

Notice

Environmental Protection Act 1994

Environmental Protection Order

This environmental protection order is issued by the administering authority pursuant to section 358 of the Environmental Protection Act 1994.

Citigold Corporation Limited
30 Nagle Street
Charters Towers, QLD 4820

Your reference: EPML00556713

Our reference: STAT1172

Dear Sir,

Take notice: that under the *Environmental Protection Act 1994* (the Act) this environmental protection order (EPO) is issued to Citigold Corporation Limited (you) by the administering authority. The administering authority is the Chief Executive of the Department of Environment and Heritage Protection (the department).

The EPO is issued in respect to the activities of Citigold Corporation Limited at the Charters Towers Gold Mine Project on land described as:

Central Area: Mining Lease (ML) 1347, ML 1385, ML 1398, ML 1472, ML 1488, ML 1491, ML 1499, ML 1545, ML 10005, ML 10093, ML 10193, ML 10196, ML 10208, ML 10281, ML 10283; and

Black Jack Area: ML 1387, ML 1407, ML 1408, ML 1409, ML 1424, ML 1428, ML 1429, ML 1430, ML 1431, ML 1432, ML 1433, ML 1548, ML 1585, ML 1735, ML 10032, ML 10042, ML 10282, ML 10284, ML 10285; and

Imperial Area: ML 1348, ML 1490, ML 1521, ML 10222.

A. Grounds

This EPO is issued on the following grounds:

- Section 358(d)(iii) of the Act states that the department may issue an EPO to secure compliance with a condition of an environmental authority.

The facts and circumstances forming the basis for these grounds are:

1. Section 292 (1) of the Act states that the administering authority may, by condition of an EA, require the holder of the EA to give the administering authority financial assurance (FA).
2. Condition (A1-1) of EA EPML00556713 states that you must 'Provide a financial assurance in the amount and form required by the administering authority prior to the commencement of activities proposed under this environmental authority.'

3. Condition (A1-1) provides for continuing obligation whilst mining activities, including care and maintenance, are being carried out.
4. On 31 October 2016 the Land Court ordered that the required amount of FA for EA EPML00556713 is \$5,368,801.00, and that this is to be lodged in the form of a bank guarantee from an approved financial institution.
5. On 4 November 2016, the department issued you with a letter advising that the Court order was operative immediately, and afforded you until 11 November 2016 to lodge the required amount of FA.
6. On 20 January 2017, the department issued you with a decision notice which advised FA in the amount of \$2,507,730.00 (excl. GST) was to be lodged in the form of a bank guarantee with the Department of Natural Resources and Mines (DNRM) by 6 March 2017.
7. On 25 January 2017 the department formally warned you (WARN6979) for failure to pay the required FA by 11 November 2016.
8. On 6 February 2017 the department received an application for the review of an original decision from you in relation to the amount and form of FA required under the EA.
9. On 6 March 2017 the department issued you with a decision notice which advised FA in the amount of \$2,006,812.00 (excl. GST) was required to be paid to DNRM by 10 March 2017.
10. Departmental records indicate as of 10 March 2017 the required FA had not been received by DNRM.
11. On 16 March 2017 the department providing the company with the opportunity to make representations as to why further enforcement action should not be taken for failure to pay the required FA by the due date.
12. On 22 March 2017 the department received a written response from you and this information has been considered in determining the department's enforcement response. Your response includes the following statement; *"Citigold will be able to comply with the Review Decision, however, respectfully, requests that the date for compliance be extended to 6 May 2017. In this regard, Citigold is currently in the process of undertaking capital raising activities to enable it to transition the Project from care and maintenance to production"*.
13. On 25 May 2017 the department issued you with a notice of proposal to suspend your EA as a result of failure to lodge the required amount of FA by the due date. The proposed suspension period is from 23 June 2017 until the full amount of FA is paid.
14. On 22 June 2017 the department received written representations from you as to why the proposed action should not happen. The response included the following statement, *"Citigold undertakes to make this payment to the Department on or before 22 September 2017"*. This response was considered in determining the department's enforcement response.
15. Departmental records indicate as of 8 August 2017 the required FA for the Charters Towers Gold Mine Project has not been received from you. This has been confirmed with DNRM.

