchased in late 2015. The Svantek 971 sound level monitor is a Class 1 sound level meter in accordance with IEC 61672-1:2013 (technical specifications sheet on Svantek website).	
L4.6 To determine compliance: a) With the LAeq(15 minute) noise limits in condition L4.1, the noise monitoring equipment must be located: <ul style="list-style-type: none"> • within 30 metres of a dwelling façade but not closer than 3 metres where any dwelling on the property is situated more than 30 metres from the property boundary that is closest to the premises; • approximately on the boundary where any dwelling is situated 30 metres or less from the property boundary that is closest to the premises; • within approximately 50 metres of the boundary of a National Park or a Nature Reserve. b) With the LA1(1 minute) noise limit in Condition L4.1; the noise monitoring equipment [sic] must be located within 1 metre of the dwelling facade. c) The noise monitoring equipment must be located in a position that is: <ul style="list-style-type: none"> • at the most affected point at a location where there is no dwelling at the location; or 	Minor Non-compliance	It was stated that noise monitoring is conducted from the public road as close as possible to the monitoring locations. In relation to paragraph a) of this condition, it was stated: <ul style="list-style-type: none"> • R1 and R2 (on the Harland private property) are set back more than 30 metres from a public road which means the noise monitoring equipment is located more than 30 metres of the dwelling facade; • The R3 location (on the Hay private property) is set back more than 30 metres from a public road which means the noise monitoring equipment is located more than 30 metres of the dwelling facade; • R4 cannot be used because Hera has not been granted access to the Dunne private property. In relation to paragraph b) of this condition, it was stated: <ul style="list-style-type: none"> • R1, R2 and R3 locations are not possible; • No access has been granted for R4. In relation to paragraph c) of this condition, it was	Noise monitoring is conducted as close as possible to the residences while still remaining on public land. Due to the size of the neighbouring properties, it is not possible to conduct the monitoring within 30m of the façade.

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<ul style="list-style-type: none"> at the most affected point within an area at a location prescribed by conditions L4.6(a) or L4.6(b). 		stated the first dot point does not apply, and that there is a non-compliance in relation to the second dot point. Minor Non-compliance – Noise monitoring is being conducted closer to the Hera Mine (the noise source) than the R1, R2, R3 and R4 locations.	
L4.7 A breach of this Environment Protection Licence will still occur where noise generated from the premises in excess of the appropriate limit specified in the condition L4.1 is detected: <ul style="list-style-type: none"> at a location other than an area prescribed by Conditions L4.6(a) or L4.6(b); and/or at a point other than the most affected point at a location. 	Compliant	It was stated that no noise exceedences have been recorded since the July 2013 audit.	
L4.8 For the purposes of determining the noise generated at the premises the modification factors in Section 4 of the NSW Industrial Noise Policy must be applied, as appropriate, to the noise levels measured by the noise monitoring equipment.	Potential Non-compliance Observation	At the time of this audit in September 2016 Hera provided an Excel spreadsheet (Monthly Noise Monitoring) with tabs from July 2013 to August 2016. Potential Non-compliance – The modification factors in Section 4 of the NSW Industrial Noise Policy may not have been applied to data in the Monthly Noise Monitoring spreadsheet since March 2014. The only entries in the spreadsheet which show evidence of the application of the modification factors are: <ul style="list-style-type: none"> the November 2013 V.1 tab contains a duration adjustment (see Table 4.2 in the Industrial Noise Policy) to noise readings at Locations R3 and R4 (cells E30, E31, F30, F31); the February 2014 tab contains a duration adjustment to a day noise reading at Location R3 (cells G35, G36); the March 2014 tab in the spreadsheet contains a duration adjustment to a night noise reading at 	EMM have since been contracted by Hera to review and update the calculation tool and conduct independent noise monitoring. Reports attached. EPL Observation 2 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		Locations R1 and R2 (cells E35, E36). EPL Observation 2 – Hera could consider including written instructions in the Monthly Noise Monitoring spreadsheet regarding the application of the modification factors to the noise monitoring data.	
L5 Blasting			
Note: Blasting condition L5.1 applies to all receiver locations. L5.1 Blasting overpressure and ground vibration. The proponent must ensure that the blasting on site does not cause exceedances of the criteria in the following table; (The Table in this condition and the Note to that Table are printed in the EPL.)	Compliant Observation	These findings and comments are the same as for Schedule 3 Condition 4 of the Project Approval. Blasting data is kept on an Excel spreadsheet. It was stated that no exceedances of the criteria in Table 3 of this condition have been recorded. The spreadsheet records blasting data from 1 March 2014. It was stated that blasting data is received twice daily (at 7pm and 12pm). Typical blast times are 6:30am and 6:30pm (during change of shift). EPL Observation 3 – The blasting data in the Excel spreadsheet is inconsistently presented. Hera is encouraged to develop a consistent document template for blasting data and include a means of readily identifying any recorded exceedances.	EPL Observation 3 – Noted
L5.2 For the purpose of Condition L5.1: <ul style="list-style-type: none"> Day is defined as the period from 7am to 6pm Monday to Saturday and 8am to 6pm Sundays and Public Holidays; Evening is defined as the period from 6pm to 10pm; and Night is defined as the period from 10pm to 7am Monday to Saturday and 10pm to 8am Sundays and Public Holidays. 	Compliant	Noted (equivalent definitions are in the Project Approval).	


Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>L5.3 Surface Blasting operations at the premises may only take place between 9:00am-5:00pm Monday to Saturday. Surface blasting is not permitted on Sundays or Public Holidays.</p> <p>Surface Blasting outside the hours specified can only take place with the written approval of the Environment Protection Authority.</p> <p>Underground Blasting may be undertaken at any time subject to Condition L5.1.</p>	Compliant	<p>This finding and comments are the same as for Schedule 3 Conditions 5 and 6 of the Project Approval.</p> <p>It was stated that above ground blasting ceased on 25 January 2013.</p> <p>Hera's Environmental Officer advised a daily production report which includes underground charging and firing information, is sent by PYBAR by email to him each morning (about 8:30-9am) and is communicated on the Aurelia website. A sample report of 4 September 2016 was viewed. The daily report records firing times.</p> <p>On 2 August 2016 Spectrum Acoustics provided Hera with an assessment (2 pages) of blast monitoring vibration levels at the Hera Project (from February to May 2016) with the stated objective being to provide Hera with "a predictive tool for blast vibration levels from the site as a function of distance and charge weight (MIC) for use in planning future blasts to ensure compliance with the blasting criteria is maintained".</p>	
<p>L5.4 A breach of the licence will still occur where airblast overpressure or ground vibration levels from the blasting operations at the premises exceeds the limit specified in Condition L5.1 at any "noise sensitive locations" other than the locations identified in the above conditions.</p>	Compliant	<p>A "noise-sensitive location" is defined on page 24 of the NSW Industrial Noise Policy as "residential premises, schools, hospitals, places of worship, parks and wilderness areas".</p> <p>It was stated that there are no noise-sensitive places in the vicinity of the Hera Project other than the residential premises at locations R1, R2, R3 and R4.</p>	
<p>L5.5 The Proponent may exceed the limits in Condition L5.1 if it has a written negotiated blasting agreement with any landowner for higher blasting overpressure and vibration limits, and a copy of the agreement has been forwarded to the EPA.</p>	Compliant	<p>It was stated there are no written negotiated blasting agreements in place with any landowner.</p>	
<p>L5.6 Airblast overpressure or ground vibration as a result of blasting at the premises must not exceed levels</p>	Compliant	<p>It was stated by Hera's Environmental Officer that AS2187.2 - 2006: Explosives – Storage, Transport and</p>	


Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
that cause cosmetic or other damage, and in relation to Condition L5.5 only if specifically allowed for in the written agreement between the proponent and the landholder.		Use specifies a threshold of 50mm/s as causing cosmetic damage. EPL Condition L5.1 limits are complied with and those limits are much lower than this AS2187.1 threshold.	
L6 Potentially offensive odour			
L6.1 The licensee must not cause or permit the emission of offensive odour beyond the boundary of the premises. Note: Section 120 [sic] of the Protection of the Environment Operations Act 1997, provides that the licensee must not cause or permit the emission of any offensive odour from the premises but provides a defence if the emission is identified in the relevant environment protection licence as a potentially offensive odour and the odour was emitted in accordance with the conditions of a licence directed at minimising odour. No condition of this licence identifies a potentially offensive odour for the purposes of Section 120 [sic] of the Protection of the Environment Operations Act 1997.	Compliant	This finding and comments (except the Auditor's Note below) are the same as for Schedule 3 Condition 10 of the Project Approval. Potential sources of offensive odours from the site include chemical tanks and in ground sewage facilities. It was stated that no activities conducted on site are likely to cause offensive odours to be emitted from the site. Auditor's Note: The references in the note to this condition to section 120 of the POEO Act are incorrect (the correct reference is section 129).	
4 Operating Conditions			
O1 Activities must be carried out in a competent manner			
O1.1 Licensed activities must be carried out in a competent manner. This includes: a) the processing, handling, movement and storage of materials and substances used to carry out the activity; and	Minor Non-compliance (historical) Observation Observation	A computerised training matrix is maintained for all Hera personnel who work on site. A range of online induction programs (visitor, full, mill, underground – external provider) is used for all Hera contractors (including JR Richards) who come on site. It was stated that Hera's Environmental Officer conducts weekly environment inspections on selected	No similar incidents have occurred since. EPL Observation 4 – Noted EPL Observation 5 – Noted



Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
b) the treatment, storage, processing, reprocessing, transport and disposal of waste generated by the activity.		<p>sites in rotation with area managers to identify hazards and raise awareness of managers on environmental issues. Evidence of site inspections for 2 June 2016 (PYBAR workshop), 28 December 2015 and 8 January 2015 was sighted.</p> <p>Also refer to comments for Schedule 2 Condition 11 of the Project Approval.</p> <p>Minor non-compliance (historical) – A cyanide spillage incident in September 2014 (Incident Report 000379 of 27 September 2014 relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) resulted in a clean-up notice from the EPA (health and safety).</p> <p>EPL Observation 4 – It was stated that incidents and hazards are reported on MyOsh and in the Environmental Officer's laptop computer. Not all incidents recorded in the Environmental Officer's computer (which is on Aurelia's O drive) are recorded in MyOsh. Hera could consider whether MyOsh environment incidents could be cross-referenced to the relevant file in the Aurelia O drive environment folders.</p> <p>EPL Observation 5 – A Hera laboratory staff member attends each concentrate loading to collect a concentrate sample. Hera should undertake a risk assessment of all persons including laboratory staff members, working in the vicinity of heavy machinery (front end loader) in the concentrate storage shed during loading of concentrate. It may be possible to use alternative means of collecting samples (e.g. spear trucks once loaded) that would eliminate the need for a person to be in a hazardous environment.</p>	
O2 Maintenance of plant and equipment			
O2.1 All plant and equipment installed at the premises or	Minor Non-compliance	Refer to comments for Schedule 2 Condition 11 of the	No similar incidents have occurred


Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
used in connection with the licensed activity: a) must be maintained in a proper and efficient condition; and b) must be operated in a proper and efficient manner.	(historical)	Project Approval. Minor Non-compliance (historical) – A cyanide spillage incident in September 2014 (Incident Report 000379 of 27 September 2014 relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) resulted in a clean-up notice from the EPA (health and safety).	since.
O3 Dust			
O3.1 Activities occurring at the premises must be carried out in a manner that will minimise emissions of dust from the premises. All dust control equipment must be operable at all times with the exception of shutdowns required for maintenance. Trucks entering and leaving the premises that are carrying loads must be covered at all times, except during loading and unloading.	Compliant Observation Observation Observation	In relation to the first two paragraphs of this condition, refer to the comments for Condition 11 of Schedule 2 and Condition 12 in Schedule 3 of the Project Approval. In relation to the third paragraph of this condition, it was stated that loads are covered (shipping container lids are removed and replaced as part of unloading and loading process). Loading and unloading is responsibility of the contracted service provider, KPC Bulk. It was stated that no incidents have been reported during the audit period (July 2013 to September 2016) in relation to dust during loading and unloading. EPL Observation 6 – A surveillance camera could be installed in the concentrate loading and unloading area to monitor compliance procedures. EPL Observation 7 – KPC Bulk's Heavy Vehicle & Equipment Operating Procedure (KPC-PRO-05) contains dust control measures (sections 3.8 and 3.12.7) but does not specify that loads must be covered at all times except during loading and unloading. Hera could work with KPC to revise KPC's Operating Procedure in this regard. EPL Observation 8 – There are differences between KPC's Heavy Vehicle & Equipment Operating Procedure and Hera's Drivers' Code of Conduct	EPL Observation 6 – Noted EPL Observation 7 – Noted EPL Observation 8 – Noted EPL Observation 9 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		(version 1.1 dated 30 June 2015). For example, KPC's Operating Procedure specifies a 90km/h speed limit on sealed roads whereas Hera's Drivers' Code of Conduct provides for the standard open road speed limits of 100km/h or 110km/h. KPC's Operating Procedure contains specific dust control measures whereas Hera's Drivers' Code of Conduct does not contain specific dust control measures. Hera and KPC could work towards standardising these documents in relation to dust control measures (including the covering of loads) and other measures. EPL Observation 9 – A Hera laboratory staff member attends each concentrate loading to collect a concentrate sample. The laboratory staff member could also be trained to recognise and report on excessive dust generation/loss of material.	
O4 Other operating conditions			
O4.1 Bunding Requirements All above ground storage facilities containing flammable and combustible liquids must be bunded in accordance with Australian Standard AS 1940-2004. Sodium Cyanide and other Toxic Chemicals must be stored in accordance with the requirements [sic] of AS/NZS 4452 – The Storage and Handling of Toxic Substances.	Non-compliance Observation	<u>Flammable and combustible liquids:</u> Two double walled self bunded above ground storage facilities containing combustible liquids (diesel) are located on site. Refuelling of Hera owned mobile equipment is completed at one of the self bunded above ground storage facilities (Photo 12) and the mining contractor's (PYBAR's) at the other (Photo 13). These facilities are self-bunded in accordance with Australian Standard AS 1940-2004. EPL Observation 10 – As committed to in the EA (section 2.11.3.4 Hydrocarbons), Hera should ensure all potential spills from the fuel dispensing area are contained (similar to PYBAR's) within a sealed refuelling area located adjacent to the fuel tanks with all drainage directed to an oil/water separator. The floor of a refuelling area should be constructed of concrete and sloped so that any spillage will flow into a concrete	Contract a consultant to verify that the Cyanide bund has been constructed to AS4452. Build a bund to stop runoff from the concentrate storage shed. EPL Observation 10 – Noted EPL Observation 11 – Noted


Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>drain then into a sump within the refuelling area.</p> <p>EPL Observation 11 – Section 5.6 of the Hazardous Materials Management Plan refers to the incorrect Australian Standard. The reference should be changed to refer to Australian Standard AS 1940-2004.</p>  <p>Photo 12 Hera's self bunded diesel storage tank</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 13 PYBAR's self bunded diesel storage tank</p> <p><u>Sodium Cyanide:</u></p> <p>Conceptual design of the cyanide plant slab and bunding (Photo 14 and Photo 15) to suit the tank dimensions was completed by Orica and supplied to Hera. The design (drawing no: AUHE-GE01-FS001, sighted) included bund capacity and truck pad design as per AS4452:1997. Detailed design and erection of the slab was the responsibility of Hera. Refer to non-compliance below.</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 14 Sodium cyanide sparge facility</p>  <p>Photo 15 Sodium cyanide banded unloading area</p> <p><u>Lead nitrate:</u> Lead nitrate is classified as a toxic chemical and</p>	


Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>therefore is subject to this condition. The lead nitrate is mixed in a tank located within a concrete bunded area with a concrete floor. The storage tanks as well as associated transfer pumps are located within the same compound. In the auditor's opinion, the bunding of the facility appeared to be compliant (Photo 16).</p>  <p>Photo 16 Lead nitrate mixing and storage tank bunding</p> <p>Non-compliance – At the time of this audit in September 2016 Hera was non-compliant with this condition in the following respects:</p> <ol style="list-style-type: none"> <u>Sodium Cyanide:</u> Hera could not verify that the cyanide plant bunding had been built to the AS4452:1997 as per the design. Hera should ensure sign off documentation is attained for the cyanide facility to verify that the facility has been built as per design. <u>Lead Zinc Concentrate Loading Area:</u> No bunding was observed in the (uncovered) concentrate loading area to ensure any concentrate spillage 	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		was returned via a sump to the process or to prevent any concentrate runoff to the surrounding environment.	
O4.2 Stormwater/Sediment Control- Construction Phase A stormwater management scheme must be prepared for all aspects of the construction phase of the development and must be implemented. Implementation of the scheme must mitigate the impacts of stormwater runoff from and within the premises during construction. The scheme should be consistent with the Stormwater Management Plan for the catchment. Where a Stormwater Management Plan has not yet been prepared the scheme should be consistent with the guidance contained in Managing Urban Stormwater: Council Handbook (available from the EPA).	Compliant	Historical condition – relates to construction phase.	
O4.3 Stormwater/Sediment Control- Operational Phase A stormwater management scheme must be prepared for the development and must be implemented. Implementation of the scheme must mitigate the impacts of stormwater runoff from and within the premises following the completion of construction activities. The scheme should be consistent with the Stormwater Management Plan for the catchment. Where a Stormwater Management Plan has not yet been prepared the scheme should be consistent with the guidance contained in Managing Urban Stormwater: Council Handbook (available from the EPA).	Compliant	Clean water diversion and sediment basins were observed to be in good condition. Rock gabions are used in some drains as needed.	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 17 "Dirty water" flowing to sediment basin</p>	
5 Monitoring and Recording Conditions			
M1 Monitoring records			
M1.1 The results of any monitoring required to be conducted by this licence or a load calculation protocol must be recorded and retained as set out in this condition.	Compliant	Refer to comments for Conditions M1.2 and M1.3.	
M1.2 All records required to be kept by this licence must be: a) in a legible form, or in a form that can readily be reduced to a legible form; b) kept for at least 4 years after the monitoring or event to which they relate took place; and c) produced in a legible form to any authorised	Compliant Observation	Hera's Environmental Officer stated that Hera has produced noise and blast monitoring results to the EPA in response to EPA requests. An email of 16 April 2015 from Hera to the EPA with attached noise and blast monitoring results in response to the EPA's request was sighted. Hera's compliance with the record keeping requirement in paragraph b) of this condition was sampled by	EPL Observation 12 – Noted


Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
officer of the EPA who asks to see them.		reviewing groundwater monitoring data collected in 2012 (kept in an Excel spreadsheet). EPL Observation 12 – As a data integrity measure, Hera could ensure all monitoring records are contained in 'read only' files to prevent accidental deletion/overwriting or manipulation of data.	
M1.3 The following records must be kept in respect of any samples required to be collected for the purposes of this licence: a) the date(s) on which the sample was taken; b) the time(s) at which the sample was collected; c) the point at which the sample was taken; and d) the name of the person who collected the sample.	Compliant	A Monthly Surface Water Monitoring Form (YTC-H-ENV-FOR-177) for 8 March 2016 was sighted. On this sample form it was noted 'PROBE BROKEN'; so no results are recorded on the form. However, the sample form complied with the requirements of this condition. Lab sampling records of water processing and TSF discharges complied with the requirements of this condition. Truck concentrate sampling records of 5 September 2016 and 6 September 2016 were sighted. These records complied with the requirements of this condition.	
M2 Requirement to monitor concentration of pollutants discharged			
M2.1 For each monitoring/discharge point or utilisation area specified below (by a point number), the licensee must monitor (by sampling and obtaining results by analysis) the concentration of each pollutant specified in Column 1. The licensee must use the sampling method, units of measure, and sample at the frequency, specified opposite in the other columns:	Minor Non-compliance Observation	This condition specifies two points: <ul style="list-style-type: none"> Point 24 (Air Monitoring – Gold Room Stack, EPA doc reference DOC12/49997) for the pollutant, Nitric Oxide, and Point 39 (Air Monitoring – New Gold Room Stack, EPA doc reference DOC16/186022) for the pollutant, Nitric Oxide. Point 24 was sampled by Ektimo on 13 November 2014 and 20 January 2016. Ektimo (EML Air) is accredited by the National Association of Testing Authorities (NATA) for the sampling and analysis of air pollutants from industrial	Sampling of Point 24 and Point 39 occurs once every reporting period which is equivalent to yearly. EPL Observation 13 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>sources (Accreditation number 2732).</p> <p>Section 4 of Ektimo's Report R000182 of 19 December 2014 and section 5 of Ektimo's Report R002251 of 9 March 2016 confirms that sampling method NSW TM-11 was used.</p> <p>It was stated that sampling at point 39 will be conducted within the required yearly timeframe. At the time of this audit in September 2016, point 39 had been operating for less than one year.</p> <p>Minor Non-compliance – The interval between testing at point 24 (13 November 2014 and 20 January 2016) exceeded the yearly frequency required under this condition and EPL Condition M2.2.</p> <p>EPL Observation 13 – There are some discrepancies of terminology in relation to 'nitric oxide' within the Ektimo Reports, The Results sections in the Ektimo Reports of 19 December 2014 and 9 March 2016 present concentrations and mass rates of nitrogen oxides (as NO₂), The Test Methods section in the Ektimo Reports refer to nitrogen oxides (NO_x). The Results Summary in the Ektimo Report of 9 March 2016 refers (in the Results Summary) to "Nitrogen oxides (NO₂) or nitric oxide (NO) or both, as NO₂ equivalent". Hera should confirm the content of these Ektimo Reports is consistent with the 'nitric oxide' pollutant monitoring requirement of this condition and EPL Condition M2.2.</p>	
M2.2 Air Monitoring Requirements (The Table in this condition is printed in the EPL.)	Minor Non-compliance	Minor Non-compliance – The interval between testing at point 24 (13 November 2014 and 20 January 2016) exceeded the yearly frequency required under this condition and EPL Condition M2.1.	Sampling of Point 24 and Point 39 occurs once every reporting period which is equivalent to yearly.
M2.3 Water and/ or Land Monitoring Requirements (The Table in this condition is printed in the EPL.)	Partial non-compliance	It was stated (audit interview) that Points 34, 35, 36, 37 and 38 (the monitoring bores around the TSF) have never had water in them and have not been sampled up	The sample is now taken from the discharge point.

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
	<p>Observation</p> <p>Observation</p> <p>Observation</p>	<p>to the time of this audit in September 2016.</p> <p>Hera has engaged ALS Environmental, Sydney (NATA Accredited Laboratory 825) to analyse water samples. An ALS Environmental Certificate of Analysis (CoA) for Work Order ES1616046 (issued on 28 July 2016) for Sediment Basin 1 (WQTP5, known as Point 3 in the Table for this condition) sampled on 20 July 2016 was reviewed. Apart from not recording pH (which is required to be sampled in situ) the ALS CoA met the requirements in the Table for this condition.</p> <p>Partial non-compliance – At the time of this audit in September 2016 the WAD sample for Point 2 (discharge to Process Water Dam (WQTP1)) has been incorrectly sampled from the PWD instead of the discharge point to the PWD (Photo 18).</p>  <p>Photo 18 EPL Point 2 (WQTP1): discharge to PWD</p> <p>It was stated that water analysis results from ALS Environmental are entered in the Enviro database by Aurelia.</p>	<p>EPL Observation 14 – Noted</p> <p>EPL Observation 15 – Noted</p> <p>EPL Observation 16 – Noted</p>

