Department of Environment and Resource Management

Environmental Authority (Exploration and mineral development) for Non Code Compliant Level 2 Mining Project

Permit[1] Number: MIN203581412 Kapunda Project

Environmental Protection Act 1994

Takes Effect From: 05/04/2012

Details

Permit Holder(s)	Name	Address
Principal Holder	Australian Richcoal Resources Pty Ltd	Site 11, Level 1 Greatwall Shopping Centre, 6 Marshall Street, Fortitude Valley. QLD, 4006

Activity(s)	Location(s)
Level 2 Mining Project - exploration	EPC 2942

The anniversary date of the environmental authority is **22 March**.

The environmental authority is subject to the attached conditions of approval.



Eugene Immisch
Delegate of administering authority
Environmental Protection Act 1994
05/04/2012

[1] Permit include licences, approvals, permits, authorisations, certificates, sanctions or equivalent/similar as required by legislation administered by the Department of Environment and Resource Management.

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Additional advice about the approval

1. This approval pursuant to the *Environmental Protection Act 1994* does not remove the need to obtain any additional approval for this activity that might be required by other state and/or Commonwealth legislation. Other legislation administered by DERM for which a permit may be required includes but is not limited to the:

- *Aboriginal Cultural Heritage Act 2003*;
- The contaminated land provisions of the *Environmental Protection Act 1994*;
- *Nature Conservation Act 1992*;
- *Vegetation Management Act 1999*;
- *Mineral Resources Act 1989*;
- *Water Act 2000*; and
- *Forestry Act 1959*.

2. This approval pursuant to the *Environmental Protection Act 1994* does not absolve the need for the environmental authority holder to adhere to any provision of the *Environmental Protection Act 1994* or of any relevant State and/or Commonwealth legislation. Such provisions include but are not limited to are:

- Financial assurance Part 7 and section 367 *Environmental Protection Act 1994;*
- General environmental duty section 319 *Environmental Protection Act 1994; and*
- Duty to notify of environmental harm section 320 *Environmental Protection Act 1994.*

3. If there is any inconsistency between a standard environmental condition referred to in the *Code of Environmental Compliance for Exploration and Mineral Development Projects* and an additional condition in this environmental authority, the additional condition prevails to the extent of any inconsistency.

4. This environmental authority consists of the following Schedules and Appendices:

Schedule A	General Conditions
Schedule B	Air
Schedule C	Water
Schedule D	Noise
Schedule E	Waste
Schedule F	Land
Schedule G	Definitions
Appendix 1	Location map

PROPOSED CONDITIONS OF ENVIRONMENTAL AUTHORITY

Schedule A: General Conditions

Prevent or Minimise the Likelihood of Environmental Harm

A1 This environmental authority does not authorise environmental harm unless a condition contained within the environmental authority explicitly authorises the harm. Where there is no condition or the environmental authority is silent on a matter, the lack of condition or silence shall not be construed as authorising harm.

A2 In carrying out mineral exploration activity (ies) the environmental authority holder must prevent and/or minimise the likelihood of environmental harm being caused.

Financial Assurance

A3 The environmental authority holder must provide financial assurance in the amount and form required by the administering authority prior to the commencement of activities proposed under this environmental authority.

A4 The financial assurance is to remain in force until the administering authority is satisfied that no claim on the assurance will occur.

Note: Where progressive rehabilitation is completed and acceptable to the administering authority, progressive reductions to the amount of financial assurance will be applicable where rehabilitation has been completed in accordance with the rehabilitation conditions specified in this environmental authority.

Activity

A5 Prior to the commencement of mineral exploration activity (ies), the environmental authority holder must develop and implement a program to ensure that all employees and contractors on site are aware of and comply with the relevant requirements of this environmental authority.

A6 Contaminants must not be released into the receiving environment unless authorised by this environmental authority.

A7 The environmental authority holder is not authorised to undertake costeaning or bulk sampling.

Maintenance of Measures, Plant and Equipment

A8 The environmental authority holder must:

a) Install all measures, plant and equipment necessary to ensure compliance with the conditions of this environmental authority;
b) Maintain such measures, plant and equipment in a proper condition; and
c) Operate such measures, plant and equipment in a proper manner.