B. Requirements

In accordance with this EPO, you are required to do the following:

1. A total of \$2,006,812.00 (excl. GST), in the amount and form as advised by the administering authority, must be lodged as financial insurance for the Charters Towers Gold Mine Project with the Department of Natural Resources and Mines by close of business on or before, 22 September 2017.

C. Obligations

If you propose to dispose of the place or business to which the EPO relates, you **must** advise the buyer of the existence of this EPO.

If you cease to carry out the activity to which this EPO relates, you **must** give written notice of ceasing to carry out the activity to the department within 10 days of ceasing the activity.

Take notice:

- the requirements of this order take effect immediately upon service of the order;
- failure to comply with this order is an offence under the Act;
- this order remains in force until further notice from the administering authority.

D. Penalty

Failure to comply with an EPO is an offence.

2. The maximum penalty for an individual for wilfully contravening an EPO is 6250 penalty units, totalling \$788,437.50 or five years imprisonment.
3. The maximum penalty for a corporation for wilfully contravening an EPO is 31,250 penalty units, totalling \$3,942,187.50.
4. The maximum penalty for an individual for contravening an EPO is 4500 penalty units, totalling \$567,675.00
5. The maximum penalty for a corporation for contravening an EPO is 22,500 penalty units, totalling \$2,838,375.00

Failure to provide written notice to the buyer is an offence.

- The maximum penalty for an individual is 50 penalty units, totalling \$6,307.50.
- The maximum penalty for a corporation is 250 penalty units, totalling \$31,537.50.

Failure to provide written notice within 10 business days of ceasing the activity to the department is an offence.

- The maximum penalty for an individual is 50 penalty units, totalling \$6,307.50.
- The maximum penalty for a corporation is 250 penalty units, totalling \$31,537.50.

Section 3 of the Penalties and Sentences Regulation 2015 prescribes the monetary value of a penalty unit.

E. Reviews and appeals

The provisions regarding review of decisions and appeals may be found in sections 519 to 539 of the Act.

A person who is dissatisfied with certain decisions of the department, may be able to apply to have the department review that original decision.

Generally, a request to have a decision reviewed must be made:

- within 10 business days of the decision being notified to the person;
- be supported by enough information to enable the department to decide the application for review; and
- be made using the application for review of an original decision form ([ESR/2015/1573](#)).¹

Where an application has been made for a decision to be reviewed, the applicant may also apply to the relevant court for a stay of the decision to secure the effectiveness of the review.

¹ This is the publication number. The publication number can be used as a search term to find the latest version of a publication at <www.ehp.qld.gov.au>.

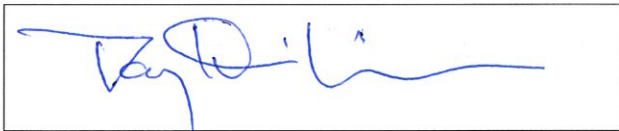
Notice
Environmental Protection Order

Once the original decision has been reviewed, a person who is dissatisfied with the review decision may be able to appeal against that decision to the relevant court within 22 business days after receiving notice of the review decision.

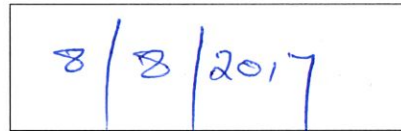
A person whose interests are or would be adversely affected by a decision of the department may also be able to request a statement of reasons for a decision or a statutory order review under the *Judicial Review Act 1991*.

For further information about reviews and appeals see the information sheet - internal review and appeal to the Planning and Environment Court ([ESR/2015/1572](#)). You may have other legal rights or obligations and should seek your own legal advice.

Should you have any queries in relation to the notice, please contact Centaine Ferris, Environmental Officer on telephone number (07) 4722 5372.



Signature



Date

Tony Williams
Manager (Minerals) Compliance
Delegate of the Chief Executive
Department of Environment and Heritage Protection
Environmental Protection Act 1994

Enquiries:
PO Box 5391
Townsville, QLD 4810
Ph: (07) 4722 5372
Email: centaine.ferris@ehp.qld.gov.au