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>In relation to Point 28 (Groundwater Monitoring Bore HWB016 located downstream of the TSF), sampling records (ALS Environmental and a field data sheet) for 7 January 2016 were sighted. Point 28 was sampled again on 16 April 2016.</p> <p>EPL Observation 14 – Hera could revise its sampling field sheet to insert a space to record the sampling method (e.g. grab sample) in writing on the field sheet.</p> <p>EPL Observation 15 – Hera could introduce a system of entering sampling requirements as Work Orders which send reminder emails to the Environmental Officer.</p> <p>EPL Observation 16 – In relation to Point 3 (Sediment Basin 1), at the time of this audit in September 2016 there is no formal procedure for notifying discharges to Hera's Environmental Officer. For example, Hera could consider adding a trip meter to Sediment Basin 1 which records a discharge and downloads information or sends an SMS to the Environmental Officer.</p>	
M2.4 For the purposes of the table above: Special Frequency 1= During Discharge	Compliant	This condition was noted by Hera's Environmental Officer.	
M3 Testing methods – concentration limits			
M3.1 Monitoring for the concentration of a pollutant emitted to the air required to be conducted by this licence must be done in accordance with: a) any methodology which is required by or under the Act to be used for the testing of the concentration of the pollutant; or b) if no such requirement is imposed by or under the Act, any methodology which a condition of this licence requires to be used for that testing; or	Compliant	<p>Section 4 of Ektimo's Report R000182 of 19 December 2014 and section 5 of Ektimo's Report R002251 of 9 March 2016 confirms that sampling method NSW TM-11 was used for the sampling of nitrogen oxides (NO_x).</p> <p>In the Executive Summary of Ektimo Report R002251 it is noted: "The sampling methodologies chosen by Ektimo are those recommended by the NSW Office of Environment and Heritage (as specified in the Approved Methods for the Sampling and Analysis of Air</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>c) if no such requirement is imposed by or under the Act or by a condition of this licence, any methodology approved in writing by the EPA for the purposes of that testing prior to the testing taking place.</p> <p>Note: The Protection of the Environment Operations (Clean Air) Regulation 2010 requires testing for certain purposes to be conducted in accordance with test methods contained in the publication "Approved Methods for the Sampling and Analysis of Air Pollutants in NSW".</p>		Pollutants in New South Wales, January 2007)."	
<p>M3.2 Subject to any express provision to the contrary in this licence, monitoring for the concentration of a pollutant discharged to waters or applied to a utilisation area must be done in accordance with the Approved Methods Publication unless another method has been approved by the EPA in writing before any tests are conducted.</p>	Compliant	Hera's Environmental Officer is aware of and familiar with the Approved Methods.	
M4 Weather monitoring			
<p>M4.1 The meteorological weather station must be maintained so as to be capable of continuously monitoring the parameters specified in the condition below.</p>	Compliant	<p>It was stated that the calibration of the onsite meteorological weather station (Photo 19) is undertaken every 12 months with the last calibration in March 2016 (Envirodata Field Service Report dated 11/03/2016 sighted).</p> <p>Rain gauge operation is checked by Hera's Environmental Officer after each rainfall event and data is downloaded monthly. The rain gauge is occasionally cleaned out using a pipe cleaner.</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 19 Onsite meteorological weather station</p>	
<p>M4.2 For each monitoring point specified in the table below the licensee must monitor (by sampling and obtaining results by analysis) the parameters specified in Column 1. The licensee must use the sampling method, units of measure, averaging period and sample at the frequency, specified opposite in the other columns.</p> <p>(The Table in this condition is printed in the EPL.)</p>	Compliant Observation	<p>The parameters specified in Column 1 are continuously measured and raw data is collected and stored in third party software (Envirodata EasiAccess). Records were sighted that verified records have been kept continuously from 17/1/13 – 29/10/15 and 1/10/15-3/09/16 using the sampling method, units of measure, averaging period and frequency (10 minute intervals) to be compliant with this condition.</p> <p>EPL Observation 17 – Hera should ensure the calibration certificate includes the sampling method as per this condition.</p>	EPL Observation 17 – Noted
M5 Recording of pollution complaints			
M5.1 The licensee must keep a legible record of all	Compliant	Complaints received by Hera in relation to pollution	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
complaints made to the licensee or any employee or agent of the licensee in relation to pollution arising from any activity to which this licence applies.		arising from any activity to which this licence applies, are recorded in a complaints register maintained by Hera in an Excel spreadsheet (sighted). The complaints register is maintained by Hera's Environmental Officer.	
M5.2 The record must include details of the following: a) the date and time of the complaint; b) the method by which the complaint was made; c) any personal details of the complainant which were provided by the complainant or, if no such details were provided, a note to that effect; d) the nature of the complaint; e) the action taken by the licensee in relation to the complaint, including any follow-up contact with the complainant; and f) if no action was taken by the licensee, the reasons why no action was taken.	Compliant Observation	Complaints received by Hera are recorded in an electronic (Excel spreadsheet) complaints register maintained by Hera (sighted). a) The register includes the date and time of the complaint. b) The method by which the complaint was made is recorded e.g. email, telephone, in person. c) The personal details of the complainant such as full name, address and phone number are recorded if provided by the complainant. d) The nature of the complaint is recorded. e) A "Corrective Action" column records the action taken by the licensee in relation to the complaint. Additional columns record the name and position of the person responsible for the corrective actions as well as the date of the corrective action. Follow-up contact is recorded in the "comments" column. f) All complaints sighted (except the test call made as part of the July 2013 compliance audit) have required corrective actions. EPL Observation 18 – Hera should add another column in the Complaints Register that states "If no action taken, state reason why" in order to reduce any uncertainty as to why no action was taken. Columns could also be added for follow-up contact as described in paragraph e) of this condition rather than recording this information in the comments column.	EPL Observation 18 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
M5.3 The record of a complaint must be kept for at least 4 years after the complaint was made.	Compliant	<p>Hera maintains its Complaints Register in electronic format. This register is backed up on the site server and is able to be recalled as required.</p> <p>Hera has kept records of complaints for at least 4 years after the complaint was made. The earliest complaint recorded in the complaints register was dated 21 May 2012 (sighted). A paper record of a complaint received dated 10/3/12 was viewed.</p>	
M5.4 The record must be produced to any authorised officer of the EPA who asks to see them.	Compliant	<p>Hera's Environmental Officer is aware the record must be produced to any authorised officer of the EPA who asks to see them. Hera maintains its Complaints Register in electronic format. This register is backed up on the site server and is able to be recalled as required (e.g. by any authorised EPA officer).</p> <p>It was stated that no request has been received from the EPA under this condition during the current Environmental Officer's tenure (since December 2014).</p>	
M6 Telephone complaints line			
M6.1 The licensee must operate during its operating hours a telephone complaints line for the purpose of receiving any complaints from members of the public in relation to activities conducted at the premises or by the vehicle or mobile plant, unless otherwise specified in the licence.	Compliant	Hera operates a 24 hr telephone complaints line (via a recorded message) for the purpose of receiving any complaints from members of the public. The messages are checked Monday to Friday during business hours at the head office in Orange. The complaints phone number is recorded on the Aurelia website.	
M6.2 The licensee must notify the public of the complaints line telephone number and the fact that it is a complaints line so that the impacted community knows how to make a complaint.	Compliant Observation	Hera notifies the public of the complaints line telephone number and the fact that it is a complaints line on the Aurelia website (refer to the Projects & Developments / Hera-Nymagee / Community / Complaints Register page, which states "For complaints please email complaints@aureliametals.com or phone: 1300 016 240").	EPL Observation 19 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>The complaints line details have also been listed prominently on the front page of the community newsletters entitled "Project Update" (two newsletters sighted on the Aurelia website, dated March 2015 and July 2015). It was stated these are distributed to the Nymagee Pub and community representatives.</p> <p>The Lead Auditor also verified that the complaints number can be found in a Google search on the web.</p> <p>EPL Observation 19 – Hera could consider listing the complaints contact details (email and telephone number) under the "Contact Us" link on the Aurelia website to make it easier for the public to find these details.</p>	
M6.3 The preceding two conditions do not apply until three months after the date of the issue of this licence.	Compliant	This condition was noted by Hera's Environmental Officer.	
6 Reporting Conditions			
R1 Annual return documents			
R1.1 The licensee must complete and supply to the EPA an Annual Return in the approved form comprising: <ol style="list-style-type: none"> 1. a Statement of Compliance, 2. a Monitoring and Complaints Summary, 3. a Statement of Compliance – Licence Conditions, 4. a Statement of Compliance – Load based Fee, 5. a Statement of Compliance – Requirement to Prepare Pollution Incident Response Management Plan, 6. a Statement of Compliance – Requirement to 	Compliant Observation	<p>Hera was able to demonstrate that it has completed and supplied its Annual Return for each year of operations (most recently for the year from 18 March 2015 to 17 March 2016).</p> <p>The auditors sighted the 2013-2014 (the first Annual Return for the operation), 2014-2015 and 2015-2016 Annual Returns.</p> <p>The Annual Returns were observed to be completed on the designated reporting form provided by the EPA.</p> <p>In Section H of the 2015-2016 Annual Return, Hera has reported the following Environmental Improvement Works:</p>	EPL Observation 20 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>Publish Pollution Monitoring Data; and</p> <p>7. a Statement of Compliance – Environmental Management Systems and Practices.</p> <p>At the end of each reporting period, the EPA will provide to the licensee a copy of the form that must be completed and returned to the EPA.</p>		<p>(a) installation of a clarification thickener to treat mine dewatering for process use, which will offset groundwater requirements; and</p> <p>(b) installation of an upgraded ventilation system for fume extraction from the gold room, which will provide a cleaner exhaust gas stream with significantly lower particulates and also provide lower gas concentration due to increased volumetric flow.</p> <p>EPL Observation 20 – Hera could modify future Annual Returns to ensure all analytes are reported in the correct units (especially Electrical Conductivity). For example, in the Monitoring and Complaints Summary, Electrical Conductivity has incorrectly stated units of measurement.</p>	
<p>R1.2 An Annual Return must be prepared in respect of each reporting period, except as provided below.</p> <p>Note: The term “reporting period” is defined in the dictionary at the end of this licence. Do not complete the Annual Return until after the end of the reporting period.</p>	Compliant	<p>There has been no deviation in the reporting period (18 March to the next 17 March) since commencement of the EPL.</p>	
<p>R1.3 Where this licence is transferred from the licensee to a new licensee:</p> <p>a) the transferring licensee must prepare an Annual Return for the period commencing on the first day of the reporting period and ending on the date the application for the transfer of the licence to the new licensee is granted; and</p> <p>b) the new licensee must prepare an Annual Return for the period commencing on the date the application for the transfer of the licence is granted and ending on the last day of the reporting period.</p> <p>Note: An application to transfer a licence must be</p>	Not Applicable at the time of this audit in September 2016	<p>This condition is not applicable until a transfer of the EPL occurs.</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
made in the approved form for this purpose.			
R1.4 Where this licence is surrendered by the licensee or revoked by the EPA or Minister, the licensee must prepare an Annual Return in respect of the period commencing on the first day of the reporting period and ending on: a) in relation to the surrender of a licence – the date when notice in writing of approval of the surrender is given; or b) in relation to the revocation of the licence – the date from which notice revoking the licence operates.	Not Applicable at the time of this audit in September 2016	This condition is not applicable until a surrender or revocation of the EPL occurs.	
R1.5 The Annual Return for the reporting period must be supplied to the EPA via eConnect EPA or by registered post not later than 60 days after the end of each reporting period or in the case of a transferring licence not later than 60 days after the date the transfer was granted (the 'due date').	Minor non-compliance Observation	Minor Non-compliance – Hera was unable to produce eConnect EPA or registered post receipts for the submission of signed original copies of the Annual Return, supplied to the EPA for any of the reporting periods. EPL Observation 21 – Hera should consider establishing a Correspondence Register (outgoing and incoming) to record any official correspondence with regulators such as the EPA, to enable to consistently and accurately record the document that was sent or received including the required method of delivery.	Future Annual Returns will be submitted by eConnect EPA or registered post slips recorded.
R1.6 The licensee must retain a copy of the Annual Return supplied to the EPA for a period of at least 4 years after the Annual Return was due to be supplied to the EPA.	Compliant	Electronic versions of the Annual Return have been maintained by Hera since 2013. These copies are held electronically on the central server as well as on the Aurelia website. The earliest Annual Return was for the period 18 March 2013 to 17 March 2014.	
R1.7 Within the Annual Return, the Statements of Compliance must be certified and the Monitoring and Complaints Summary must be signed by:	Compliant	The copies of the Annual Returns sighted by the auditors (2013-2014, 2014-2015 and 2015-16) were signed/certified by the licence holder (i.e. the Managing Director and Chief Financial Officer/Company	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
a) the licence holder; or b) by a person approved in writing by the EPA to sign on behalf of the licence holder.		Secretary).	
R2 Notification of environmental harm			
R2.1 Notifications must be made by telephoning the Environment Line service on 131 555. Note: The licensee or its employees must notify all relevant authorities of incidents causing or threatening material harm to the environment immediately after the person becomes aware of the incident in accordance with the requirements of Part 5.7 of the Act.	Minor non-compliance (historical) Observation	Hera's Environmental Officer was not aware until November 2015 that Hera must report any required notifications by telephoning the Environment Line service on 131 555. Until November 2015, Hera had notified the EPA by email and/or telephone call to the EPA's Dubbo office. Hera telephoned the Environment Line service on 11 November 2015 (on email request by EPA in response to written notification by Hera on 10 November 2015) and again on 1 August 2016 (regarding discharge from sediment basin). The notification email from EPA was sighted. Minor non-compliance (historical) – At the time of this audit in September 2016, no evidence was available of any earlier notifications to the Environment Line service. EPL Observation 22 – Hera could consider including an additional field in the MyOsh form (in external reportable section) advising of the requirement to call the EPA's Environment Line service. This may assist Hera employees to comply with this condition.	Current and future non-compliances are lodged with the Environment Line. EPL Observation 22 – Noted
R2.2 The licensee must provide written details of the notification to the EPA within 7 days of the date on which the incident occurred.	Minor Non-compliance Observation	Seven environmental incident reports that Hera submitted to the EPA during this audit period (July 2013 to September 2016) were sighted. 1. Cyanide spill: This incident occurred on 27/09/14 and was notified by email to the EPA on 28/09/14. 2. PWD WAD exceedance: This incident occurred on	Current and future non-compliances are lodged with the Environment Line. EPL Observation 23 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		<p>04/05/15 and was notified by email to the EPA on 11/05/15.</p> <p>3. TSF WAD exceedance: This incident occurred on 21/06/15 and was notified by email to the EPA on 24/06/15.</p> <p>Minor non-compliance – It was stated that Hera makes every effort to provide written details of notifications to the EPA as soon as practicable but lag times in receiving sample results makes compliance with the '7 days' timeframe challenging. Written details of the following incidents were not notified to the EPA within the required period of 7 days.</p> <p>4. Sediment Basin Discharge: This incident occurred on 01-02/11/15 and was notified by email to the EPA on 11/11/15. This was outside the requirement to report the incident within 7 days of the date on which the incident occurred.</p> <p>5. PM10 exceedance: This incident occurred on 12/01/16 and was notified by email to the EPA on 18/03/16. This was outside the requirement to report the incident within 7 days of the date on which the incident occurred.</p> <p>6. Sediment Basin Discharge: This incident occurred on 09/05/16 and was notified by email to the EPA on 24/05/16. This was outside the requirement to report the incident within 7 days of the date on which the incident occurred.</p> <p>7. Sediment Basin Discharge: This incident occurred on 20/07/16 and was notified by email to the EPA on 01/08/16. This was outside the requirement to report the incident within 7 days of the date on which the incident occurred.</p> <p>EPL Observation 23 – Hera should consider reviewing turnaround times for analysis of EPL samples as well as implementing internal processes/systems to flag and</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		report exceedances to enable compliance with the 7 day timeframe in this condition.	
R3 Written report			
R3.1 Where an authorised officer of the EPA suspects on reasonable grounds that: <ul style="list-style-type: none"> a) where this licence applies to premises, an event has occurred at the premises; or b) where this licence applies to vehicles or mobile plant, an event has occurred in connection with the carrying out of the activities authorised by this licence, and the event has caused, is causing or is likely to cause material harm to the environment (whether the harm occurs on or off premises to which the licence applies), the authorised officer may request a written report of the event.	Minor Non-compliance	Hera was issued with an EPA Clean-Up Notice dated 13/10/14 in relation to a cyanide spill. Paragraph I of the notice stated that "The EPA reasonably suspected that the water bearing cyanide that leaked from the bund at the processing plant is causing and/or has caused or is likely to cause a pollution event." The EPA requested a map indicating sample locations etc. be provided to them by COB 10 October 2014. A remediation report (<i>Hera Project, Remediation and Validation Report</i>) dated 9 October 2014 was emailed (sighted) to the EPA on 9 October 2014. The EPA requested a soil and site validation report to be provided to them by COB 23 October 2014. A validation report (<i>Hera Project, Remediation and Validation Report</i>) dated 21 October 2014 was emailed (sighted) to the EPA on 21 October 2014. The EPA requested that an experienced occupational hygienist review the soil and site validation report and the report to be provided to the EPA by COB 6 November 2014. A validation report (<i>Hera Project, Effectiveness of Clean-Up Report Stage 2 and 3, Electrical Conduit and Bund 50 Area</i>) dated 27 October 2014 was sighted. Minor Non-compliance – It could not be verified during this audit of September 2016 that Hera sent the validation report (<i>Hera Project, Effectiveness of Clean-Up Report Stage 2 and 3, Electrical Conduit and Bund 50 Area</i>) dated 27 October 2014 to the EPA by the EPA's deadline of COB 6 November 2014.	Supply a copy of the Hera Project, Effectiveness of Clean-Up Report Stage 2 and 3, Electrical Conduit and Bund 50 Area to the EPA.

