



Regional
NSW

Mining Act undertaking

Undertaking to the Secretary,
Department of Regional NSW
given for the purposes of Part 17A, Division 4B of the *Mining Act 1992*

by

RZ Resources Limited
ACN 160 863 892
ABN 23 160 863 892



Purpose

The purpose of this Mining Act undertaking is to document the undertaking given to the Secretary of the Department of Regional NSW (**the regulator**), for the purposes of Part 17A, Division 4B of the *Mining Act 1992 (Mining Act)* in connection with a matter relating to a contravention or alleged contravention of the Mining Act.

Section A - general information

1. details of the company or individual proposing the undertaking

Name of company or individual	RZ Resources Ltd (RZ)	
Registered address	Level 8/10 Eagle Street Brisbane 4000	
Mailing address (if different from above)	As above	
Contact Officer	David Fraser	
Position	Managing Director	
Telephone	██████████	Mobile ██████████
Email address	████████████████████	
Legal structure	Company	
Type of business	Private Exploration Company	
Commencement date of the entity	2012	

2. alleged contravention

RZ is the holder of 14 current exploration licences, Exploration Licence Numbers EL 8308, 8309, 8310, 8312, 8385, 8769, 8865, 9219, 9221, 9222, 9223, 9496, 9499 and 9500 (Act 1992). RZ was also the holder of EL 8311 (Act 1992) which is now expired, and EL 8560 and 8648 (Act 1992) which have been cancelled.

RZ are alleged to have committed offences against the Mining Act. These allegations are listed in appendix 1.

3. details of the events surrounding the alleged contravention

In late 2020 RZ were contacted by the regulator to undertake a compliance audit. This compliance audit led into an investigation across RZ tenements (10 at this time) covering two projects known as Copi and Magic. Following the regulators investigation, the regulator has alleged breaches of the Mining Act as listed in appendix 1.

4. an acknowledgement that the regulator alleged a contravention has occurred

RZ acknowledge that the regulator has alleged it has contravened Sections of the Mining Act as listed in appendix 1.

5. any rectifications made as a result of the contravention

RZ has undertaken significant changes to prevent further occurrence of allegations. These include;

- Invested significantly into a modern approval and monitoring systems which includes capture of pre, post and during processes, pictures, inspections and actions into the company operating system through the engagement of a system developer at a cost of more than \$120kpa.

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- Engaged an environment and community consultant subject matter expert,
- Engaged an environment and community superintendent to lead environmental and community practices
- Engaged an environment and community team to undertake rehabilitation works
- Revised its rehabilitation and consultation work practices
- Engaged 2 safety, health and training team members including a Health, Safety and Training Manager to ensure training and system processes are reviewed and monitored. >\$240kpa
- Engaged a Safety, Health and Training subject matter expert to periodically review the company systems at a cost exceeding \$25k
- Engaged 3 supervisors to support the exploration activities covering logistics, drilling and geology at a cost exceeding \$300kpa
- Developed an internal leadership onboarding and training program for front line leaders covering specifically stakeholders and environmental management including the alleged incident.
- Engaged a tenement management senior staff member to ensure submitted information with the resource's regulator relating to exploration and tenements is of high standard.
- Acquired internally owned drill rigs and support equipment to reduce contractor reliance and potential compliance risks at a cost exceeding \$600k and \$1mpa on drilling related wages.
- Subscribed as an active member of the Association of Mining and Exploration Committee (AMEC) and other regional mining industry groups at an annual cost of ~\$10k
- RZ have engaged the policy makers and leadership of the regulator in an effort to proactively enhance the process and take further learnings into activities.

6. an acknowledgement that the undertaking and reasons for decision will be published and publicised

RZ acknowledges that the undertaking and reasons for decision will be published on the regulator's website and may be referenced in NSW Resources Regulator material.

7. a statement of ability to comply with the terms of the undertaking

RZ has the financial ability to comply with the terms of this enforceable undertaking and have provided evidence with this enforceable undertaking to support this declaration.