Monitoring, Reporting and Emergency Response Procedures

A9 The environmental authority holder must comply with each of the 'Monitoring, Reporting and Emergency Response Procedures' and Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

A10 The environmental authority holder must notify the administering authority by written notification within twenty-four (24) hours, after becoming aware of any emergency or incident which results in the release of contaminants not in accordance, or reasonably expected to be not in accordance with the conditions of this environmental authority.

A11 Within ten (10) business days following the initial notification of an emergency or incident, or receipt of monitoring results, whichever is the latter, further written advice must be provided to the administering authority, including the following:

(a) Results and interpretation of any samples taken and analysed.
(b) Outcomes of actions taken at the time to prevent or minimise unlawful environmental harm.
(c) Proposed actions to prevent a recurrence of the emergency or incident.

A12 The notification in conditions (A10) and (A11) must include, but not be limited to, the following:
(a) The environmental authority number and name of the holder;
(b) The name and telephone number of the designated contact person;
(c) The location of the emergency or incident;
(d) The date and time of the emergency or incident;
(e) The time the holder of the environmental authority became aware of the emergency or incident;
(f) Where known:
    (i) the estimated quantity and type of substance(s) involved in the emergency or incident;
    (ii) the actual or potential cause of the emergency or incident;
    (iii) a description of the nature and effects of the emergency or incident including environmental risks, and any risks to public health or livestock;
    (iv) any sampling conducted or proposed, relevant to the emergency or incident;
    (v) immediate action(s) taken to prevent or mitigate any further environmental harm caused by the emergency or incident; and
    (vi) what notification of stakeholders who may be affected by the emergency or incident has occurred or is being undertaken.

A13 Record, compile and keep for a minimum of five (5) years all monitoring results required by this environmental authority and make available for inspection all or any of these records upon request by the administering authority.

A14 All monitoring under this environmental authority must be conducted by a suitably qualified person.

Complaints

A15 The environmental authority holder must record all environmental complaints received about the mineral exploration activity (ies) including but not limited to the following:
(a) Name, address and contact number for of the complainant;
(b) Time and date of complaint;
(c) Reasons for the complaint;
(d) Investigations undertaken;
(e) Conclusions formed;
(f) Actions taken to resolve the complaint;
(g) Any abatement measures implemented; and
(h) Person responsible for resolving the complaint.

A16 The environmental authority holder must, when requested by the administering authority, undertake relevant specified monitoring within a timeframe nominated by the administering authority to investigate any complaint of environmental harm.

A17 The results of the investigation (including an analysis and interpretation of the monitoring results) and abatement measures implemented as required by condition A16 must be provided to the administering authority within ten (10) business days of completion of the investigation, or no later than ten (10) business days after the end of the timeframe nominated by the administering authority to undertake the investigation.

Schedule B: Air

B1 The environmental authority holder must comply with each of the 'Air Quality' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

Schedule C: Water

C1 Contaminants must not be released to any waters or the bed and banks of any waters.

C2 Mineral exploration activity (ies) must not occur within one thousand (1000) lateral meters of a watercourse, lake or spring for that part of the tenement granted over the high preservation area (Appendix 1).

Cooper Creek Wild Rivers Declaration 2011

C3 Mineral exploration activity (ies) activities are not permitted to be conducted within the High Preservation Areas (HPA) and nominated waterways as defined in the Cooper Creek Wild Rivers Declaration 2011 (Appendix 1).

C4 Mineral exploration activity (ies) must not occur within fifty (50) lateral meters of a nominated waterway (Appendix 1).

Erosion and Sediment Control

C5 The environmental authority holder must comply with each of the 'Erosion and Sediment Control' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

C6 Sediment control barriers must be made of non-organic material to prevent the spread of weeds.

C7 Diversion drains and sediment fencing must be in place immediately after any clearing.

Schedule D: Noise

Noise Emissions

D1 The environmental authority holder must comply with each of the 'Noise Emissions' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

Schedule E: Waste

Waste Management

E1 The environmental authority holder must comply with each of the 'Waste Management' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*, except condition 21, which is replaced by condition **E1** to **E4** of this environmental authority.

E2 General waste must not be disposed of within EPC 2942.