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
R3.2 The licensee must make all reasonable inquiries in relation to the event and supply the report to the EPA within such time as may be specified in the request.	Compliant	For the cyanide spill incident referred to in EPL Condition R3.1, it was stated that Hera made all reasonable inquiries in relation to the incident and supplied the reports to the EPA within the specified time frames.	
R3.3 The request may require a report which includes any or all of the following information: a) the cause, time and duration of the event; b) the type, volume and concentration of every pollutant discharged as a result of the event; c) the name, address and business hours telephone number of employees or agents of the licensee, or a specified class of them, who witnessed the event; d) the name, address and business hours telephone number of every other person (of whom the licensee is aware) who witnessed the event, unless the licensee has been unable to obtain that information after making reasonable effort; e) action taken by the licensee in relation to the event, including any follow-up contact with any complainants; f) details of any measure taken or proposed to be taken to prevent or mitigate against a recurrence of such an event; and g) any other relevant matters.	Compliant	In relation to the incident described in EPL Condition R3.1, there is no evidence that the EPA requested a report that included the information described in a) – g) of this condition. Notwithstanding this, a report (sighted) including information described in a) – g) of this condition was prepared by Hera.	
R3.4 The EPA may make a written request for further details in relation to any of the above matters if it is not satisfied with the report provided by the licensee. The licensee must provide such further details to the EPA within the time specified in the	Compliant	Hera's Environmental Officer is aware of and understands this condition.	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
request.			
R4 Other reporting conditions			
R4.1 The licensee must report any incident or injury (including bogging or miring) of fauna (avian and terrestrial) associated with the tailings impoundments or tailings runoff dams by telephoning the EPA's Pollution line on 13 15 55 as soon as the licensee becomes aware of the incident. The licensee must provide written details of the notification with respect of the above condition to the EPA within 7 days of the date which the incident occurred.	Compliant	Hera's Environmental Officer is aware of and understands this condition. It was stated that since the construction and operation of the Tailings Storage Facility (TSF), there has been no incidents or injury to fauna reported. It was stated that daily visual inspections of the TSF include the requirement to report incidents or injuries (including bogging or miring) of fauna (avian and terrestrial) associated with the TSF.	
7 General Conditions			
G1 Copy of licence kept at the premises or plant			
G1.1 A copy of this licence must be kept at the premises to which the licence applies.	Compliant	Hera's Environmental Officer was able to provide a copy of the licence (licence version date 25 July 2016) to the auditors while on site.	
G1.2 The licence must be produced to any authorised officer of the EPA who asks to see it.	Compliant	Hera's Environmental Officer is aware of and understands this condition.	
G1.3 The licence must be available for inspection by any employee or agent of the licensee working at the premises.	Compliant Observation	Hera's Environmental Officer is aware of and understands this condition. EPL Observation 24 – Even though this condition does not require constant display of the licence, Hera could consider displaying a copy of the licence on the company HSE noticeboard to communicate statutory conditions to employees and contractors.	EPL Observation 24 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
G2 Signage			
G2.1 Each monitoring and discharge point must be marked by a sign that indicates the EPA point identification number.	Non-compliance	Non-compliance – Hera was not able to demonstrate that each monitoring and discharge point was marked by a sign that indicates the EPA point identification number.	Install signage at each licensed point.
8 Pollution Studies and Reduction Programs			
U1 Justify current background surface water monitoring locations			
U1.1 The licensee must review and provide sufficient information to justify the current background surface water monitoring locations (points 25 & 26). 1) The review must indicate clearly why and on what basis a monitoring location has been chosen. 2) The review must include consideration of the alternative locations available and justification of the preferred monitoring sites. 3) The review must include any proposed variations to the sites chosen and the reasons the new site/s is/are considered suitable. The Licensee must prepare a report following the review required by PRP U1.1 and submit it to the Dubbo office of the EPA by COB 31 December 2015.	Compliant	Hera has prepared a report titled <i>Pollution Studies and Reduction Programs</i> dated 27/06/13 (v1.0). Section 5 of the report provided information to justify the current background surface water monitoring locations (points 25 & 26). 1) Section 5.1 of the above report indicates why and on what basis a monitoring location has been chosen. 2) Section 5.2 of the above report includes consideration of the alternative locations available and justification of the preferred monitoring sites. 3) This is not applicable as there are no proposed variations. An email from the EPA refers to the review (<i>Pollution Studies and Reduction Programs</i>) submitted on 4 July 2013. Hera resubmitted the review by email to the EPA on 7 August 2015 (sighted).	
U2 Rehabilitation Plan			
U2.1 1) Prepare a Site Rehabilitation Plan (SRP) to reduce current heavy metal concentrations within sediments ponds 1 & 2 and ensure water discharged from the sediment ponds is of suitable	Minor Non-compliance Observation	Hera has prepared a report titled <i>Environmental Protection Licence No. 20179 – Pollution Studies and Reduction Programs – U2.1 Site Rehabilitation Plan: Sediment Basin 1 and 2 December 2015</i> under this	These PRPs have since been removed from the Licence. EPL Observation 25 – Noted

