

Environmental Enforcement Order

Section 362 of the *Environmental Protection Act 1994*

Contravention of condition of environmental authority



Department of the
**Environment, Tourism,
Science and Innovation**

Order id: STAT-E-100808645

Issued to: Danola Pty Ltd (ACN 009 160 918)

For the purpose of this notice you means the recipient of this notice or your authorised representative.

**Registered
address**

Level 11, 307 Queen Street, BRISBANE, QLD, 4000

Site address

Mining Lease (ML) 100106. 8872 Stanthorpe Texas Road, Texas, Queensland 4385

Issued by:

Kirstie Treloar, Manager Compliance, Department of the Environment, Tourism, Science and Innovation (the department), an authorised person of the administering authority (the delegate)

A handwritten signature in black ink, appearing to read "K. Treloar", written over a horizontal line.

Signed by delegate

Date:

24 February 2025

**Relevant matter/
enforcement
grounds:**

Section 359 (e)(ii) of the *Environmental Protection Act 1994* (the Act) - to secure compliance with condition/s of your environmental authority (EA) EPML04238116. The relevant condition (s297 of the Act) states:

- It is a condition of an environmental authority for a resource activity that the holder must not carry out, or allow the carrying out of, a resource activity under the authority unless—
 - (a) an ERC decision is in effect for the resource activity when the activity is carried out; and
 - (b) the holder has paid a contribution to the scheme fund or given a surety for the authority under the *Mineral and Energy Resources (Financial Provisioning) Act 2018*; and
 - (c) the holder has complied with the requirements under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* for paying a contribution to the scheme fund, or giving a surety for the authority, as required from time to time.
- Section 430 of the Act applies to a person who is the holder of or is acting under an environmental authority and states that the person must not wilfully or otherwise contravene a condition of the authority.

Service method: Via registered post and email

Why are we writing to you?

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The delegate reasonably suspects that you have contravened section 430 of the *Environmental Protection Act 1994* (the Act) at the premises and has issued this Environmental Enforcement Order (EEO) to you under section 362 of the Act to remedy the contravention, avoid further contraventions and keep the department informed.

What are you required to do?

Please read this EEO carefully and carry out all the required actions listed below by the required dates.

Terms used in this order have the meaning defined in the Background and Definitions section of the EEO, or if not defined, in the Act.

If you have any questions about this EEO, please contact the Toowoomba Compliance Centre via email southwest.es@des.qld.gov.au

Required actions:

1. **Immediately on receipt of this notice**, you must ensure all drilling activities cease on ML100106.
2. **By 5pm, 3 March 2025**, you must demobilise and remove all drilling equipment from ML100106.
3. You **must not** recommence drilling activities on ML100106, or allow another entity to recommence drilling until:
 - a. an ERC decision is in effect for ML100106; and
 - b. Danola (as the EA holder) has paid a contribution to the scheme fund or given a surety for the authority under the *Mineral and Energy Resources (Financial Provisioning) Act 2018*; and
 - c. Danola (as the EA holder) has complied with the requirements under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* for paying a contribution to the scheme fund or giving a surety for the authority.
4. You must provide written confirmation to the administering authority at southwest.es@des.qld.gov.au when each requirement of this notice has been met.

Background and Definitions

1. Danola Pty Ltd (ACN 009 160 918) (Danola) is the sole holder of the EA EPML04238116 and Mining Lease (ML) 100106.
2. Danola became the EA holder on 13 December 2024, when the ML and EA were transferred from Thomson Resources Ltd. Prior to the tenure being transferred, representatives of Danola were engaged in day-to-day site operations.
3. The EA authorises environmentally relevant activities including mining and associated ancillary activities at the premises, subject to the conditions of the EA.
4. Pursuant to section 297 of the Act, it is a condition of an EA that a resource activity must not be carried out unless:
 - a. an ERC decision is in effect for the resource activity when the activity is carried out; and
 - b. the holder has paid a contribution to the scheme fund or given a surety for the authority under the *Mineral and Energy Resources (Financial Provisioning) Act 2018*; and
 - c. the holder has complied with the requirements under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* for paying a contribution to the scheme fund, or giving a surety for the authority, as required from time to time.

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5. The department made an Estimated Rehabilitation Cost (ERC) decision on 4 April 2022 in the amount of \$5,938,777.48. This decision was for the period 4 April 2022 to 18 December 2024, as stated in the notice given under the Act. The ERC period expired **18 December 2024**. From 19 December 2024 to the date of this notice, no subsequent ERC decision has been made.
6. On **11 November 2024**, the department received correspondence from Hamilton Locke, acting on behalf of Danola, requesting an extension of the ERC decision period. In that correspondence, it was acknowledged that *"The current ERC period ends on 18 December 2024..."*. The department responded to Hamilton Locke on **12 November 2024** advising that *"...there are no legislative or other available provisions to extend an ERC period"*.
7. On **15 November 2024**, the department sent email correspondence to representatives of Danola advising that *"The current ERC decision period ends on 18 December 2024, after this date, unless another decision is in force, mining cannot occur"*.
8. On **16 December 2024**, following a phone call, the department sent email correspondence to representatives of Danola. The email stated: *"As I mentioned on the phone, the current decision period for ERC ends on 18 December 2024. I would encourage Danola to engage with the Mineral Business Centre on this matter, as no mining activities (which includes exploration, sampling etc) can occur without an ERC decision in effect."*
9. As the ERC period for the EA has expired no ERC decision is in effect.
10. On **13 January 2025**, Danola submitted an ERC application to the department. The application was deemed invalid on **28 January 2025** as it did not include all necessary information required by section 298 of the Act. Danola were given a notice to this effect on 28 January 2025.
11. On **28 January 2025**, a Microsoft Teams meeting was held between representatives of the department and representatives of Danola. During that meeting, representatives of Danola advised that a drilling program had commenced on ML100106 to ascertain the resource potential on site. The intention by Danola is to utilise information obtained through the drilling program to develop a mine plan and gain shareholder investment.
12. During the meeting on 28 January 2025, the department advised Danola the current drilling program is not authorised to occur whilst there is no ERC decision in effect as drilling on a mining lease is considered to be mining.
13. On **30 January 2025**, authorised persons of the department conducted a site inspection on ML100106. During the inspection, the following information was obtained:
 - a. Drilling activities by Danola had continued on ML100106 after the meeting with the department on 28 January 2025. An active drill rig was observed on site and Danola representatives advised the drill rig commenced drilling of that hole on 29 January 2025.
 - b. At the time of the inspection, 11 holes had been drilled / completed in the vicinity of crushing pad/pit.
 - c. Drilling activities by Danola on ML100106 commenced on 7 January 2025 with the first hole "TX007".