E3 Regulated waste must not be disposed of within EPC 2942.

E4 Waste must not be burned unless approved by the administering authority.

Waste (temporary storage conditions)

E5 Regulated waste can be temporarily stored on site awaiting removal provided it is stored in a manner that ensures there is minimal risk of causing fire or contamination to land or waters.

Schedule F: Land

Land Disturbance

F1 The environmental authority holder must comply with each of the 'Land Disturbance' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

F2 The total number of drill sites must not to exceed ten (10) at any time.

F3 A maximum of 1 ha of disturbance is allowed to occur on EPC 2942 at any single point in time.

Topsoil and Overburden Management

F4 The environmental authority holder must comply with each of the 'Topsoil and Overburden Management' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

Hazardous Contaminants

F5 The environmental authority holder must comply with each of the 'Hazardous Contaminants' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

F6 Flammable and combustible liquids, including petroleum products, must be stored and handled in accordance with the latest edition of *AS1940 – The storage and handling of flammable and combustible liquids*.

F7 All explosives, hazardous chemicals, corrosive substances, toxic substances, gases and dangerous goods must be stored and handled in accordance with the current Australian Standard where such is applicable.

F8 Where no relevant Australian Standard exists such materials must be stored within an effective on-site containment system.

F9 The environmental authority holder must minimise the potential for contamination of land and waters by diverting stormwater around contaminated areas and facilities used for the storage of chemicals and flammable or combustible liquids.

F10 All chemicals and flammable or combustible liquids stored on site that have the potential to cause environmental harm must be stored in or serviced by an effective containment system that is impervious to the materials stored and managed to prevent the release of liquids to waters or land. Where no relevant Australian Standard is available, the following must be applied:

a) storage tanks must be bunded so that the capacity and construction of the bund is sufficient to contain at least 110% of a single storage tank or 100% of the largest storage tank plus 10% of the second largest storage tank in multiple storage areas, and
b) drum storages must be bunded so that the capacity and construction of the bund is sufficient to contain at least 25% of the maximum design storage volume within the bund.

F11 Drilling fluids must be biodegradable and non-toxic.

Spill Kit

F12 An appropriate spill kit, personal protective equipment and relevant operator instructions/emergency procedure guides for the management of wastes, chemicals and flammable and combustible liquids associated with the activity must be kept at the site.

F13 Anyone operating with wastes, chemicals or flammable and combustible liquids under this environmental authority must be trained in the use of the spill kit.

Other Level 2 Environmentally Relevant Activities

F14 The environmental authority holder must comply with each of the 'Other Level 2 Environmentally Relevant Activities' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

Nature Conservation

F15 The environmental authority holder must comply with each of the 'Nature Conservation' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects.*

F16 The edge of a drill site should not be within 20 metres of any active bird nest, or raptor nest, whether active or not.

F17 Trees or shrubs with nests of birds of prey (raptors) whether active or not, or visibly active non-raptor bird nests must be protected from environmental harm.

F18 Clearing of habitat trees is not permitted.

F19 No clearing of mature trees is authorised unless approved by the administering authority.

F20 Debris from clearing or felling of trees must not accumulate within two (2) metres of any retained tree.

F21 Burning of vegetation is not permitted.

F22 All drill sumps must be fenced off to keep out livestock and native animals until progressive rehabilitation is complete.

Weed Management

F23 All equipment such as earthmoving and drilling equipment must be used in a manner which prevents the spread of weeds and minimises unnecessary disturbance of topsoil and ground cover vegetation.

Note: The holder of this environmental authority is required to comply with all obligations under the Land Protection (Pest and Stock Route Management) Act 2002 or subsequent legislation.

Roads and Tracks

F24 The environmental authority holder must comply with each of the 'Roads and Tracks' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

F25 All new tracks must be recorded with a Global Positioning System (GPS) and records kept of their location and made available to the administering authority upon request.

F26 Existing access and fence line tracks must be used wherever possible.

F27 The environmental authority holder must consult with the landowner prior to establishing any new tracks.

F28 Any new tracks are to be constructed by linking naturally cleared or disturbed areas.

F29 Constructed tracks must be less than 5m in width, including shoulder width.