8. statement regarding relations with beneficiaries

There are presently no other commercial arrangements and engagements with the beneficiaries listed in section B of this enforceable undertaking with the exception of;

-annual membership and active participation as a member to AMEC

-consultation and support for the Wentworth Shire Council with matters relating to tenements

9. intellectual property licence

RZ grant the regulator a permanent, irrevocable, royalty-free, world-wide, non-exclusive licence to use, reproduce, publish, distribute, electronically transmit, electronically distribute, adapt and modify materials developed as a result of this undertaking.

10. a commitment to participate constructively in all compliance monitoring activities of the undertaking

RZ acknowledges that responsibility for demonstrating compliance with this enforceable undertaking rests with RZ who have given this enforceable undertaking. Evidence to demonstrate compliance with the terms will be provided to the regulator by the due date for the term.

RZ acknowledges that the regulator may undertake other compliance monitoring activities to verify the evidence that is provided and compliance with the relevant terms of this enforceable undertaking. The evidence provided to demonstrate compliance with the enforceable undertaking will be retained by the organisations who have given this enforceable undertaking until advised by the regulator that the enforceable undertaking has been completely discharged.

RZ acknowledges that the regulator may initiate additional compliance monitoring activities of compliance with the terms of the enforceable undertaking, such as inspections, as considered necessary at the regulator's expense.

11. a commitment that the behaviour that led to the alleged contravention has ceased and will not reoccur

RZ state that the behaviour and actions that led to the contravention have ceased and shall not reoccur.

12. acknowledgement of enforceable undertaking guidelines

RZ have read and understood:

NSW Resources Regulator Enforceable Undertaking Guidelines version August 2020

Section B – enforceable terms

Pursuant to Division 4B of Part 17 of the Mining Act, RZ has committed to the following enforceable terms.

1. Strategies that will deliver benefits in relation to the management of the title

Strategy	Minimum Spend	Timeframe
RZ will purchase a software license (Pix4d) for tracking a more conclusive picture of pre and post rehabilitation of its titles affected from its exploration activities. RZ will provide a report to the regulator that demonstrate the capabilities of the software and processes, and how it is utilised to benefit title management.	\$10,945	Purchase of the software licence within 3 months of signing this undertaking. Delivery of a report within 6 months of signing this undertaking

2. Strategies that will deliver industry benefits

Strategy	Minimum Spend	Timelines
RZ will provide the industry exploration organisation AMEC (Association of Mining and Exploration Committee) a donation to develop a workshop and resource package to support continuous improvement, education and compliance of NSW explorers in accordance with the sponsorship agreement made on 8 November 2022. Following the delivery of the workshop a report will be submitted to the regulator on the outcomes of the workshop.	\$20,000.	Payment of the donation within 3 months of signing this enforceable undertaking. Delivery of the workshop and report within 12 months of signing of this undertaking

3. Strategies that will deliver community benefits

Strategy	Minimum Spend	Timelines
Donation to Wentworth Shire Council as a contribution to the local council Junction Island project viewing platform and walkway in accordance with the donation/sponsorship agreement made on 15 November 2022. Following receipt and use of the donation Wentworth Shire Council will provide a report to RZ which will be provided to the regulator that includes the expenditure of the funds and outcomes of the project.	\$80,000.	Payment of the donation within 6 months of signing of this agreement. Delivery of the report within 12 months of signing of this undertaking

4. Reimbursement of the regulator’s agreed costs associated with this enforceable undertaking

RZ must pay the regulators recoverable costs associated with the undertaking, as itemised below, and acknowledges that payment is due 30 days after receipt of the regulator’s invoice.

Compliance Monitoring costs – \$3,000.

Investigation costs – \$50,000.

5. Minimum spend

RZ must spend a minimum of \$163,945 including GST, in carrying out its undertakings in this enforceable undertaking, inclusive of the regulator’s recoverable costs.

RZ acknowledges the minimum spend comprises of:

Activities to deliver	Total estimated cost, including GST
Benefits in relation to the management of the title	\$10,945
Benefits to industry	\$20,000
Benefits to community	\$80,000
Regulator recoverable costs	\$53,000
Estimated total value of the undertaking	\$163,945

6. Project of undertaking

RZ offers and commits to carry out the projects set out in section B of this enforceable undertaking. A report will be provided as evidence of the projects listed as being complete within 3 months of the final benefit obligation.

In the event the projects selected do not eventuate for reasons outside of control of RZ, RZ will immediately engage the regulator.