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- d. Evidence of previous drilling activities was observed across the site (i.e. bags containing grey material; PVC pipe protruding from the ground in various locations where Danola had undertaken drilling activities).
- e. Authorised persons observed drill cores being processed in the 'core shed' adjacent to the site office. These cores were labelled TX010, TX011 and TX012 which were explained to refer to the 10th, 11th and 12th holes drilled, respectively.
- f. Authorised persons were advised that two large bags located near the core shed contained samples due to be shipped (that day) to a company in Townsville for assay.
- g. Authorised persons were repeatedly advised that Danola's intention is to "firm up" the resource/JORC for the site, to ascertain if the resource on site is viable.

14. The department considers the current drilling activities on ML100106 to be a resource (mining) activity, pursuant to section 107 of the Act.

15. The department considers that you are carrying out a mining activity, which is a resource activity.

16. The current drilling activity is part of carrying on an operation with a view to, or for the purpose of winning or extracting a mineral or minerals. The drilling is not considered a necessary activity for Danola to carry out to meet their General Environmental Duty (pursuant to section 319 of the Act) or to comply with the conditions of the EA, or in order to prevent or minimise environmental harm.

17. The department considers that given the facts and circumstances detailed above, Danola have failed to comply with section 297 of the Act, which is a contravention of section 430 of the Act.

18. The delegate has considered the circumstances (including the standard criteria and human rights) and determined that the required actions are reasonable to remedy or otherwise address the relevant matters.

19. This EEO takes effect from the date service and remains in force until stayed, amended, revoked or finalised.

Definitions that apply to this notice:

Authorised representative means a representative that has been nominated by the person this EEO relates to, for acting on their behalf when dealing with the Queensland Government to manage matters. For more information, read the guideline Authorisation letter to nominate an Authorised Holder Representative (available at www.qld.gov.au using the publication number ESR/2019/5168 as a search term).

Warnings and information about this EEO

A person who is bound by this EEO and who fails to comply with this EEO, without a reasonable excuse, commits an offence under the Act.

The maximum penalty for:

- wilfully contravening a requirement of an EEO is 6250 penalty units, totalling \$1,008,125.00 for an individual, or \$5,040,625.00 for a corporation.
- for contravening a requirement of an EEO is 4500 penalty units, totalling \$725,850.00 for an individual, or \$3,629,250.00 for a corporation.

Note that under section 493 of the Act that each executive officer of the corporation may be taken to have also committed an offence, of failing to ensure the corporation complies with the Act.

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If you propose to dispose of the premises or business to which the EEO relates, you must advise the buyer of the existence of this EEO. Failure to provide written notice to the buyer of the existence of the order is an offence under section 369C of the Act with a maximum penalty of 50 penalty units, totalling \$8,065.00 an individual, or \$40,325.00 for a corporation.

Note you must also give the administering authority notice within 10 business days of ceasing activities to which this EEO relates. Failure to provide notice of ceasing to carry out activities is an offence under section 369D of the Act with a maximum penalty of 50 penalty units, totalling \$8,065.00 an individual, or \$40,325.00 for a corporation.

Further information about EEOs can be found on the [department's website](#).

Review and appeal rights

Under Chapter 11, Part 3 of the Act, a dissatisfied person may apply for a review of this EEO within 10 business days of receiving this EEO; and a dissatisfied person who is dissatisfied with the review decision may appeal against the decision to the Court.

A request for review is to be made using the approved form 'Application for review of original decision' (available on the [department's website](#)). Applications for reviews are to be sent to Permit and Licence Management, Department of the Environment, Tourism, Science and Innovation: via email at palm@des.qld.gov.au, or by mail to the following address: GPO. Box 2454, Brisbane, QLD, 4001.

A person whose interests are or would be adversely affected by a decision of the department may be able to request a statement of reasons for a decision or a statutory order review under the *Judicial Review Act 1991*.

You may have other legal rights or obligations and should seek your own legal advice.

Privacy statement

Section 540 of the Act requires the department to maintain a register of certain documents and information authorised under the Act. A copy of this document will be kept on the public register. The register is available for inspection by members of the public who are able take extracts or copies of the documents from the register. Documents that are required to be kept on the register are published in their entirety unless redaction in part is required by the Act. For more information on the department's public register, search 'public register' at www.qld.gov.au. For queries about privacy matters, please email privacy@des.qld.gov.au or telephone 13 74 68.

Accessibility

Contact us if you need this information in an accessible format such as large print or audio.

Interpreter assistance



If you need interpreter assistance or want this document translated, please contact us and advise your preferred language. If you are deaf, or have a hearing or speech impairment, contact us through the [National Relay Service](#).