F30 Spacing of tracks must not be less than 250m.

F31 Tracks should not be used when soil is saturated and prone to displacement or erosion by vehicle movement.

F32 Construction of new crossings over watercourses must be avoided and is only permitted when no reasonable alternative is available. The administrating authority must be consulted prior to any work in or near a waterway.

F33 Track construction involving blade clearing of established ground cover vegetation and/or clearing of mature trees is to be minimised and undertaken in accordance with Conditions F25 to F32 of this environmental authority.

Campsites

F34 The environmental authority holder must comply with each of the 'Campsites' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Service, Maintenance and Storage Areas

F35 The environmental authority holder must comply with each of the 'Service, maintenance and Storage Areas' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Drilling, Excavating and Sampling

F36 The environmental authority holder must comply with each of the 'Drilling, Excavating and Sampling' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Topsoil and Overburden Management

F37 The environmental authority holder must comply with each of the 'Topsoil and Overburden Management' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Exploration drill holes

F38 The environmental authority holder must comply with each of the 'Exploration drill holes' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

F39 Drill holes are to be no greater than 200mm in diameter.

F40 The environmental authority holder is authorised to drill a maximum of 175 mineral exploration drill holes.

Gridlines and Geophysical Surveys

F41

The environmental authority holder must comply with each of the 'Gridlines and Geophysical Surveys' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

Rehabilitation

F42 The environmental authority holder must comply with each of the 'Rehabilitation' Standard Environmental Conditions contained in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

F43 The environmental authority holder must revegetate disturbed areas with native plant species endemic to the area that will promote the same vegetation type and density of cover to that of the surrounding undisturbed areas.

F44 The environmental authority holder must revegetate disturbed areas to a projected cover range of 30-50% density of cover.

F45 The environmental authority holder must revegetate disturbed areas so that weed density is no greater than 5% higher than adjacent background groundcover.

Rehabilitation Reporting

F46 An annual rehabilitation report must be prepared each year and submitted with each annual return. The report must include a map showing the location of completed drill holes authorised by this environmental authority, as well as details of progressive rehabilitation works completed to demonstrate compliance with conditions F42 to 45 of this environmental authority.

END OF CONDITIONS

Schedule G: Definitions

Note: Where a term is not defined within this environmental authority, the definitions in the Code of Environmental Compliance for Exploration and Mineral Development Projects, Environmental Protection Act 1994, its regulations and Environmental Protection Policies or the Acts Interpretation Act 1954, or the Macquarie Dictionary must be used in that order.

"administering authority" means the Department of Environment and Resource Management or its successor.

"authority" means environmental authority (exploration) under the *Environmental Protection Act 1994*.

"campsite" means the area encompassing any dwelling, amenities (e.g. toilet block, power generator), sewage or general waste disposal facility and includes the office area and vehicle parking areas associated with a temporary or permanent mining camp.

"costeaning" means the digging of a trench or pit across the seam or ore body for exposing, sampling and mapping of the ore body.

"density of cover" In reference to trees and/or shrubs, it means the number of trees or shrubs in a specified area (e.g. 50 trees per square kilometre). With reference to understorey plant species (e.g. grasses and forbs), it means the percentage of surface area covered by a particular species.

"disturbed" means any area that has had its natural state altered by the action or interference of carrying out an activity associated with the exploration project.

"environmental authority" means an environmental authority (exploration) issued by the administrating authority under the *Environmental Protection Act 1994*.

"environmental authority holder" means the holder of this environmental authority.

"financial assurance" means a security deposit, either cash or a bank guarantee, that is held by the administrating authority to cover the potential:

(a) costs to rehabilitate areas disturbed by mining activities; and
(b) costs to restore property improvements disturbed by mining activities; and
(c) failure of the tenure holder to pay rents and royalties.

"general waste" Schedule 9 of the *Environmental Protection Regulation 1998* defines general waste as "means waste other than regulated waste". Waste rock, overburden and the contents of tailings dams are not included in the definition of general waste for the purposes of these conditions.

"habitat trees" a tree used or potentially used by hollow-dwelling fauna. Habitat trees are identified as a living tree with one or more visible hollows of 10cm or more in diameter that are positioned at least 2m above the base of the tree.