7. Timeframe for delivery

The activities to deliver the benefits of this enforceable undertaking must be completed on or before the timelines listed in section B 1 - 4 following acceptance of this enforceable undertaking by the regulator.

Section C - Offer of undertaking

BY AN INDIVIDUAL

I offer this undertaking and commit to the terms herein.

Signed:
[Person]

Name:
[Print name]

Position:

Dated at this
.....day of, 20.....

BY A CORPORATION

As a duly appointed and authorised officer or agent of
RZ Resources Limited

I offer this undertaking and commit

RZ Resources Limited

to the terms herein.

Signed: *David Fraser*
[Director]

Name: David Fraser *DAVID FRASER*
[Print name]

Position: Director

Dated at *BRISBANE* this
6th day of *MARCH*, 20*23*

Signed: *W Haseler*
[General Counsel]

Name: ...William Haseler
[Print name]

Position:General Counsel

Dated at *Brisbane* this
6th day of *March*, 20*23*

Section D – Regulator’s acceptance of undertaking

I accept this undertaking as an enforceable undertaking under section 378ZFB of the *Mining Act 1992*.

Signed: *PJ Day*

Position: *Executive Director*.... delegate of the Secretary,
Department of ~~Planning and Environment~~ *Department of Regional NSW*

Dated at *Orange* this *13th* day of *March*, 20*23*



Appendix 1 Alleged Contraventions of the Mining Act

No	Offence Particulars	Allegation details	Relevant Exploration Licences
1	s.378D Mining Act	On 24 May 2021 Mandatory Audit Conditions were imposed on Exploration Licences held by RZ Resources Limited. Mandatory Condition 1 states, <i>“By 1 September 2021, the licence holder must submit to the Secretary:</i> <i>a. an audit report (2021 audit report), completed by an auditor, independent to the licence holder, detailing the findings of the audit, including any recommendations to the licence holder; and</i> <i>b. a supplementary report (2021 supplementary report), completed by the licence holder, responding to the findings and recommendations contained within the 2021 audit report.”</i>	EL 8308, EL 8309, EL 8310, EL 8311, EL 8312, EL 8385, EL 8560, EL 8648, EL 8769, and EL 8865.
2	s.378D Mining Act	On 24 May 2021 Mandatory Audit Conditions were imposed on Exploration Licences held by RZ Resources Limited. Mandatory Condition 2 states, <i>“The licence holder must:</i> <i>a. provide information on the effectiveness of any systems and processes in place for meeting compliance obligations under the authority; and</i> <i>b. recommend to the licence holder, measures or actions to achieve compliance.”</i>	EL 8308, EL 8309, EL 8310, EL 8311, EL 8312, EL 8385, EL 8560, EL 8648, EL 8769, and EL 8865.
3	s.378D Mining Act	On 24 May 2021 Mandatory Audit Conditions were imposed on Exploration Licences held by RZ Resources Limited. Mandatory Condition 9 states, <i>“Both the 2021 supplementary report and 2023 supplementary report must be accompanied by a declaration signed by the licence holder certifying that the licence holder has not knowingly provided any false or misleading information to the auditor and has provided all relevant information to the auditor.”</i>	EL 8308, EL 8309, EL 8310, EL 8311, EL 8312, EL 8385, EL 8560, EL 8648, EL 8769, and EL 8865.
4	s.378D Mining Act	Failed to comply with condition 8 of EL 8309 by submitting the Environmental Rehabilitation Completion Report (ERCR) for the period 14 October 2019 to 13 October 2020 that was not in accordance with the Exploration Guideline: Annual Activity Reporting for Prospecting Titles (July 2015).	EL 8309, EL 8311, EL 8312 and EL 8385.
5	s.378D Mining Act	Failed to comply with activity approvals issued under s.23A of the Mining Act by exceeding the approved depth of drill holes.	EL 8311, EL 8312 (2 occasions); EL 8385, EL 8560 and EL 8648 (1 occasion).
6	s.378D Mining Act	Failed to comply with activity approvals issued under s.23A of the Mining Act by using a large track mounted drill rig when a small all-terrain 6wd Toyota Landcruiser was approved.	EL 8312.
7	s.378D Mining Act	Condition 3 of the authorisation which states, <i>“The licence holder must carry out community consultation in relation to the planning and conduct of activities under this license in accordance with the Exploration Code of Practice: Community Consultation (March 2016)”</i> Fail to implement mandatory requirements 2 and 3, Exploration Code of Practice: Community Consultation by failing to implement an adequate community consultation strategy.	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
8	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried	EL 8311, EL 8312 and EL8648.