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>quality for discharge to water.</p> <p>The licensee is to prepare an SRP that:</p> <ul style="list-style-type: none"> - Identifies rehabilitation goals, discussion of the options considered and the rationale for the selected options and locations to ensure reduced metal concentrations reaching the sediment basins. - Identifies high risk parts of the site and the reasons those parts are considered high risk. - Indicates the metals and their concentrations that are likely to be reduced by the chosen options and locations. - Documents in detail all plans and procedures to be implemented to ensure satisfactory rehabilitation outcomes. - Establishes any environmental safeguards that need to be placed while rehabilitation is underway. - Includes a form of benchmarking such as photography to establish on site conditions pre and post rehabilitation. - Includes the details of monitoring results over the plan life that establishes water quality results over that period. - Provides names and phone numbers of appropriate personnel to contact during rehabilitation processes. <p>OR</p> <p>2) Increase the sizing of the Sediment Basins 1 & 2:</p> <p>The purpose of the increase in size is for the sediment basins to act as contaminated structures and ensure no offsite discharge potential from the sediment basins. If this is the preferred method the licensee will not be permitted to discharge to water</p>		<p>condition.</p> <p>Hera has preferred alternative 2 of this condition; i.e. increase the size of the Sediment Basins 1 & 2.</p> <p>Hera prepared the report detailing the preferred method as required under PRP U2.1 and submitted it by email (sighted) to the EPA's Dubbo office on 11 December 2015.</p> <p>The written proposal for alternative 2 was presented to the EPA by Hera prior to operations to increase the sizing of the sediment basins 1 and 2 (at the time of this audit in September 2016, operations to increase the sizing had not commenced).</p> <p>Hera understands that because alternative 2 is its preferred method, it will not be permitted to discharge to water from these locations unless this is required following a storm event that exceeds the design capacity for a contaminated structure i.e. a 1 in 100, 72 hour storm event.</p> <p>Minor Non-compliance – Hera's proposal does not address the following requirements of this condition:</p> <ul style="list-style-type: none"> • The proposal does not include dimension changes and is not accompanied by detailed site plans and calculations of design criteria providing all detail necessary on which to base judgement. Displacement has been included. • The proposal does not include staging as no staging is proposed. The proposal does include procedures in the event of failure of the structures to adequately address potential offsite discharge. • The proposal does not provide detail that indicates best practice is being achieved with this option; and does not include benchmarked examples of best practice. <p>EPL Observation 25 – Hera should consider including a table in management reports listing the approval</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>from these locations unless this is required following a storm event that exceeds the design capacity for a contaminated structure ie. a 1 in 100, 72 hour storm event.</p> <ul style="list-style-type: none"> - Any written proposal for this option is to be presented by the licensee to the EPA prior to operations commencing. - The proposal is to include dimension changes and displacement and is to be accompanied by detailed site plans and calculations of design criteria providing all detail necessary on which to base judgement. - The proposal is to include staging if any; and procedures in the event of failure of the structures to adequately address potential offsite discharge. - The proposal is to provide detail that indicates best practice is being achieved with this option; and will include benchmarked examples of best practice. <p>The Licensee must prepare a report detailing the preferred method as required under PRP U2.1 and submit it to the Dubbo office of the EPA by COB 31 December 2015.</p>		<p>condition and the corresponding section in the report where the condition is addressed. This will ensure the approval condition has been addressed and also aids in later review.</p> <p>Auditor's Note: The heading of this condition could be changed from 'Rehabilitation Plan'. Alternative 2 of the condition does not directly relate to a rehabilitation plan.</p>	
U3 Review & Revise current surfacewater trigger response levels			
<p>U3.1 The Licensee is required to review surface water monitoring results and the current surface water trigger levels by 31 June [sic] 2017 using the decision tree located at s3.4.3.2 Australian and New Zealand Guidelines for Fresh and Marine Water Quality (2000) (ANZECC 2000), including:</p> <p>1) At a minimum, apply hardness dependent algorithms to cadmium, nickel, chromium, copper, lead and zinc as a desktop calculation based on</p>	<p>Not Applicable at the time of this audit in September 2016</p>	<p>The timeframe for compliance with this condition is the end of June 2017.</p> <p>Hera has not to date proposed more conservative surface water trigger values (as an alternative to points 1) to 5) of this condition).</p> <p>Hera has not to date proposed a different set of surface water trigger values for times when there is flow in the receiving waters that allows for dilution of any</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>water hardness measurements.</p> <p>2) The review must clearly justify the selected reference site(s) based on the guidance on reference systems for developing trigger values in ANZECC (2000), including section 3.1.4 and 3.4.3.2. In particular, the definition of a reference condition must be consistent with the level of protection proposed for relevant ecosystems ie a reference site that is only slightly modified is appropriate for a trigger value applicable to a slightly to moderately disturbed ecosystem.</p> <p>3) The Review is to take into account the instream data obtained between licence approval and 31 June [sic] 2017 for all site specific factors including, but not limited to, water hardness, dissolved organic matter and pH. The data is to be collected from an agreed reference site to establish site specific trigger values that meet the minimum data requirements from ANZECC (2000) i.e. a minimum of two years of contiguous monthly data at the reference site is required before a valid trigger value can be established.</p> <p>4) Filtered metal concentration data is to be collected to assist in amending the surface water trigger values.</p> <p>5) The Review is to provide recommendations for surface water trigger variations and justification for those recommendations.</p> <p>As an alternative to points 1) to 5), the licensee can propose more conservative surface water trigger values than proposed in its original response to the PRP on 17 January 2013 that account for the limitations of the methodology used to date.</p> <p>In relation to surface water trigger values for off-site discharges the licensee may propose a different set</p>		<p>discharge.</p>	

Environment Protection Licence No. 20179 as at 25 July 2016			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>of surface water trigger values for times when there is flow in the receiving waters that allows for dilution of any discharge. The licence can then be amended to incorporate a dilution factor for specific discharges that the licence will define based on a set of flow in receiving waters.</p>			
<p>U3.2 If the licensee wishes to pursue the approach of revising surface water trigger levels based on reference site data, the licensee must advise the EPA of the proposed reference site location, methodology and justification for the EPA's consideration by 30 September 2015.</p>	<p>Compliant</p>	<p>Hera provided the EPA (by email dated 27/02/14 – sighted) with a report entitled <i>Revision of Surface Water Triggers Hear Project, Nymagee, NSW</i> (Ground Doctor Pty Ltd, 24/02/14) which proposed revising surface water trigger levels based on reference site data. The report included the proposed reference site locations, methodology and justification.</p>	
<p>U3.3 Following the EPA's concurrence to proceed with the proposed reference site and associated monitoring, the licensee must provide a final report on the findings of PRP U3 by 31 July 2017.</p>	<p>Not Applicable at the time of this audit in September 2016</p>	<p>The EPA's concurrence to proceed with the proposed reference site and associated monitoring had not been received by the time of this audit in September 2016 (the EPA has not responded to Hera's email of 27/02/14).</p>	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
1. Notice to Landholders			
<p>(a) Within a period of three months from the date of grant/renewal of this lease or within such further time as the Minister may allow, the lease holder must serve on each landholder of the land a notice in writing indicating that this lease has been granted/renewed and whether the lease includes the surface. An adequate plan and description of the lease area must accompany the notice.</p> <p>(b) If there are ten or more landholders affected, the lease holder may serve the notice by publication in a newspaper circulating in the region where the lease area is situated. The notice must indicate that this lease has been granted/renewed; state whether the lease includes the surface and must contain an adequate plan and description of the lease area.</p>	Minor Non-compliance (historical)	<p>As evidenced by current rates and charges notices from Cobar Shire Council, Aurelia Metals Limited is the landholder of the land the subject of Mining Lease No. 1686. There are no other landholders of the land.</p> <p>Minor Non-compliance (historical) – Although Hera Resources Pty Ltd is a wholly owned subsidiary of Aurelia Metals Limited, a literal reading of this condition required Hera to have served a notice in writing on Aurelia regarding the grant of the lease.</p>	Noted.
2. Environmental Harm			
<p>(a) The lease holder must implement all practicable measures to prevent and/or minimise any harm to the environment that may result from the construction, operation or rehabilitation of any activities under this lease.</p> <p>(b) For the purposes of this condition:</p> <p>(i) environment means components of the earth, including:</p> <p>(A) land, air and water, and</p> <p>(B) any layer of the atmosphere, and</p> <p>(C) any organic or inorganic matter and any living organism, and</p> <p>(D) human-made or modified structures and areas,</p> <p>and includes interacting natural ecosystems</p>	Minor Non-compliance (historical)	<p>Minor Non-compliance (historical) – As noted in relation to Conditions R3.1, R3.2 and R3.3 of the EPL, since the previous audit in July 2013 there has been an incident which could have caused harm to the environment.</p> <p>Hera was issued with an EPA Clean-Up Notice dated 13/10/14 (Hera Incident Report 000379 of 27 September 2014) relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund. Paragraph I of the notice stated that “The EPA reasonably suspected that the water bearing cyanide that leaked from the bund at the processing plant is causing and/or has caused or is likely to cause a pollution event.”</p>	Noted.

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
that include components referred to in paragraphs (A)–(C). (ii) harm to the environment includes any direct or indirect alteration of the environment that has the effect of degrading the environment and, without limiting the generality of the above, includes any act or omission that results in pollution, contributes to the extinction or degradation of any threatened species, populations or ecological communities and their habitats and causes impacts to places, objects and features of significance to Aboriginal people.			
3. Mining Operations Plan			
(a) Mining operations must not be carried out otherwise than in accordance with a Mining Operations Plan (MOP) which has been approved by the Director-General. (b) The MOP must: <ul style="list-style-type: none"> (i) identify areas that will be disturbed by mining operations; (ii) detail the staging of specific mining operations; (iii) identify how the mine will be managed to allow mine closure; (iv) identify how mining operations will be carried out in order to prevent and or minimise harm to the environment; (v) reflect the conditions of approval under: <ul style="list-style-type: none"> • the <i>Environmental Planning and Assessment Act 1979</i> • the <i>Protection of the Environment Operations Act 1997</i> • and any other approvals relevant to the 	Potential Non-compliance Observation Observation Observation Observation Observation	Hera's current Mining Operations Plan (MOP) is dated 16 May 2013 and expires on 15 May 2020. The current MOP was approved by the DRE by letter dated 14 June 2013. Hera submitted an updated MOP for the Project Approval MOD 3 to the DRE (proposed commencement date of 1 April 2016) and received a letter dated 24 May 2016 from the DRE which requested further information before it could approve the updated MOP. Potential Non-compliance – The current approved MOP does not include the area approved for mining operations in Project Approval MOD 3. The carrying out of mining operations in the MOD 3 approved disturbed area would mean Hera is non-compliant with the current approved MOP, which limits mining operations to the DRE approved area. ML Observation 1 – The current approved MOP does not identify certain areas of the operation such as the magazine area (which is in Appendix 3 of the original RW Corkey & Co EA) that could be shown as a	A new version of the MOP was approved by the DRE on 27 February 2017. See attached (Approval Letter and MOP) ML Observation 1 – Noted ML Observation 2 – Noted ML Observation 3 – Noted ML Observation 4 – Noted ML Observation 5 – Noted


Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>development including the conditions of this lease; and</p> <ul style="list-style-type: none"> • have regard to any relevant guidelines adopted by the Director-General. <p>(c) The leaseholder may apply to the Director-General to amend an approved MOP at any time.</p> <p>(d) It is not a breach of this condition if:</p> <p>(i) the operations constituting the breach were necessary to comply with a lawful order or direction given under the <i>Mining Act 1992</i>, the <i>Environmental Planning and Assessment Act 1979</i>, <i>Protection of the Environment Operations Act 1997</i>, <i>Mine Health and Safety Act 2004 / Coal Mine Health and Safety Act 2002</i> and <i>Mine Health and Safety Regulation 2007 / Coal Mine Health and Safety Regulation 2006</i> or the <i>Occupational Health and Safety Act 2000</i>; and</p> <p>(ii) the Director-General had been notified in writing of the terms of the order or direction prior to the operations constituting the breach being carried out.</p> <p>(e) A MOP ceases to have effect 7 years after date of approval or other such period as identified by the Director-General.</p>		<p>disturbed area. Hera could contact the DRE to resolve how to identify certain 'sensitive' areas in the MOP.</p> <p>ML Observation 2 – There is no apparent system in place to ensure that Modifications to the Project Approval are not acted on without the DRE's prior approval of an updated MOP.</p> <p>ML Observation 3 – The updated MOP could specify the year (MOP anniversary, calendar year or financial year) for production limits (refer section 1.3.2 of the current MOP).</p> <p>ML Observation 4 – In relation to sub-paragraph (iv) of this condition, the description of the two mining 'methods' in the MOP as 'methods' could instead be expressed as two mining 'directions'. 'Methods' suggests a radical change in operations.</p> <p>ML Observation 5 – In relation to sub-paragraph (v) of this condition, the whole of the Project Approval forms Appendix 1 in the current MOP. Not all provisions in the Project Approval are relevant to paragraph (b) (i) through (iv). When updating the MOP Hera could ensure the MOP does not incorporate provisions of the Project Approval and the EPL which are not relevant to the MOP (paragraph (b) (i) through (iv)).</p> <p>Paragraphs (c), (d) and (e) of this condition are noted.</p>	
4. Environment Management Report			
<p>(a) The lease holder must lodge Environmental Management Reports (EMR) with the Director-General annually or at dates otherwise directed by the Director-General.</p> <p>(b) The EMR must:</p> <p>(i) report against compliance with the MOP;</p> <p>(ii) report on progress in respect of rehabilitation</p>	Compliant	<p>Hera has prepared Annual Environmental Management Reports (AEMRs) for the periods 16 May 2013 to 31 December 2013, 1 January 2014 to 15 May 2014, 16 May 2014 to 15 May 2015 and 16 May 2015 to 15 May 2016. These AEMRs address the requirements in paragraph (b) of this condition.</p> <p>It was stated that the DRE has not provided any</p>	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
completion criteria; (iii) report on the extent of compliance with regulatory requirements; and (iv) have regard to any relevant guidelines adopted by the Director-General;		feedback to Hera regarding the AEMRs that Hera has lodged with the DRE under paragraph (a) of this condition. The 16 May 2013 to 31 December 2013 AEMR and 1 January 2014 to 15 May 2014 AEMR are available for download on Aurelia's website. The link to the 16 May 2014 to 15 May 2015 AEMR is broken. The 16 May 2015 to 15 May 2016 AEMR was not available on Aurelia's website at the time of this audit in September 2016.	
5. Environment Incident Report			
(a) The lease holder must report any environmental incidents. The report must: (i) be prepared according to any relevant Departmental guidelines; (ii) be submitted within 24 hours of the environmental incident occurring; (b) For the purposes of this condition, environmental incident includes: (i) any incident causing or threatening material harm to the environment (ii) any breach of Conditions 1 to 9 and 11 to 24; (iii) any breach of environment protection legislation; or, (iv) a serious complaint from landholders or the public. (c) For the purposes of this condition, harm to the environment is material if: (i) it involves actual or potential harm to the health of safety of human beings or to ecosystems that is not trivial, or (ii) it results in actual or potential loss or property damage of an amount, or amounts in	Potential Non-compliance Observation Observation Observation	The current applicable Departmental guideline is the Environmental Incident Reporting Requirements (NSW DPI, ESB28 V1.0 dated 22 October 2007) document. During this audit in September 2016 two completed incident report forms were sighted: <ul style="list-style-type: none"> Incident Report 000379 of 27 September 2014 (relating to a leaking sump in Area 50-55 which allowed cyanide tainted water to escape the bund) was reported to the EPA and DRE. Incident Report 000555 of 9 August 2015 (relating to a split discharge pipe in Area 50 which sprayed solution outside the bunded area) was not reported to the EPA or DRE. The content of the Hera incident report form generally addresses section 3.4 of the Environmental Incident Reporting Requirements (subject to the Potential Non-compliance below), which requires: <i>written incident reports must include the following information:</i> <ul style="list-style-type: none"> <i>the time, date, location, nature, and duration of the incident,</i> <i>the location of the place where environmental harm has, or is likely to occur,</i> 	A standard incident template has been created. ML Observation 6 – Noted ML Observation 7 – Noted ML Observation 8 – Noted

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
aggregate, exceeding \$10,000, where loss includes the reasonable costs and expenses that would be incurred in taking all reasonable and practicable measures to prevent, mitigate or make good harm to the environment.		<ul style="list-style-type: none"> • <i>the potential and/or observed impacts of the incident,</i> • <i>the circumstances in which the incident occurred (including the cause of the incident, if known),</i> • <i>the action taken or proposed to be taken to deal with the incident and any resulting environmental harm.</i> • <i>any actions that have, or will be, taken to prevent similar incidents from occurring in the future.</i> <p><i>Additional information (such as photos, monitoring data, plans etc.) should be included in the report if relevant.”</i></p> <p>It was stated that Hera's current practice is to notify any incident involving environmental harm simultaneously to the EPA and DRE within the required timeframes. (The words “material harm” and “environment” in paragraph (b) of this condition have the same meaning in the EPL and the Mining Lease.)</p> <p>Potential Non-compliance – Hera's incident report form does not have a field to record any actions that have, or will be, taken to prevent similar incidents from occurring in the future (the last dot point above). Incident Report 000379 refers to a detailed investigation report, which may or may not contain this information.</p> <p>ML Observation 6 – Hera should include a field in the incident report (for example, in Incident Report 000555) to note why an incident was not externally reportable (i.e. the incident did not meet the criteria in paragraphs (b) and (c) of this condition).</p> <p>ML Observation 7 – Hera should revise its incident reports to allow investigation reports to be linked or cross-referenced in the incident report.</p> <p>ML Observation 8 – Hera should consider revising the date fields in the incident report forms to an Australian date format (dd/mm/yyyy). The United States date</p>	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		format in Incident Report 000555 could be misinterpreted.	
6. Additional Environmental Reports			
Additional environmental reports may be required from time to time as directed in writing by the Director-General and must be lodged as instructed.	Compliant	Noted.	
7. Rehabilitation			
Any disturbance as a result of activities under this lease must be rehabilitated to the satisfaction of the Director-General.	Compliant	Noted.	
9. Working Requirement [there is no number 8]			
The lease holder must: (a) ensure that at least 52 competent people are efficiently employed in relation to the mining process or mining operations on the lease area OR (b) expend on operations carried out in the course of prospecting or mining the lease area, an amount of not less than \$910,000.00 per annum whilst the lease is in force. The Minister may at any time or times, by instrument in writing served on the lease holder, increase or decrease the expenditure required or the number of people to be employed.	Compliant Observation Observation	Hera/Aurelia can demonstrate that it employs more than 52 people in relation to the mining process or mining operations on the lease area, and expends more than \$910,000 per annum in the course of prospecting or mining the lease area. ML Observation 9 – A literal reading of this condition means Hera (as distinct from Aurelia Metals) is the body that is required to employ people and expend money to satisfy this condition. Hera could confirm with the DRE that it is acceptable for Aurelia to employ people and expend money on operations in compliance with this condition. ML Observation 10 – It is unclear from the wording in paragraph (b) of this condition whether “per annum” means calendar year, financial year, or the anniversary of the commencement of the lease. Hera could confirm with the DRE which of these alternatives applies.	ML Observation 9 – Noted ML Observation 10 – Noted

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
10. Blasting			
(a) <u>Ground Vibration</u> The lease holder must ensure that the ground vibration peak particle velocity generated by any blasting within the lease area does not exceed 10mm/second and does not exceed 5 mm/second in more than 5% of the total number of blasts over a period of 12 months at any dwelling or occupied premises as the case may be, unless determined otherwise by the Department of Environment, Climate Change and Water.	Compliant Observation	Refer to comments in Schedule 3 Condition 4 of Project Approval and Condition L5.1 of the EPL. ML Observation 11 – Hera should note the wording used to describe the receiving locations in paragraphs (a) and (b) of this condition differs from the descriptions in Schedule 3 Condition 4 of the Project Approval and Condition L5.1 of the EPL.	ML Observation 11 – Noted
(b) <u>Blast Overpressure</u> The lease holder must ensure that the blast overpressure noise level generated by any blasting within the lease area does not exceed 120 dB (linear) and does not exceed 115 dB (linear) in more than 5% of the total number of blasts over a period of 12 months, at any dwelling or occupied premises, as the case may be, unless determined otherwise by the Department of Environment, Climate Change and Water.			
11. Safety			
Operations must be carried out in a manner that ensures the safety of persons or stock in the vicinity of the operations. All drill holes shafts and excavations must be appropriately protected, to the satisfaction of the Director-General, to ensure that access to them by persons and stock is restricted. Abandoned shafts and excavations opened up or used by the lease holder must be notified in writing to the Department and filled in or otherwise rendered safe to a standard acceptable to the Director-General.	Compliant Observation Observation	It was observed during field inspections in September 2016 that operations are carried out in a manner that does not endanger persons or stock in the vicinity of the operations. It was stated that pre-existing shafts have been backfilled or fenced. It was stated that drill holes are plugged and capped, and unused bores are capped.	ML Observation 12 – Noted ML Observation 13 – Noted