"landowner" is as per the definition in the *Code of Environmental Compliance for Exploration and Mineral Development Projects*.

"mature tree" are trees greater than 20 centimetres diameter at breast height (measured at 1.3 metres from the ground).

"mineral exploration activities" are authorised by the Exploration Permits issued under the *Mineral Resources Act 1989*. An exploration permit allows the holder to take action to determine the existence, quality and quantity of minerals by:

- prospecting ;
- using instruments, vehicles, vessels, machinery and equipment and techniques appropriate to determine the existence of any material;
- sampling and testing of material to determine its mineral bearing capacity or properties of mineralisation; and
- carrying out other operations the Minister approves.

"native vegetation" means vegetation that occurs naturally in a certain area.

"progressive rehabilitation" means rehabilitation (defined below) undertaken progressively or a staged approach to rehabilitation as mining operations are ongoing.

"rehabilitation processes" means the measures and actions taken to achieve rehabilitation outcomes, including any or all of the following:

- removing all unwanted infrastructure;
- backfilling mine excavations (e.g. pits) and capping drill holes;
- reshaping the land surface to a stable landform similar to that of surrounding undisturbed areas;
- spreading of topsoil;
- spreading seed or planting seedlings to promote revegetation;
- benching ridge cuts and removing any overhanging material.

"significantly disturbed land" - Land is significantly disturbed if –

(a) it is contaminated land; or

(b) it has been disturbed and human intervention is needed to rehabilitate it.

Significantly disturbed land includes:

- areas where soil has been compacted, removed, covered, exposed or stockpiled;
- areas where vegetation has been removed or destroyed to an extent where the land has been made susceptible to erosion (vegetation and topsoil);
- areas where land use suitability or capability has been diminished;
- areas within a watercourse, waterway, wetland or lake where mining project activities occur;
- areas submerged by tailings or hazardous contaminant storage and dam walls in all cases;
- areas under temporary infrastructure. Temporary infrastructure includes any infrastructure (roads, tracks, bridges, culverts, dams, bores, buildings, fixed machinery, hardstand areas, airstrips, helipads etc) which is to be removed after mining has ceased; or
- areas where land has been contaminated.

However, the following areas are not included:

- areas off lease (e.g. roads or tracks which provide access to the mining lease);
- areas previously significantly disturbed which have achieved the rehabilitation outcomes;
- by agreement with the administering authority, areas previously significantly disturbed which have not achieved the rehabilitation objectives due to circumstances beyond the control of the mine operator (such as climatic conditions);
- areas under permanent infrastructure. Permanent infrastructure includes any infrastructure (roads, tracks, bridges, culverts, dams, bores, buildings, fixed machinery, hardstand areas, airstrips, helipads etc) which is to be left by agreement with the landowner. The agreement to leave permanent infrastructure must be recorded in the Landowner Agreement and lodged with the administering authority;
- disturbances that pre-existed the grant of the tenure unless those areas are disturbed during the term of the tenure.

"standard environmental conditions" For an environmental authority, means the standard environmental conditions approved for the authority under section 549 of the *Environmental Protection Act 1994*.

"suitably qualified person" – means a person who has professional qualifications, training, skills or experience relevant to the nominated subject matter and can give authoritative assessment, advice and analysis to performance relative to the subject matter using the relevant protocols, standards, methods or literature.

"tracks" means roads, tracks or paths, greater than ten (10) metres in length, that have been fully stripped of all vegetation to enable the progress of vehicles, equipment or pedestrians.

"waters" includes all or any part of a creek, river, stream, lake, lagoon, swamp, wetland, spring, unconfined surface water, unconfined water in natural or artificial watercourses, bed and bank of any waters, non-tidal

or tidal waters (including the sea), stormwater channel, stormwater drain, roadside gutter, stormwater run-off, and underground water.