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		out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), in particular, the title holder must commence rehabilitation of a site as soon as reasonably practicable following the completion of activities on that site.	
9	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 2 of the Code by failing to complete the rehabilitation outcomes and completion criteria to an adequate standard and in consultation with the relevant landowners	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
10	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 3 of the code by failing to implement and complete a monitoring program of disturbed areas.	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
11	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 6 by failing to maintain records as required by mandatory requirement 2 of the code (Rehabilitation requirements agreed to by landholders).	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
12	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 6 by failing to maintain records as required by mandatory requirement 3 and 4 of the code (Maintain records of actual methodologies used to rehabilitate the site)	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
13	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 6 by failing to maintain records as required by mandatory requirement 3 and 4 of the code (Care and maintenance activities undertaken on rehabilitation areas)	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
14	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 6 by failing to maintain records as required by mandatory requirement 3 and 4 of the code (Outcomes of rehabilitation inspections and monitoring programs)	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
15	s.378D Mining Act	Failed to comply with condition 6 by not carrying out rehabilitation of all disturbances caused by activities carried out under this licence in accordance with the requirements in	EL 8311, EL 8312, EL 8385,

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		part B of the Exploration Code of Practice: Rehabilitation (July 2015), by failing to comply with mandatory requirement 6 by failing to maintain records as required by mandatory requirement 3 and 4 of the code (assessments of rehabilitation performance against the nominated ROCC's)	EL 8560 and EL 8648.
16	s.378D Mining Act	Failed to comply with activity approvals issued under s.23A of the Mining Act by not complying with the mandatory requirements of the Exploration Code of Practices - Environmental Management mandatory requirement 7.1 and 7.2 (consultation with landholders regarding planning, designing, construction and maintenance of tracks)	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
17	s.378D Mining Act	Failed to comply with activity approvals issued under s.23A of the Mining Act by not complying with the mandatory requirements of the Exploration Code of Practices - Environmental Management mandatory requirement 13 by failing to maintain records as required by mandatory requirement 7.1, 7.4 and 7.5 of the code (written records demonstrating landholder consultation)	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
18	s.378D Mining Act	Failed to comply with activity approvals issued under s.23A of the Mining Act by not complying with the mandatory requirements of the Exploration Code of Practices - Environmental Management mandatory requirement 13 by failing to maintain records as required by mandatory requirement 7.2, 7.3, 7.4 and 7.5 of the code (records of road and track construction and maintenance (including before and after photographs))	EL 8311, EL 8312, EL 8385, EL 8560 and EL 8648.
19	s.378D Mining Act	Failed to comply with activity approvals issued under s.23A of the Mining Act by digging sump and burying spoil when the approved application stated no drill pits or excavations required.	EL 8312 (2 occasions); and EL 8385 (3 occasions).
20	s.248S Mining Act	Fail to comply with Notice (NTCE0008453) issued under s.248B, without reasonable excuse to provide information and records by 9 July 2021. The response provided by the due date failed to provide adequate information to question 12 and did not provide any records. After being notified the relevant information and records were provided on 4 August 2021, 26 days after the due date.	N/A
21	s.240C Mining Act	Fail to comply with Notice (NTCE0008711) issued under s.240, without reasonable excuse by failing to provide information required under direction 1(J) by the due date of 20 August 2021. A response to the notice was received on 20 August 2021 however failed to include dates of rehabilitation of drill holes under all activity approvals. The information was provided 56 days after the due date.	N/A
22	s.240C Mining Act	Fail to comply with Notice (NTCE0008711) issued under s.240, without reasonable excuse by failing to provide information required under direction 2(J) by the due date of 20 August 2021. A response to the notice was received on 20 August 2021 however failed to include a schedule of rehabilitation of access tracks under all activity approvals. No dates were provided.	N/A