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
		 <p>Photo 20 Example of capped drill hole</p> <p>ML Observation 12 – Hera keeps an Excel spreadsheet of Drill Hole Collar Location and Plugging Status. A minority of drill holes are not plugged. Hera could consider instigating a program to plug these remaining holes to further reduce risk.</p> <p>ML Observation 13 – The covered drill hole in the above photo is not identified in the Excel spreadsheet. Hera could review the spreadsheet to ensure all holes are recorded.</p>	
12. Prevention of soil erosion and pollution			
Prospecting operations must be carried out in a manner that does not cause or aggravate air pollution, water (including groundwater) pollution, soil contamination or erosion, unless otherwise authorised by a relevant approval, and in accordance with an accepted Mining Operations Plan.	Compliant	There was no evidence of above ground prospecting operations during this audit. Underground prospecting operations are carried out in accordance with the MOP.	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
13. Transmission lines, Communication lines and Pipelines			
Operations must not interfere with or impair the stability or efficiency of any transmission line, communication line, pipeline or any other utility on the lease area without the prior written approval of the Director-General and subject to any conditions stipulated.	Compliant	It was stated there had been no interference to existing power supplies. Apart from electricity and telephone, no other utilities were identified on the lease area.	
14. Roads and Tracks			
(a) The lease holder must pay to the relevant roads authority in control of the road or track the reasonable costs incurred by the roads authority in making good any damage to roads or tracks caused by operations carried out under this lease less any amount paid or payable from the Mine Subsidence Compensation Fund. (b) During wet weather the use of any road or track must be restricted so as to prevent damage to the road or track. (c) Existing access tracks should be used for all operations where reasonably practicable. New access tracks must be kept to a minimum and be positioned in order to minimise damage to the land, watercourses or vegetation. (d) Temporary access tracks must be rehabilitated and revegetated to the satisfaction of the Director-General as soon as reasonably practicable after they are no longer required under this lease.	Compliant Observation	Paragraph (a): Hera has a standard Voluntary Planning Agreement (VPA) with a road maintenance contribution. No specific damage has been reported by a roads authority to Hera. Paragraph (b): Use of dirt tracks is generally restricted to essential purposes only in dry or wet weather. Paragraph (c): It was stated no new tracks have been built since 2013. ML Observation 14 – The requirements in paragraphs (b) and (c) could be communicated in writing in induction material or by email memo or toolbox meetings for mine employees and contractors. Paragraph (d): Rehabilitation and revegetation of temporary access tracks was observed during this audit in September 2016 (see Photo 1 in this audit report).	ML Observation 14 – Noted
15. Trees and Vegetation			
(a) The lease holder must not fell trees, strip bark or cut timber on any land subject of this lease without the consent of the landholder who is entitled to the use of	Not Applicable at the time	The landholder is Hera's parent company (Aurelia Metals Limited).	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
the timber. (b) The lease holder must contact Forests NSW and obtain any required permit, licence or approval before taking timber from any Crown land within the lease area. <i>Note: Any clearing not authorised under the Act must comply with the requirements of the Native Vegetation Act 2003. Any clearing or taking of timber on Crown land is subject to the requirements of the Forestry Act 1916.</i>	of this audit in September 2016		
17. Resource Recovery [there is no number 16]			
(a) Notwithstanding any description of mining methods and their sequence or of proposed resource recovery contained within the Mining Operations Plan, if at any time the Director-General is of the opinion that minerals which the lease entitles the lease holder to mine and which are economically recoverable at the time are not being recovered from the lease area, or that any such minerals which are being recovered are not being recovered to the extent which should be economically possible or which for environmental reasons are necessary to be recovered, notice in writing to the lease holder may be given requiring the holder to recover such minerals. (b) The notice shall specify the minerals to be recovered and the extent to which they are to be recovered, or the objectives in regard to resource recovery, but shall not specify the processes the lease holder shall use to achieve the specified recovery. (c) The lease holder must, when requested by the Director-General, provide such information as the Director-General may specify about the recovery of the mineral resources of the lease area.	Compliant	It was stated that the DRE, to date, has not submitted any requests relating to resource recovery.	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
18. Indemnity			
<p>The lease holder must indemnify and keep indemnified the Crown from and against all actions, suits, claims and demands of whatsoever nature and all costs, charges and expenses which may be brought against the lease holder or which the lease holder may incur in respect of any accident or injury to any person or property which may arise out of the construction, maintenance or working of any workings now existing or to be made by the lease holder within the lease area or in connection with any of the operations notwithstanding that all other conditions of this lease shall in all respects have been observed by the lease holder or that any such accident or injury shall arise from any act or thing which the lease holder may be licensed or compelled to do.</p>	Compliant	<p>Hera's Environmental Officer is aware of this condition.</p>	
19. Security			
<p>a) This authorisation is subject to a condition that the holder of the authorisation is required to provide and maintain a security deposit to secure funding for the fulfilment of obligations of all or any kind under the authorisation, including obligations of all or any kind under the authorisation that may arise in the future.</p> <p>b) The amount of the security deposit to be provided has been assessed by the Director-General of the Department of Trade and Investment, Regional Infrastructure and Services at \$2,470,000.00</p> <p>c) The security deposit is to be provided by way of a cash deposit (with no entitlement to any interest thereon) or in such other form as may be approved by the Director General (or their delegate).</p>	Compliant	<p>Hera provided the auditors with a copy of a DRE worksheet (Excel file, version 1.12 dated 8 February 2013). The DRE worksheet shows (in the Summary Report tab) that the DRE holds a security deposit of \$2,470,270.12 (last reviewed on 20 August 2012).</p> <p>The DRE worksheet calculation of the required security deposit as at 7 March 2016 (in the Summary Report tab) is \$2,933,190.80. Hera has provided an increase in the security deposit to the DRE in accordance with the DRE worksheet calculations in order to maintain a security deposit which secures funding of all obligations under the Mining Lease in the future. A bank letter confirming a fixed term deposit of \$2,933,000 as of 17 October 2016 was sighted along with a bank guarantee (dated 14 April 2016) for the same amount in favour of the Department of Industry, Skills and Regional Development.</p>	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
22. Prescribed Dam [there is no number 20 or 21]			
<p>(a) Notwithstanding any Mining Operations Plan, the lease holder must not mine within any part of the lease area which is within the notification area of the proposed tailings storage area without the prior written approval of the Minister and subject to any conditions stipulated.</p> <p>(b) Where the lease holder desires to mine within the notification area he or she must:</p> <p style="margin-left: 20px;">(i) at least twelve (12) months before mining is to commence or such lesser time as the Minister may permit, notify the Minister of the desire to do so. A plan of the mining system to be implemented must accompany the notice; and</p> <p style="margin-left: 20px;">(ii) provide such information as the Minister may direct.</p> <p>(c) The Minister must not, except in the circumstances set out in sub-paragraph (ii), grant approval unless sub-paragraph (i) of this paragraph has been complied with. This sub-paragraph is complied with if:</p> <p style="margin-left: 20px;">(i) the Dams Safety Committee as constituted by Section 7 of <i>the Dams Safety Act 1978</i> and the owner of the dam have been notified in writing of the desire to mine referred in to paragraph (b).</p> <p style="margin-left: 20px;">(ii) the notifications referred to in clause (a) are accompanied by a description or plan of the area to be mined.</p> <p style="margin-left: 20px;">(iii) the Director-General has complied with any reasonable request made by the Dams Safety Committee or the owner of the dam for further information in connection with the mining proposal.</p> <p style="margin-left: 20px;">(iv) the Dams Safety Committee has made its recommendations concerning the mining</p>	<p>Compliant</p>	<p>At the time of this audit in September 2016 it was stated that Hera had no intention to mine within the notification area of the Tailings Storage Facility as constructed.</p> <p>Paragraphs (b) through (d) of this condition were not applicable at the time of this audit in September 2016 because paragraph (a) had not been activated.</p>	

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
<p>proposal or has informed the Minister in writing that it does not propose to make any such recommendations; and</p> <p>(v) where the Dams Safety Committee has made recommendations the approval is in terms that are:</p> <ul style="list-style-type: none"> - in accordance with those recommendations or - where the Minister does not accept those recommendations or any of them – in accordance with a determination under sub-paragraph (ii) of this paragraph. <p>(vi) Where the Minister does not accept the recommendations of the Dams Safety Committee or where the Dams Safety Committee has failed to make any recommendations and has not informed the Minister in writing that it does not propose to make any recommendations, the approval shall be in terms that are, in relation to matters dealing with the safety of the dam:</p> <ul style="list-style-type: none"> - as determined by agreement between the Minister and the Minister administering the <i>Dams Safety Act 1978</i>; or - in the event of failure to reach such agreement – as determined by the Premier. <p>(d) The Minister, on notice from the Dams Safety Committee, may at any time or times:</p> <ul style="list-style-type: none"> (i) cancel any approval given where a notice pursuant to Section 18 of the <i>Dams Safety Act 1978</i> is given. (ii) suspend for a period of time, alter, omit from or add to any approval given or conditions imposed. 			

Mining Lease No. 1686 granted on 16 May 2013			
Condition Number and Requirement	Status	Supporting Evidence/Comments	Hera Resources Action Plan
23. Suspension of Mining Operations			
The holder of a mining lease may not suspend mining operations in the mining area other than in accordance with the consent of the Minister.	Compliant	Noted.	
24. Cooperation Agreement			
The lease holder must make every reasonable attempt, and be able to demonstrate their attempts, to enter into a cooperation agreement with the holder(s) of any overlapping title(s). The cooperation agreement should address but not be limited to issues such as: <ul style="list-style-type: none"> • access arrangements • operational interaction procedures • dispute resolution • information exchange • well location • timing of drilling • potential resource extraction conflicts and • rehabilitation issues. 	Not Applicable at the time of this audit in September 2016	At the time of this audit in September 2016 there were no overlapping titles.	