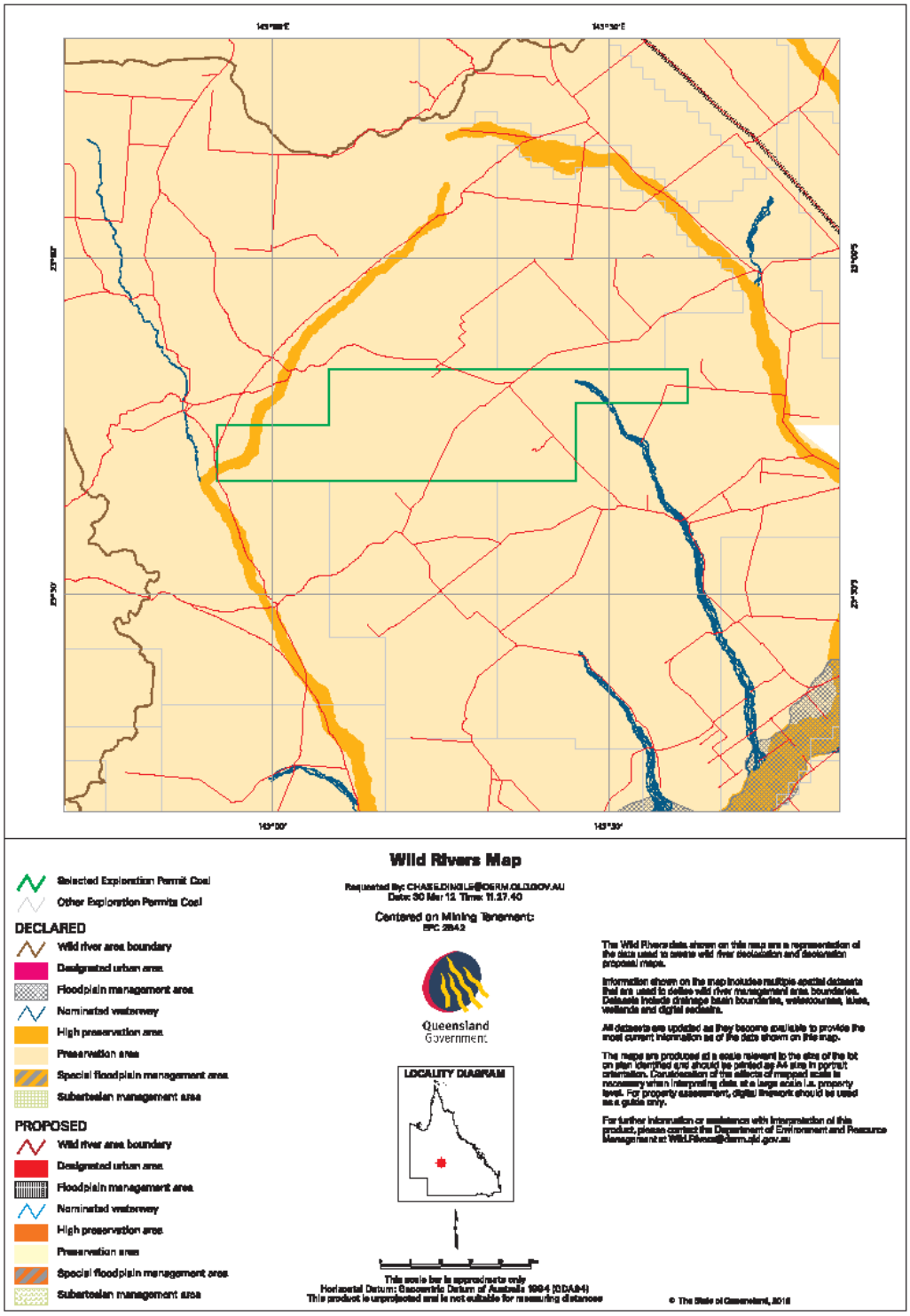
"watercourse" means a river, creek or stream in which water flows permanently or intermittently in a visibly defined channel (natural, artificial or artificially improved) with:

- continuous bed and banks;
- an extended period of flow for some months after rain ceases, and
- (c) an adequacy of flow that sustains basic ecological processes and maintains biodiversity

"weed" includes weeds that are declared pants as defined under the Land Protection (Pest and Stock Management) Act 2002.

END OF DEFINITIONS

Appendix 1 **– EPC 2942 Cooper Creek Basin Wild Rivers Declared Areas.**



END OF ENVIRONMENTAL AUTHORITY